



**UBS (Lux) Equity SICAV**  
*Société d'Investissement à Capital Variable*  
33 A, avenue J.F. Kennedy  
L-1855 Luxembourg  
RCS Luxembourg B 56386

[www.ubs.com](http://www.ubs.com)

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**Notice to shareholders of UBS (Lux) Equity SICAV – Russia (USD) (the “Sub-Fund”)**

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

Unless otherwise defined in this notice, capitalised terms used in this notice shall have the same meaning as those used in the Hong Kong Covering Document of UBS (Lux) Equity SICAV (the “Company”) dated April 2024 and prospectus of the Company dated April 2024 (the “Prospectus”).

To Hong Kong resident shareholders,

The Board of Directors of the Company (the “Board”) wishes to provide you an update with respect to your investment in the Sub-Fund and to follow up on the monthly notices circulated from 1 March 2022 to 21 March 2024 with respect to the suspension of calculation of the net asset value of the Sub-Fund.

As the ongoing geopolitical events and developments continue to impact global markets and the securities primarily invested in by the Sub-Fund, the Board’s decision to suspend the calculation of the net asset value of the Sub-Fund remains in effect.

It is also still the case that the equities and other equity interests of companies domiciled or chiefly active in Russia invested in primarily by the Sub-Fund cannot be adequately valued. For each day this continues to be the case, it will not be a “business day” on which the shares of the Sub-Fund may be issued and redeemed in accordance with the section in the Prospectus titled “Conditions for the issue and redemption of shares”. Any subscription, switching or redemption requests will continue to be rejected until further notice. Please refer to the previous monthly notices from 1 March 2022 to 21 March 2024 for further details. Shareholders will be notified once circumstances change such that the shares of the Sub-Fund may be issued and redeemed again.

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

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

26 April 2024



**UBS (Lux) Equity SICAV**  
*Société d'Investissement à Capital Variable*  
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**Notice to shareholders of UBS (Lux) Equity SICAV – Russia (USD) (the “Sub-Fund”)**

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To Hong Kong resident shareholders,

The Board of Directors of the Company (the “Board”) wishes to provide you an update with respect to your investment in the Sub-Fund and to follow up on the monthly notices circulated from 1 March 2022 to 22 February 2024 with respect to the suspension of calculation of the net asset value of the Sub-Fund.

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

21 March 2024



**UBS (Lux) Equity SICAV**  
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**Notice to shareholders of UBS (Lux) Equity SICAV – Russia (USD) (the “Sub-Fund”)**

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To Hong Kong resident shareholders,

The Board of Directors of the Company (the “Board”) wishes to provide you an update with respect to your investment in the Sub-Fund and to follow up on the monthly notices circulated from 1 March 2022 to 24 January 2024 with respect to the suspension of calculation of the net asset value of the Sub-Fund.

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

22 February 2024



**UBS (Lux) Equity SICAV**  
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**Notice to shareholders of UBS (Lux) Equity SICAV – Russia (USD) (the “Sub-Fund”)**

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To Hong Kong resident shareholders,

The Board of Directors of the Company (the “Board”) wishes to provide you an update with respect to your investment in the Sub-Fund and to follow up on the monthly notices circulated from 1 March 2022 to 20 December 2023 with respect to the suspension of calculation of the net asset value of the Sub-Fund.

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

24 January 2024



**UBS (Lux) Equity SICAV**  
*Société d'Investissement à Capital Variable*  
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To Hong Kong resident shareholders,

The Board of Directors of the Company (the “Board”) wishes to provide you an update with respect to your investment in the Sub-Fund and to follow up on the monthly notices circulated from 1 March 2022 to 28 November 2023 with respect to the suspension of calculation of the net asset value of the Sub-Fund.

As the ongoing geopolitical events and developments continue to impact global markets and the securities primarily invested in by the Sub-Fund, the Board’s decision to suspend the calculation of the net asset value of the Sub-Fund remains in effect.

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

20 December 2023



**UBS (Lux) Equity SICAV**  
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To Hong Kong resident shareholders,

The Board of Directors of the Company (the “Board”) wishes to provide you an update with respect to your investment in the Sub-Fund and to follow up on the monthly notices circulated from 1 March 2022 to 19 October 2023 with respect to the suspension of calculation of the net asset value of the Sub-Fund.

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

28 November 2023



**UBS (Lux) Equity SICAV**  
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To Hong Kong resident shareholders,

The Board of Directors of the Company (the “Board”) wishes to provide you an update with respect to your investment in the Sub-Fund and to follow up on the monthly notices circulated from 1 March 2022 to 21 September 2023 with respect to the suspension of calculation of the net asset value of the Sub-Fund.

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

19 October 2023



**UBS (Lux) Equity SICAV**  
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To Hong Kong resident shareholders,

The Board of Directors of the Company (the “**Board**”) wishes to provide you an update with respect to your investment in the Sub-Fund and to follow up on the monthly notices circulated from 1 March 2022 to 24 August 2023 with respect to the suspension of calculation of the net asset value of the Sub-Fund.

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

21 September 2023





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To Hong Kong resident shareholders,

The Board of Directors of the Company (the “**Board**”) wishes to provide you an update with respect to your investment in the Sub-Fund and to follow up on the monthly notices circulated from 1 March 2022 to 20 July 2023 with respect to the suspension of calculation of the net asset value of the Sub-Fund.

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

24 August 2023



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To Hong Kong resident shareholders,

The Board of Directors of the Company (the “**Board**”) wishes to provide you an update with respect to your investment in the Sub-Fund and to follow up on the notices circulated on 1 March 2022, 1 April 2022, 29 April 2022, 27 May 2022, 27 June 2022, 27 July 2022, 26 August 2022, 26 September 2022, 25 October 2022, 25 November 2022, 22 December 2022, 18 January 2023, 22 February 2023, 22 March 2023, 21 April 2023, 22 May 2023 and 23 June 2023 with respect to the suspension of calculation of the net asset value of the Sub-Fund.

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

20 July 2023



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

23 June 2023



**UBS (Lux) Equity SICAV**  
*Société d'Investissement à Capital Variable*  
33 A, avenue J.F. Kennedy  
L-1855 Luxembourg  
RCS Luxembourg B 56386

[www.ubs.com](http://www.ubs.com)

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**Notice to shareholders of UBS (Lux) Equity SICAV – Russia (USD) (the “Sub-Fund”)**

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

Unless otherwise defined in this notice, capitalised terms used in this notice shall have the same meaning as those used in the Hong Kong Covering Document of UBS (Lux) Equity SICAV (the “Company”) dated February 2023 and prospectus of the Company dated January 2023 (the “Prospectus”).

To Hong Kong resident shareholders,

The Board of Directors of the Company (the “Board”) wishes to provide you an update with respect to your investment in the Sub-Fund and to follow up on the notices circulated on 1 March 2022, 1 April 2022, 29 April 2022, 27 May 2022, 27 June 2022, 27 July 2022, 26 August 2022, 26 September 2022, 25 October 2022, 25 November 2022, 22 December 2022, 18 January 2023, 22 February 2023, 22 March 2023 and 21 April 2023 with respect to the suspension of calculation of the net asset value of the Sub-Fund.

As the ongoing geopolitical events and developments continue to impact global markets and the securities primarily invested in by the Sub-Fund, the Board’s decision to suspend the calculation of the net asset value of the Sub-Fund remains in effect.

It is also still the case that the equities and other equity interests of companies domiciled or chiefly active in Russia invested in primarily by the Sub-Fund cannot be adequately valued. For each day this continues to be the case, it will not be a “business day” on which the shares of the Sub-Fund may be issued and redeemed in accordance with the section in the Prospectus titled “Conditions for the issue and redemption of shares”. Any subscription, switching or redemption requests will continue to be rejected until further notice. Please refer to the previous notices dated 1 March 2022, 1 April 2022, 29 April 2022, 27 May 2022, 27 June 2022, 27 July 2022, 26 August 2022, 26 September 2022, 25 October 2022, 25 November 2022, 22 December 2022, 18 January 2023, 22 February 2023, 22 March 2023 and 21 April 2023 for further details. Shareholders will be notified once circumstances change such that the shares of the Sub-Fund may be issued and redeemed again.

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

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

22 May 2023



**UBS (Lux) Equity SICAV**  
*Société d'Investissement à Capital Variable*  
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**UBS Asset Management (Hong Kong) Limited**  
**For and on behalf of UBS Fund Management (Luxembourg) S.A.**

21 April 2023



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

22 March 2023



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The Board of Directors of the Company (the "**Board**") wishes to provide you an update with respect to your investment in the Sub-Fund and to follow up on the notices circulated on 1 March 2022, 1 April 2022, 29 April 2022, 27 May 2022, 27 June 2022, 27 July 2022, 26 August 2022, 26 September 2022, 25 October 2022, 25 November 2022, 22 December 2022 and 18 January 2023 with respect to the suspension of calculation of the net asset value of the Sub-Fund.

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

22 February 2023





**UBS (Lux) Equity SICAV**  
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**Notice to shareholders of UBS (Lux) Equity SICAV – Russia (USD) (the “Sub-Fund”)**

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To Hong Kong resident shareholders,

The Board of Directors of the Company (the “Board”) wishes to provide you an update with respect to your investment in the Sub-Fund and to follow up on the notices circulated on 1 March 2022, 1 April 2022, 29 April 2022, 27 May 2022, 27 June 2022, 27 July 2022, 26 August 2022, 26 September 2022, 25 October 2022, 25 November 2022 and 22 December 2022 with respect to the suspension of calculation of the net asset value of the Sub-Fund.

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

18 January 2023





**UBS (Lux) Equity SICAV**  
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The Board of Directors of the Company (the “Board”) wishes to provide you an update with respect to your investment in the Sub-Fund and to follow up on the notices circulated on 1 March 2022, 1 April 2022, 29 April 2022, 27 May 2022, 27 June 2022, 27 July 2022, 26 August 2022, 26 September 2022, 25 October 2022 and 25 November 2022 with respect to the suspension of calculation of the net asset value of the Sub-Fund.

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

22 December 2022



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**Notice to shareholders of UBS (Lux) Equity SICAV – Russia (USD) (the "Sub-Fund")**

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To Hong Kong resident shareholders,

The Board of Directors of the Company (the "**Board**") wishes to provide you an update with respect to your investment in the Sub-Fund and to follow up on the notices circulated on 1 March 2022, 1 April 2022, 29 April 2022, 27 May 2022, 27 June 2022, 27 July 2022, 26 August 2022, 26 September 2022 and 25 October 2022 with respect to the suspension of calculation of the net asset value of the Sub-Fund.

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

25 November 2022



**UBS (Lux) Equity SICAV**  
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The Board of Directors of the Company (the “Board”) wishes to provide you an update with respect to your investment in the Sub-Fund and to follow up on the notices circulated on 1 March 2022, 1 April 2022, 29 April 2022, 27 May 2022, 27 June 2022, 27 July 2022, 26 August 2022 and 26 September 2022 with respect to the suspension of calculation of the net asset value of the Sub-Fund.

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

25 October 2022



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

26 September 2022



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

26 August 2022



**UBS (Lux) Equity SICAV**  
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33 A, avenue J.F. Kennedy  
L-1855 Luxembourg  
RCS Luxembourg B 56386

[www.ubs.com](http://www.ubs.com)

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**Notice to shareholders of UBS (Lux) Equity SICAV – Russia (USD) (the "Sub-Fund")**

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

Unless otherwise defined in this notice, capitalised terms used in this notice shall have the same meaning as those used in the Information for Hong Kong Investors of UBS (Lux) Equity SICAV (the "Company") dated July 2022 (the "HK Supplement") and prospectus of the Company dated June 2022 (the "Prospectus") (together, the "Hong Kong Offering Documents").

To Hong Kong resident shareholders,

The Board of Directors of the Company (the "**Board**") wishes to provide you an update with respect to your investment in the Sub-Fund and to follow up on the notices circulated on 1 March 2022, 1 April 2022, 29 April 2022, 27 May 2022 and 27 June 2022 with respect to the suspension of calculation of the net asset value of the Sub-Fund.

As the ongoing geopolitical events and developments continue to impact global markets and the securities primarily invested in by the Sub-Fund, the Board's decision to suspend the calculation of the net asset value of the Sub-Fund remains in effect.

It is also still the case that the equities and other equity interests of companies domiciled or chiefly active in Russia invested in primarily by the Sub-Fund cannot be adequately valued. For each day this continues to be the case, it will not be a "business day" on which the shares of the Sub-Fund may be issued and redeemed in accordance with the section in the Prospectus titled "Conditions for the issue and redemption of shares". Any subscription, switching or redemption requests will continue to be rejected until further notice. Please refer to the previous notices dated 1 March 2022, 1 April 2022, 29 April 2022, 27 May 2022 and 27 June 2022 for further details. Shareholders will be notified once circumstances change such that the shares of the Sub-Fund may be issued and redeemed again.

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

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

27 July 2022



**UBS (Lux) Equity SICAV**  
*Société d'Investissement à Capital Variable*  
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To Hong Kong resident shareholders,

The Board of Directors of the Company (the “**Board**”) wishes to provide you an update with respect to your investment in the Sub-Fund and to follow up on the notices circulated on 1 March 2022, 1 April 2022, 29 April 2022 and 27 May 2022 with respect to the suspension of calculation of the net asset value of the Sub-Fund.

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

27 June 2022



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**Notice to shareholders of UBS (Lux) Equity SICAV – Russia (USD) (the "Sub-Fund")**

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To Hong Kong resident shareholders,

The Board of Directors of the Company (the "**Board**") wishes to provide you an update with respect to your investment in the Sub-Fund and to follow up on the notices circulated on 1 March 2022, 1 April 2022 and 29 April 2022 with respect to the suspension of calculation of the net asset value of the Sub-Fund.

As the ongoing geopolitical events and developments continue to impact global markets and the securities primarily invested in by the Sub-Fund, the Board's decision to suspend the calculation of the net asset value of the Sub-Fund remains in effect.

It is also still the case that the equities and other equity interests of companies domiciled or chiefly active in Russia invested in primarily by the Sub-Fund cannot be adequately valued. For each day this continues to be the case, it will not be a "business day" on which the shares of the Sub-Fund may be issued and redeemed in accordance with the section in the Prospectus titled "Conditions for the issue and redemption of shares". Any subscription, switching or redemption requests will continue to be rejected until further notice. Please refer to the previous notices dated 1 March 2022, 1 April 2022 and 29 April 2022 for further details. Shareholders will be notified once circumstances change such that the shares of the Sub-Fund may be issued and redeemed again.

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

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

27 May 2022





**UBS (Lux) Equity SICAV**  
*Société d'Investissement à Capital Variable*  
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**Notice to shareholders of UBS (Lux) Equity SICAV – Russia (USD) (the "Sub-Fund")**

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Unless otherwise defined in this notice, capitalised terms used in this notice shall have the same meaning as those used in the Information for Hong Kong Investors of UBS (Lux) Equity SICAV (the "Company") dated March 2022 (the "HK Supplement") and prospectus of the Company dated November 2021 (the "Prospectus") (together, the "Hong Kong Offering Documents").

To Hong Kong resident shareholders,

The Board of Directors of the Company (the "**Board**") wishes to provide you an update with respect to your investment in the Sub-Fund and to follow up on the notices circulated on 1 March 2022 and 1 April 2022 with respect to the suspension of calculation of the net asset value of the Sub-Fund.

As the ongoing geopolitical events and developments continue to impact global markets and the securities primarily invested in by the Sub-Fund, the Board's decision to suspend the calculation of the net asset value of the Sub-Fund remains in effect.

It is also still the case that the equities and other equity interests of companies domiciled or chiefly active in Russia invested in primarily by the Sub-Fund cannot be adequately valued. For each day this continues to be the case, it will not be a "business day" on which the shares of the Sub-Fund may be issued and redeemed in accordance with the section in the Prospectus titled "Conditions for the issue and redemption of shares". Any subscription, switching or redemption requests will continue to be rejected until further notice. Please refer to the previous notices dated 1 March 2022 and 1 April 2022 for further details. Shareholders will be notified once circumstances change such that the shares of the Sub-Fund may be issued and redeemed again.

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

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

29 April 2022



**UBS (Lux) Equity SICAV**  
*Société d'Investissement à Capital  
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**Notice to shareholders of UBS (Lux) Equity SICAV – Russia (USD) (the "Sub-Fund")**

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Unless otherwise defined in this notice, capitalised terms used in this notice shall have the same meaning as those used in the Information for Hong Kong Investors of UBS (Lux) Equity SICAV (the "Company") dated March 2022 (the "HK Supplement") and prospectus of the Company dated November 2021 (the "Prospectus") (together, the "Hong Kong Offering Documents").

To Hong Kong resident shareholders,

The Board of Directors of the Company (the "**Board**") wishes to provide you an update with respect to your investment in the Sub-Fund and to follow up on the notice circulated on 1 March 2022 with respect to the suspension of calculation of the net asset value of the Sub-Fund.

**Suspension of the calculation of the net asset value of the Sub-Fund and "business day"**

As the ongoing geopolitical events and developments continue to impact global markets and the securities primarily invested in by the Sub-Fund, the Board's decision to suspend the calculation of the net asset value of the Sub-Fund remains in effect.

It is also still the case that the equities and other equity interests of companies domiciled or chiefly active in Russia invested in primarily by the Sub-Fund cannot be adequately valued. For each day this continues to be the case, it will not be a "business day" on which the shares of the Sub-Fund may be issued and redeemed in accordance with the section in the Prospectus titled "Conditions for the issue and redemption of shares". Any subscription, switching or redemption requests will continue to be rejected until further notice. Please refer to the previous notice dated 1 March 2022 for further details. Shareholders will be notified once circumstances change such that the shares of the Sub-Fund may be issued and redeemed again.

**Fee waiver**

UBS Asset Management has also decided to waive the flat fee (currently at 2.34% p.a.) payable by the Sub-Fund with retrospective effect as from 25 February 2022 until further notice.

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

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

1 April 2022



UBS (Lux) Equity SICAV  
Société d'Investissement à Capital  
Variable  
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## Notice to shareholders of UBS (Lux) Equity SICAV – Russia (USD) (the "Sub-Fund")

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Unless otherwise defined in this notice, capitalised terms used in this notice shall have the same meaning as those used in the Information for Hong Kong Investors of UBS (Lux) Equity SICAV (the "Company") dated December 2021 (the "HK Supplement") and prospectus of the Company dated November 2021 (the "Prospectus") (together, the "Hong Kong Offering Documents").

To Hong Kong resident shareholders,

The Board of Directors of the Company (the "**Board**") wishes to provide an update to you in respect of your investment in the shares of the Sub-Fund.

Ongoing geopolitical events and developments are impacting global markets and the securities primarily invested in by the Sub-Fund, and as such the Board has decided to suspend the calculation of the net asset value of the Sub-Fund. In this connection, please see enclosed a notice setting out further details of the Board's decision and their rationale.

Also, as set out in the section in the Prospectus titled "Conditions for the issue and redemption of shares", the shares of the Sub-Fund may be issued and redeemed on a "business day", being a normal bank business day in Luxembourg (i.e. a day when the banks are open during normal business hours), except for 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.

Accordingly, 25 February 2022 and each following day on which the equities and other equity interests of companies domiciled or chiefly active in Russia invested in primarily by the Sub-Fund cannot be adequately valued will not be a "business day" on which the shares of the Sub-Fund may be issued and redeemed. Any issuing, conversion or redemption requests in respect of the shares of the Sub-Fund placed after 5:00pm Hong Kong time on 24 February 2022 on any day which is not a "business day" will be rejected. Shareholders will be notified once circumstances change such that the shares of the Sub-Fund may be issued and redeemed again.

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

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

1 March 2022

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**Notice to shareholders of  
UBS (Lux) Equity SICAV - Russia (USD)**  
(the "Sub-Fund")

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The Board of Directors of UBS (Lux) Equity SICAV (the "Board") wishes to inform you of its decision in accordance with Art. 11 of the Articles of Incorporation and the prospectus of the Company to temporarily suspend the calculation of the net asset value, the issue and redemption and conversions of shares of the Sub-Fund effective 25.02.2022 in order to protect the interests of the investors in the Sub-Fund (the "Suspension"). This means shareholders are temporarily unable to buy, sell or convert shares in the Sub-Fund and will not receive a net asset value calculation for the duration of the Suspension. Any requests to transact after 15:00 CET on 24.02.2022 have been rejected and new requests will be rejected for the duration of the Suspension.

Given that the circumstances beyond the control or influence of the Company prevent the disposal of the Sub-Fund's assets under normal conditions without seriously harming the interests of the shareholders, the immediate Suspension has become necessary.

The Board will keep the situation under continuous review and inform the shareholders as soon as the situation has changed in a way that the Sub-Fund's assets can be disposed under normal conditions without seriously harming the interests of the shareholders so that the Suspension can be lifted.

Luxembourg, 28 February 2022 | The Company

**This Hong Kong Covering Document forms part of and should be read in conjunction with the Prospectus of UBS (Lux) Equity SICAV dated April 2024, as amended from time to time.**

# **UBS (Lux) Equity SICAV**

## **Hong Kong Covering Document**

April 2024

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## IMPORTANT INFORMATION FOR HONG KONG INVESTORS

This Hong Kong Covering Document (the "**HKCD**") contains additional information for Hong Kong investors and may not be issued, circulated or distributed unless it is accompanied by the prospectus dated April 2024 (the "**Prospectus**"), and the Product Key Fact Statement of the Sub-Funds (defined below), which together form the offering documents (collectively, the "**Hong Kong Offering Document**" or "**HKOD**") for the purpose of marketing shares of UBS (Lux) Equity SICAV (the "**Company**") attributable to the Sub-Funds (the "**Shares**") in the Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**"). You should note that the Prospectus should be read subject to the terms of this document. Hong Kong investors should note that, notwithstanding the contents of the Prospectus, the English and/or any Chinese translations of the Hong Kong Offering Document are equally authoritative.

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

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

**WARNING:** In relation to the sub-funds as set out in the Prospectus, only the Company and the following sub-funds (each a "Sub-Fund" and collectively, the "Sub-Funds") are authorised by the Securities and Futures Commission of Hong Kong (the "SFC") pursuant to Section 104 of the Securities and Futures Ordinance (Cap 571, Laws of Hong Kong) (the "SFO"), and hence may be offered to the public in Hong Kong:

- UBS (Lux) Equity SICAV – All China (USD)
- UBS (Lux) Equity SICAV – Global Emerging Markets Opportunity (USD)
- UBS (Lux) Equity SICAV – Global Opportunity Sustainable (USD)
- UBS (Lux) Equity SICAV – Long Term Themes (USD)
- UBS (Lux) Equity SICAV – Russia (USD)
- UBS (Lux) Equity SICAV – USA Growth (USD)
- UBS (Lux) Equity SICAV – US Total Yield Sustainable (USD)

Please note that the Prospectus is a global offering document and therefore also contains information of the following sub-fund(s) of the Company which are not authorised by the SFC:

- UBS (Lux) Equity SICAV – Active Climate Aware (USD)
- UBS (Lux) Equity SICAV – All China Sustainable (USD)
- UBS (Lux) Equity SICAV – Asian Smaller Companies (USD)
- UBS (Lux) Equity SICAV – China A Opportunity (USD)
- UBS (Lux) Equity SICAV – China Health Care (USD)
- UBS (Lux) Equity SICAV – Climate Action (USD)
- UBS (Lux) Equity SICAV – Diversity Equity and Inclusion (USD)
- UBS (Lux) Equity SICAV – Engage for Impact (USD)
- UBS (Lux) Equity SICAV – Euro Countries Income Sustainable (EUR)
- UBS (Lux) Equity SICAV – European High Dividend Sustainable (EUR)
- UBS (Lux) Equity SICAV – European Income Opportunity Sustainable (EUR)
- UBS (Lux) Equity SICAV – European Opportunity Unconstrained (EUR)
- UBS (Lux) Equity SICAV – Future Leaders Small Caps (USD)
- UBS (Lux) Equity SICAV – German High Dividend Sustainable (EUR)
- UBS (Lux) Equity SICAV – Global Defensive Sustainable (USD)
- UBS (Lux) Equity SICAV – Global Emerging Markets ex China Opportunity (USD)
- UBS (Lux) Equity SICAV – Global High Dividend Sustainable (USD)
- UBS (Lux) Equity SICAV – Global Income Sustainable (USD)
- UBS (Lux) Equity SICAV – Global Opportunity Unconstrained (USD)

UBS (Lux) Equity SICAV – Healthy Living (USD)  
UBS (Lux) Equity SICAV – Innovation (USD)  
UBS (Lux) Equity SICAV – Mobility Leaders (USD)  
UBS (Lux) Equity SICAV – O’Connor China Long/Short Alpha Strategies UCITS (USD)  
UBS (Lux) Equity SICAV – Security Leaders (USD)  
UBS (Lux) Equity SICAV – Small Caps Europe Sustainable (EUR)  
UBS (Lux) Equity SICAV – Swiss Opportunity (CHF)  
UBS (Lux) Equity SICAV – US Income Sustainable (USD)  
UBS (Lux) Equity SICAV – US Opportunity (USD)  
UBS (Lux) Equity SICAV – USA Growth Sustainable (USD)

No offer shall be made to the public in Hong Kong in respect of the above unauthorised sub-funds of the Company. The issue of the HKOD was authorised by the SFC only in relation to the offer of the above SFC-authorised Sub-Funds to the public in Hong Kong.

**Intermediaries should take note of this restriction.**

The SFC does not take responsibility for the financial soundness of the Company or any of the Sub-Funds or for the correctness of any statements or opinions expressed in the Hong Kong Offering Document. Authorization by the SFC does not imply official approval, recommendation or endorsement of the Company and/or the Sub Funds nor does it guarantee the commercial merits of the same or their performance. It does not mean that the Company and/or any Sub-Fund is/are suitable for all investors and neither is it an endorsement of their suitability for any particular investor or class of investors.

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

The Board of Directors of the Company accept full responsibility for the accuracy of the information contained in the Hong Kong Offering Document and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement misleading.

## **CLASSES OF SHARES**

Investors should also refer to the section “Share classes” in the Prospectus for further details on each Share class (the “**Share Class**” or “**Class**”) of the Company and for information on any additional features which other Share Classes may have. Not all share classes set out in the Prospectus are available for investment for Hong Kong investors. Investors should refer to the Product Key Fact Statement of the relevant Sub-Fund or check with the Hong Kong Representative or the relevant authorized distributors for classes of shares offered to Hong Kong investors.

## **INVESTMENT OBJECTIVES AND POLICIES**

The information contained in this section is additional to the information disclosed in the Prospectus with respect to the investment objectives and policies each Sub-Fund. For full details of the investment powers of each Sub-Fund, please refer to the sections titled “Investment objective and investment policy of the sub-funds” and “The sub-funds and their special investment policies” in the Prospectus.



## General

Save in respect of UBS (Lux) Equity SICAV – Global Opportunity Sustainable (USD), UBS (Lux) Equity SICAV – Long Term Themes (USD) and UBS (Lux) Equity SICAV – US Total Yield Sustainable (USD), the Sub-Funds are not designated by the Management Company as “ESG Funds” in accordance with the SFC’s circular to management companies of SFC-authorised unit trusts and mutual funds on ESG Funds dated 29 June 2021 and ESG is not a key investment focus and consideration of the Sub-Funds.

Investors should refer to the section titled “The sub-funds and their special investment policies” and the relevant Sub-Fund’s Annex in the Prospectus for the definitions of UBS Blended ESG Score, ESG score and Weighted Average Carbon Intensity.

With respect to securities financing transactions, where a proposed counterparty to a repurchase/reverse repurchase agreement or securities lending transaction is not subject to a credit rating, exception approval will have to be obtained within the Company before engagement of the relevant counterparty.

The net derivative exposure of each Sub-Fund may be up to 50% of its net asset value. This is provided that such limits may be exceeded in such circumstances as permitted under the Code on Unit Trusts and Mutual Funds, handbook, code and/or guideline issued by the SFC from time to time or permitted by the SFC from time to time. Net derivative exposure shall be calculated in accordance with the Code on Unit Trusts and Mutual Funds and the requirements and any supplementary guidance and/ or guidelines issued by the SFC from time to time.

## Sub-Fund details

### ***UBS (Lux) Equity SICAV – All China (USD)***

The Sub-Fund may invest via the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect (collectively, the “**Stock Connect**”). The aggregate exposure to China A-Share and China B-Share markets for the Sub-Fund may be up to 100% of its total net asset value. The Sub-Fund may invest in aggregate 30% or more (up to 100%) of its total net asset value in stocks listed on the ChiNext market.

The Sub-Fund’s assets are not limited to a particular range of market capitalisations, or to any industry or sectoral allocation.

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

The Sub-Fund may use financial derivative instruments for investment and hedging purposes.

### ***UBS (Lux) Equity SICAV – Global Emerging Markets Opportunity (USD)***

#### *Objective*

The Sub-Fund aims to generate capital appreciation with a reasonable level of income, while giving due consideration to risk diversification and the liquidity of the Sub-Fund’s assets. The Sub-Fund seeks to invest in equities that are expected to benefit most from emerging market growth.

#### *Strategy*

The Sub-Fund invests its assets predominantly (i.e. at least two-thirds of its net asset value) following the principle of risk diversification in equities or other equity interests of companies that are domiciled or chiefly active (i.e. companies that have their main business in an emerging market despite being domiciled or listed in a developed market) in emerging markets.

The Sub-Fund may invest via the Stock Connect. The targeted aggregate exposure to China A-Share and China B-Share markets for the Sub-Fund will be maintained at less than 30% of its total net asset value.

The Sub-Fund's assets are not limited to a particular range of market capitalisations, or to any industry or sectoral allocation.

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

The Sub-Fund may use financial derivative instruments for investment and hedging purposes. As the Sub-Fund invests in many foreign currencies due to its regional orientation, the portfolio or parts thereof may be hedged against the base currency of the Sub-Fund in order to reduce the associated foreign currency risks.

### ***UBS (Lux) Equity SICAV – Global Opportunity Sustainable (USD)***

#### ***Strategy***

The Sub-Fund invests at least two-thirds of its assets in shares and equity securities worldwide. The Sub-Fund's portfolio is subject to the Portfolio Manager's Sustainability Focus strategy set out below.

As part of the Portfolio Manager's Sustainability Focus strategy, the Sub-Fund will maintain (i) a sustainability profile (as measured by its weighted average UBS Blended ESG Score) that is higher than its benchmark's sustainability profile (as measured by its weighted average UBS Blended ESG Score) or a weighted average UBS Blended ESG Score of between 7 and 10 (indicating a strong sustainability profile); and (ii) a Weighted Average Carbon Intensity (WACI) that is lower than that of its benchmark or a low absolute carbon profile (i.e. below 100 tonnes of CO<sub>2</sub> emissions per million US dollars of revenues). The calculations of the sustainability profile and WACI do not take account of cash, derivatives and unrated investment instruments.

Typically, as an indication, around 15-30% of the investment universe are excluded as a result of the application of the Portfolio Manager's Sustainability Focus strategy.

The Sub-Fund may invest via the Stock Connect. The targeted aggregate exposure to China A-Share and China B-Share markets for the Sub-Fund will be maintained at less than 20% of its total net asset value.

The Sub-Fund may invest up to 30% of its total net asset value in instruments with loss-absorption features including contingent convertible debt securities.

The Sub-Fund may invest more than 30% of its total net asset value in emerging markets from time to time.

The Sub-Fund may use financial derivative instruments for investment and hedging purposes. The Sub-Fund may use derivatives (such as index futures) to raise or lower its investment level to a minimum of 75% and a maximum of 125% of net assets.

### ***UBS (Lux) Equity SICAV – Long Term Themes (USD)***

#### ***Strategy***

The Sub-Fund invests its assets chiefly (i.e. at least two-thirds of its net asset value) in equities and other equity interest of small, medium and large-capitalisation companies in developed and emerging markets worldwide. The Sub-Fund's portfolio is subject to Portfolio Manager's Sustainability Focus strategy set out below.

The long-term aspects on which the Sub-Fund focuses can relate to the global growth in population, the trend towards an ageing population or increasing urbanisation. These global trends are expected to influence the economy and society for decades to come.

As part of the Portfolio Manager's Sustainability Focus strategy, the Sub-Fund will maintain (i) a sustainability profile (as measured by its weighted average UBS Blended ESG Score) that is higher than its benchmark's sustainability profile (as measured by its weighted average UBS Blended ESG Score) or a weighted average UBS Blended ESG Score of between 7 and 10 (indicating a strong sustainability profile); and (ii) a Weighted Average Carbon Intensity (WACI) that is lower than that of its benchmark or a low absolute carbon profile (i.e. below 100 tonnes of CO<sub>2</sub> emissions per million US dollars of revenues). The calculations of the sustainability profile and WACI do not take account of cash, derivatives and unrated investment instruments.

Typically, as an indication, around 15-30% of the investment universe are excluded as a result of the application of the Portfolio Manager's Sustainability Focus strategy.

The aggregate exposure to China A-Share and China B-Share markets for the Sub-Fund may be 30% or more (up to 100%) of its total net asset value. The Sub-Fund may invest in aggregate 30% or more (up to 100%) of its total net asset value in stocks listed on the and/or ChiNext market.

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

The Sub-Fund may use financial derivative instruments for investment and hedging purposes.

#### ***UBS (Lux) Equity SICAV – Russia (USD)***

##### *Objective*

The aim of the Sub-Fund is to achieve high growth with appropriate earnings, while giving due consideration to capital security and the liquidity of the Sub-Fund's assets.

##### *Strategy*

The Sub-Fund shall invest at least two-thirds of its assets in equities and other equity interests of companies domiciled or chiefly active in Russia, regardless of market capitalisation. The Sub-Fund may invest less than 30% of its total net asset value in instruments with loss-absorption features including contingent convertible debt securities. These instruments may be subject to contingent write-down or contingent conversion to ordinary shares on the occurrence of trigger event(s).

The Sub-Fund may use financial derivative instruments for investment and hedging purposes.

#### ***UBS (Lux) Equity SICAV – USA Growth (USD)***

##### *Objective*

The aim of the Sub-Fund is to achieve high growth with appropriate earnings, while giving due consideration to capital security and the liquidity of the Sub-Fund's assets.

##### *Strategy*

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

The Sub-Fund may use financial derivative instruments for investment and hedging purposes.

### ***UBS (Lux) Equity SICAV – US Total Yield Sustainable (USD)***

The Sub-Fund is an actively managed equity fund that invests its assets mainly (i.e. at least two-thirds of its net asset value) in equities and other equity interests of companies that are domiciled or chiefly active in the US. The Sub-Fund's portfolio is subject to the Portfolio Manager's Sustainability Focus strategy set out below. Total yield is the sum of yields from dividend distributions and from company profits returned to shareholders via share repurchases.

As part of the Portfolio Manager's Sustainability Focus strategy, the Sub-Fund will maintain (i) a sustainability profile (as measured by its weighted average ESG score) that is higher than its benchmark's sustainability profile (as measured by its weighted average ESG score (defined in the Prospectus)); and (ii) a Weighted Average Carbon Intensity (WACI) that is lower than that of the reference benchmark. The calculations of the sustainability profile and WACI do not take account of cash, derivatives and unrated investment instruments.

Typically, as an indication, around 15-30% of the investment universe are excluded as a result of the application of the Portfolio Manager's Sustainability Focus strategy.

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

The Sub-Fund may use financial derivative instruments for investment and hedging purposes.

## **RISK FACTORS**

Investment in any Sub-Fund carries with it a degree of risk, including, but not limited to, those referred to in the section titled "General risk information" in the Prospectus and below. Potential investors should read the Hong Kong Offering Documents and consult with their legal, tax and financial advisors prior to making a decision to invest.

There can be no assurance that the Sub-Fund will achieve their investment objectives and past performance should not be seen as a guide to future returns. An investment in the Sub-Funds may fall in value due to the risk factors set out in the Hong Kong Offering Documents, and therefore, an investment in the Sub-Funds may result in an investor suffering losses. There is no guarantee of the repayment of principal.

### ***Equities risk***

The returns of listed securities are affected by various factors including changes in investment sentiment, political and economic conditions, issuer-specific factors, the underlying strength of cash flows, balance sheets and management. These factors may impact the ability of the underlying company to meet the challenges of fluctuating economic growth, structural change and competitive forces and the ability to pay dividends to shareholders. Dividends declared by the companies in which the Sub-Fund may invest are not guaranteed. Investment in equities may result in the loss of capital.

Investment returns of international shares (and related derivatives) are also affected by fluctuations in exchange rates. The currency exposure of international funds may be hedged to a certain currency.

Investments into shares listed in less developed markets, commonly referred to as emerging markets are riskier and involve special considerations not typically associated with investment in more developed markets, such as liquidity risks, currency risks/control, political and economic uncertainties, legal and taxation risks, settlement risks, custody risk and the likelihood of a high degree of volatility (due to the more volatile nature of their fundamentals). Emerging markets are generally at an early stage of development

which can typically result in a higher level of price volatility and potential settlement difficulties, leading to significant fluctuations in the prices of the securities traded on such markets. Such volatility may adversely affect the net asset value per share of the Sub-Fund and investors may as a result suffer losses. These markets also provide less liquidity than their developed market counterparts. Securities exchanges in emerging markets typically have the right to suspend or limit trading in any security traded on the relevant exchange. The government or the regulators may also implement policies that may affect the financial markets. Please refer to the section “General risk information” of the Prospectus for details of the risks associated with emerging markets investments. All these may have a negative impact on the Sub-Funds.

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

#### *Fixed Income risk*

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

#### *Market risk*

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

#### *Company specific risk*

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

#### *Currency risk*

A Sub-Fund may hold assets which are not denominated in its base currency. Also, a share class may be designated in a currency other than the base currency of a Sub-Fund. In the short to medium term, the actual exchange rates can deviate from the long-term equilibrium due to different types of focus in the market such as geopolitical, capital flows, risk appetite and macroeconomic expectations. If a Sub-Fund directly or indirectly holds assets denominated in foreign currencies, it is exposed to a currency risk if foreign currency positions have not been hedged. Any devaluation of the foreign currency against the base currency of the Sub-Fund would cause the value of the assets denominated in the foreign currency to fall. The net asset value of a Sub-Fund may be affected unfavourably by fluctuations in the exchange rates between these currencies and the base currency and by changes in exchange rate controls. Under extreme market conditions and circumstances, such currency fluctuation may potentially result in total loss.

Where the portfolio of a Sub-Fund or parts thereof are hedged against the base currency of the Sub-Fund, the multi-currency hedging undertaken by the Sub-Fund may incur additional transactions costs or be subject to additional risks. Please refer to “Risks relating to hedged share classes” below.

### *Foreign investment risk*

Additional risks may arise when investing in emerging markets, including - changes in foreign exchange control regulations, foreign tax legislation and withholding tax and government policy. Additionally, differences in accounting, legal, securities trading and settlement procedures can also impact the value of the Sub-Funds' investment.

### *Regulatory risk*

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

### *Liquidity risk*

Some investments may be thinly traded or illiquid and cannot be traded in reasonable sizes and therefore may be sold in small lots over longer periods or even at a discount resulting in a loss to the Sub-Funds. Under extraordinary or extreme market conditions, generally liquid investments can become illiquid which may result in a loss when such assets need to be sold within a certain time frame. Furthermore, illiquidity may result in a need to suspend redemptions or extend the normal redemption payment timelines subject to the section "Suspension of net asset value calculation, and suspension of the issue, redemption and conversion of shares" in the Prospectus.

### *Risks Relating to the Liquidity of a Sub-Fund*

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

Adverse Impact of Withdrawal on Remaining Shareholders and Redemption Cycle: Any actions taken by the Company to meet redemption obligations such as selling a Sub-Fund's more liquid portfolio investments may have an adverse impact on remaining shareholders. Remaining shareholders may bear the cost of any increase in the risk profile of the Sub-Fund as a result of asset disposals to meet redemption requests or of any subsequent portfolio rebalancing. The impact on shareholders will depend on the volume of redemptions, the purchase and sale price of assets and the final composition of the Sub-Fund. If redeeming shareholders do not bear the full costs of redemption, shareholders may be incentivized to be the first to redeem their shares ahead of other shareholders. This first mover advantage may potentially trigger a significant cycle of redemptions that exacerbate the liquidity stress of the Sub-Fund.

The Company's Risk Management Policies and Procedures May Not Adequately Address Unidentified or Unanticipated Risks: To safeguard the interests and fair treatment of all shareholders, the Company has established comprehensive risk management policies and procedures to manage and mitigate the Sub-Funds' exposure to significant market, liquidity and operational risks. The Company devotes significant resources to monitor liquidity risks and utilize liquidity management tools where necessary. For a description of the liquidity risk management tools, policies and procedures, please see the section of this HKCD titled "Liquidity Risk Management".

However, the Company's risk management systems are dependent on their ability to properly identify and mark-to-market the changes in the value of investments. Inaccurate information may adversely affect the

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

#### *Derivative risk*

Derivatives may be used to gain or reduce exposure to markets and currencies as well as to manage risk. Risks associated with derivatives include market risk, management risk, counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. Fluctuations in the price of a derivative will reflect movements in the underlying assets, reference rate or index to which the derivatives relate. The use of derivative positions to hedge the risk of physical securities will involve "basis risk", which refers to the possibility that the derivative positions may not move perfectly in line with the physical security. As a consequence, the derivative position cannot always be expected to perfectly hedge the risk of the physical security.

Certain derivatives that the Sub-Funds may use may create leverage. The leverage element/component of a derivative can result in a loss significantly greater than the amount invested in the derivative by the relevant Sub-Fund. Therefore, derivative instruments that involve leverage can result in losses to the Sub-Funds that exceed the amount originally invested in the derivative instruments and exposure to derivatives may lead to a high risk of significant loss by the relevant Sub-Fund.

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

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

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

#### *Credit risk*

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

#### *Custodial risk*

Sub-depositary or sub-delegates may be appointed in local markets for purpose of safekeeping assets in those markets. Where a Sub-Fund invests in markets where custodial and/or settlement systems are not

fully developed, the assets of the Sub-Fund may be exposed to custodial risk. In case of liquidation, bankruptcy or insolvency of a depositary, sub-depositary or sub-delegate, the Sub-Fund may take a longer time to recover its assets. In extreme circumstances such as the retroactive application of legislation and fraud or improper registration of title, the Sub-Fund may even be unable to recover all of its assets. The costs borne by a Sub-Fund in investing and holding investments in such markets will be generally higher than in organised securities markets.

#### *Counterparty risk*

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

#### *Performance risk*

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

#### *Fund of fund risk*

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

#### *Risk associated with investing in funds with a sustainable investment focus*

Investing in Sub-Funds with a sustainable investment focus ("SI Focused Funds") that primarily invest in issuers demonstrating sustainability characteristics carries the risk that, under certain market conditions, the SI Focused Fund may underperform funds that do not utilize a sustainable investment strategy.

The implementation of the sustainable investment strategy of a SI Focused Fund may result in foregoing opportunities to buy certain securities when it might otherwise be advantageous to do so, and/or selling securities when it might be disadvantageous to do so. This may adversely affect the SI Focused Fund's investment performance.

In assessing the eligibility of an issuer, there is a dependence upon information and data from external research data providers and internal analyses, which may be subjective, incomplete, inaccurate or unavailable. As a result, there is a risk of incorrectly or subjectively assessing a security or issuer or there is a risk that the Sub-Fund could have exposure to issuers who do not meet the relevant criteria. In addition, there is a lack of standardized taxonomy of ESG investments.

As an SI Focused Fund focuses on ESG investments, the value of the Sub-Fund may be more volatile than that of a fund having a more diverse portfolio of investments.

Neither the Company, the Management Company nor the Portfolio Manager make any representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of an assessment of external research data, the application of the standards issued by United Nations Sustainable Development Goals and other sustainability/ESG criteria, and the correct execution of sustainability strategy.

The securities held by the SI Focused Fund may be subject to the risk that its investments over time no longer meet the SI Focused Fund's investment criteria. The Portfolio Manager may need to dispose of such securities when it may be disadvantageous to do so. This may lead to a fall in the SI Focused Fund's net asset value.



### *Risk of early termination*

The articles of incorporation provides for liquidation or termination of the Company and/or Sub-Funds under certain conditions and in the manner described in the “Liquidation of the Company and its sub-funds; merger of sub-funds” section of the Prospectus. Consequences for individual investors (for example in relation to taxation) may vary depending on their own circumstances at the time that the Company/Sub-Funds is liquidated/are terminated. Proceeds received upon the liquidation of the Company/Sub-Funds may be less than the amount originally invested.

### *Concentration risk*

Concentration risk arises if one or only few financial instruments make up a significant part of the total portfolio or if financial instruments representing a certain market sector and/or a certain geographical region make up a significant part of the total portfolio. In a market downturn such portfolios can suffer more substantial losses than diversified portfolios, i.e. portfolios where investments are spread over different assets, market sectors and/or geographical regions in order to reduce the risk of earnings fluctuations.

A Sub-Fund’s investments may be concentrated in specific industry sectors, instruments geographical location etc. The value of the Sub-Fund may be more volatile than that of a Sub-Fund having a more diverse portfolio of investments.

(For Sub-Funds with geographical concentration) The value of the Sub-Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting that relevant country’s market.

### *RMB currency and conversion risks*

RMB is currently not freely convertible and is subject to exchange controls and restrictions. Non-RMB based investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors’ base currencies (for example HKD) will not depreciate. Any depreciation of RMB could adversely affect the value of investor’s investment in the Sub-Fund. Although offshore RMB (CNH) and onshore RMB (CNY) are the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors. Under exceptional circumstances, payment of redemptions and/or dividend payment in RMB to the Sub-Funds may be delayed due to the exchange controls and restrictions applicable to RMB.

### *Risks relating to Mainland China A-Shares risk*

The price at which securities may be purchased or sold by a Sub-Fund and the net asset value of the relevant Sub-Fund may be adversely affected if trading markets for A-Shares are limited or absent. The A-Share market may be more volatile and unstable (for example, due to the risk of suspension of a particular stock or government intervention) than those in more developed markets. Market volatility and settlement difficulties in the A-Share markets may also result in significant fluctuations in the prices of the securities traded on such markets and thereby may affect the value of the relevant Sub-Fund.

Trading band limits are imposed by the stock exchanges in China on A-Shares, where trading in any A-Share security on the relevant stock exchange may be suspended if the trading price of the security has increased or decreased to the extent beyond the trading band limit. A suspension will render it impossible for the Portfolio Manager to liquidate positions and can thereby expose the relevant Sub-Fund to significant losses. Further, when the suspension is subsequently lifted, it may not be possible for the Portfolio Manager to liquidate position at a favourable price.

### *PRC tax risk*

There are risks and uncertainties associated with the current PRC tax laws, regulations and practice in respect of capital gains realised via Stock Connect (which may have retrospective effect). Any increased tax liabilities on a Sub-Fund may adversely affect the relevant Sub-Fund's value.

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

### *Eurozone risk*

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

### *Risks relating to securities trading in Mainland China via Stock Connect*

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

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

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

Participation in corporate actions and shareholders' meetings: HKSCC will keep CCASS (the Central Clearing and Settlement System operated by HKSCC for the clearing securities listed or traded on SEHK) participants informed of corporate actions of SSE or SZSE Securities. Hong Kong and overseas investors (including the relevant Sub-Fund) will need to comply with the arrangement and deadline specified by their

respective brokers or custodians (i.e. CCASS participants). The time for them to take actions for some types of corporate actions of SSE or SZSE Securities may be as short as one business day only. Therefore, the relevant Sub-Fund may not be able to participate in some corporate actions in a timely manner.

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

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

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

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

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

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

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

Taxation risk: For the SSE and SZSE Securities traded by the Sub-Funds under Stock Connect, any capital gains derived from the transfer of such SSE and SZSE Securities on or after 17 November 2014 would be temporarily exempt from PRC corporate income tax (CIT). Prior to this exemption, in respect of China

sourced capital gains derived from the transfer of SSE and SZSE Securities, such gains would have been subject to CIT at 10% in accordance with the CIT law.

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

Risks associated with the ChiNext market: A Sub-Fund may invest in the ChiNext market of the SZSE via the Shenzhen-Hong Kong Stock Connect. Investments in ChiNext market may result in significant losses for the relevant Sub-Fund(s) and their investors. The following additional risks apply:

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

Over-valuation risk: Stocks listed on the ChiNext may be overvalued and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares.

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

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

#### *Risk associated with small-capitalisation / mid-capitalisation companies*

The stock of small-capitalisation / mid-capitalisation companies may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general.

#### *Risks relating to securities lending transactions*

Securities lending transactions may involve the risk that the borrower may fail to return the securities lent out in a timely manner and the value of the collateral may fall below the value of the securities lent out.

#### *Risks relating to repurchase agreements*

In the event of the failure of the counterparty with which collateral has been placed, the fund may suffer loss as there may be delays in recovering collateral placed out or the cash originally received may be less than the collateral placed with the counterparty due to inaccurate pricing of the collateral or market movements.

#### *Risks relating to reverse repurchase agreements*

In the event of the failure of the counterparty with which cash has been placed, the fund may suffer loss as there may be delay in recovering cash placed out or difficulty in realising collateral or proceeds from the sale of the collateral may be less than the cash placed with the counterparty due to inaccurate pricing of the collateral or market movements

### *Risk of distributions out of capital*

Distributions out of Capital shall result in the reduction of an investor's original capital invested in the Sub-Fund or from any capital gains attributable to that original investment of the Sub-Fund. Payment of dividends out of Capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. The distribution amount and net asset value of a hedged share class may be adversely affected by differences in the interest rates of the reference currency of the hedged share class and the Sub-Fund's currency of account, resulting in an increase in the amount of distribution that is paid out of capital and hence a greater erosion of capital than other non-hedged share classes.

Also, any distributions from the income and/or involving the Capital result in an immediate reduction of the net asset value per share of the Sub-Fund. Investors in certain jurisdictions may be subject to higher tax rates on distributed capital than on any capital gains from the sale of shares. Some investors may therefore prefer to subscribe to accumulating (-acc) rather than distributing (-dist, -mdist) share classes. Investors may be taxed on income and capital arising from accumulating (-acc) share classes at a later point in time than is the case with distributing (-dist) share classes. Investors should seek their own tax advice.

### *Risk of distributions at fixed rate*

Shares in classes with "4%" in their name may make monthly (-mdist) distributions at the annual percentage rate of 4%, gross of fees and expenses ("Fixed Rate Distribution Classes"). Investments in the Fixed Rate Distribution Classes are not an alternative to a savings account or fixed-interest paying investment. The percentage of distributions paid by the Fixed Rate Distribution Classes is unrelated to expected or past income or returns of these share classes or the relevant Sub-Fund. The distribution can thus be higher or lower than the income and return that were effectively realised. Fixed Rate Distribution Classes will continue to distribute in periods that the relevant Sub-Fund has negative returns or is making losses, which further reduces the net asset value of the relevant Fixed Rate Distribution Class. In extreme circumstances, investors may not be able to get back the original investment amount.

Investors should note that a positive distribution yield does not imply a positive return. Also, Fixed Rate Distribution Classes do not distribute a fixed amount and the constant percentage of distribution results in higher absolute distributions when the net asset value of the relevant Fixed Rate Distribution Class is high, and lower absolute distributions when the net asset value of the relevant Fixed Rate Distribution Class is low.

### *Risk of thematic-based investment strategy*

A Sub-Fund may adopt a thematic-based investment strategy. Investments in specific themes may not achieve the desired results under all circumstances and market conditions. The investments of the relevant Sub-Fund may be periodically rebalanced and therefore the relevant Sub-Fund may incur greater transaction costs than a fund with static allocation strategy.

Although the investments of a thematic Sub-Fund can comprise any industries, sectors, countries and company capitalisations, its investments may be concentrated in specific themes. The value of the relevant Sub-Fund may be more volatile than that of a fund having a more diverse portfolio of investments.

### *Risks associated with instruments with loss-absorption features*

A Sub-Fund may invest in instruments with loss-absorption features which are subject to greater risks when compared to traditional debt instruments as such instruments typically include terms and conditions which may result in them being partly or wholly written off, written down, or converted to ordinary shares of the issuer upon the occurrence of a pre-defined trigger event (e.g. when the issuer is near or at the point of non-viability or when the issuer's capital ratio falls to a specified level).

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

For example, a Sub-Fund may invest in senior non-preferred debts. While these instruments are generally senior to subordinated debts, they may be subject to write-down upon the occurrence of a trigger event and will no longer fall under the creditor ranking hierarchy of the issuer. This may result in total loss of principal invested. A Sub-Fund may also invest in contingent convertible debt securities, commonly known as CoCos, which are highly complex and are of high risk. Contingent convertible debt securities are hybrid capital securities that absorb losses when the capital of the issuer falls below a certain level. Upon the occurrence of a predetermined event (known as a trigger event), contingent convertible debt securities will be converted into shares of the issuing company (potentially at a discounted price as a result of the deterioration in the financial condition of the issuing company), or cause the permanent write-down to zero of the principal investment and/or accrued interest such that the principal amount invested may be lost on a permanent or temporary basis. Contingent convertible debt securities are subject to the general risks associated with bonds and equities, and to the risks specific to convertible securities in general. Contingent convertible debt securities are also subject to additional risks specific to their structure including:

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

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

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

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

Valuation and write-down risk: Contingent convertible debt securities often offer attractive yield which may be viewed as a complexity premium. The value of contingent convertible debt securities may need to be reduced due to a higher risk of overvaluation of such asset class on the relevant eligible markets. Therefore,

a Sub-Fund may lose its entire investment or may be required to accept cash or securities with a value less than its original investment.

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

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

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

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

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

#### *Risk relating to hedged share classes*

The hedging strategy for a share class which is hedged against the base currency of a Sub-Fund, may not work as intended, exposing investors of that share class to currency risk. Additionally, investors of a hedged share class may be exposed to fluctuations in the net asset value per share reflecting the gains/losses on and the associated transaction costs of the financial instruments used for hedging, and such investors may be adversely impacted.

Adverse exchange rate fluctuations between the base currency of a Sub-Fund and the class currency of the hedged share classes may result in a decrease in return and/or loss of capital for investors.

The costs of the hedging transactions will be reflected in the net asset value of a hedged share class and therefore, an investor of such hedged share class will have to bear the associated hedging costs, which may be significant depending on prevailing market conditions.

If the counterparties of the instruments used for hedging purpose default, investors of the relevant hedged share class may be exposed to currency exchange risk on an unhedged basis and may therefore suffer further losses.

While hedging strategies may protect investors in a hedged share class against a decrease in the value of a Sub-Fund's base currency relative to the class currency of the hedged share class, it may also preclude investors from benefiting from an increase in the value of such Sub-Fund's base currency.

### *Conflicts of Interest*

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

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

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

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

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

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

Investors should also note that any withholding tax incurred by the Company 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 Company are borne by this investor. Accordingly, this investor may be liable for any resulting US withholding taxes or penalties arising under FATCA and/or the compulsory redemption or liquidation of this investor's stake in the Company. Such withholding and compulsory redemption, if any, is permitted by applicable laws and regulations and the Company will act in good faith and on reasonable grounds.

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

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

### *Automatic exchange of information*

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



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

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

## **MANAGEMENT AND ADMINISTRATION OF THE COMPANY**

Information on the management and administration of the Company is set out in the section "Management and administration" in the Prospectus.

### **Portfolio Managers**

Please refer to the section titled "Portfolio Manager" in the Prospectus for information on the Portfolio Manager of each Sub-Fund.

The Prospectus discloses that the Portfolio Management entities of UBS Asset Management may transfer their mandates, fully or in part, to associated Portfolio Managers within UBS Asset Management. For avoidance of doubt, for so long as the relevant Sub-Fund remains authorised by the SFC, no transfer of the investment management functions in relation to that Sub-Fund shall take effect without the prior approval of the SFC and one month's notice to Hong Kong investors.

With respect to UBS (Lux) Equity SICAV – Long Term Themes, UBS Asset Management (Americas) LLC and UBS Switzerland AG have been appointed as co-Portfolio Managers for the Sub-Fund. Please refer to the Prospectus for further details of their division of responsibilities. For the avoidance of doubt, UBS Switzerland AG is not involved in the day-to-day investment decisions of the Sub-Fund and the investment discretion in respect of the Sub-Fund rests with UBS Asset Management (Americas) LLC.

### **Hong Kong Representative**

The Hong Kong Representative is UBS Asset Management (Hong Kong) Limited.

The Hong Kong Representative acts as the representative of the Company in Hong Kong and is authorised pursuant to the Hong Kong Representative Agreement entered into with the Management Company to carry out the duties of a representative as set out in Chapter 9 of the SFC's Code on Unit Trusts and Mutual Funds (the "**UT Code**") when needed.

The office of the Hong Kong Representative is located at Levels 45 & 47-52, Two International Finance Centre, 8 Finance Street, Central, Hong Kong, with phone number (852) 2971 6188.

### **Enquiries and Complaints**

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

### **Legal Adviser as to Hong Kong law**

Dechert  
31/F Jardine House

One Connaught Place  
Central  
Hong Kong

## DEALING IN SHARES

Full details relating to the procedures for subscription, redemption and conversion of shares, and their respective deadlines and conditions are set out in the section titled "Investing in UBS (Lux) Equity SICAV" in the Prospectus and subscribers resident or domiciled in Hong Kong should read the relevant sections carefully and in conjunction with this HKCD.

Investors in Hong Kong should also note that where you deal in the shares through a distributor, a financial adviser or other authorized sales intermediary (each a **"sales intermediary"**), you should check with such sales intermediary whether it has other / any particular dealing arrangements.

### Subscription and Redemption Procedures

In relation to subscription for shares, please note that Hong Kong investors must forward the completed application form and application monies to the relevant authorized distributor or the Hong Kong Representative, which is authorized by the Company to receive applications for shares on its behalf, for onward transmission to the Company in Luxembourg. Except where shares are purchased over the counter, payment should be made by cheque (crossed "A/C Payee Only, Not Negotiable"), banker's draft or telegraphic transfer. **No money should be paid to any intermediary in Hong Kong who is not licensed or registered to carry on Type 1 regulated activity under Part V of the SFO or is exempted therefrom.**

Applications for subscription, redemption and/or conversion of shares received by the relevant authorized distributor or the Hong Kong Representative by or before 5 p.m. (Hong Kong time) on a business day in Hong Kong ("**Hong Kong business day**") ("**Hong Kong Dealing Cut-off point**") will be transmitted as soon as practicable after receipt. Applications received after the Hong Kong Dealing Cut-off point will, if accepted, normally be transmitted to the Company on the following Hong Kong business day. Notwithstanding the above, investors in Hong Kong should also check with their respective Hong Kong distributor(s) for their respective cut-off times for receipt of applications, as this may vary depending on the particular Hong Kong distributor. The Hong Kong Representative has, however, no authority to agree on behalf of the Company (or otherwise) that the applications will be accepted. The Hong Kong Representative will issue receipts for application monies in respect of applications received by it.

As noted above, in relation to redemption or conversion of shares, Hong Kong investors must lodge their request with the relevant authorized distributor or the Hong Kong Representative. The maximum period between any relevant value date following receipt by the Company of a request for redemption and the dispatch of the redemption monies will not exceed one calendar month from the date of receipt of a properly documented redemption request.

Where redemption and conversion orders on any order date lead to outflows of more than 10% of the net assets of a Sub-Fund on that date, the Company may decide to (but is not obliged to) execute only a portion of redemption and conversion orders, and to postpone the execution of the redemption and conversion orders in excess of 10% of the net assets of a Sub-Fund for that order date with priority status (relative to orders received on the next order date) and for a period generally not to exceed 20 business days (as defined in the Prospectus).

Investors in Hong Kong should note that any conversion can only be made into a UBS sub-fund which is authorized for sale in Hong Kong. Moreover, Hong Kong investors should note that conversion(s) may only be made into share classes that are offered to the public in Hong Kong.

In particular, Hong Kong investors should note that they will not be permitted to subscribe or redeem in RMB and that Hong Kong investors may not convert their shares into a RMB denominated share class.

## CALCULATION OF NET ASSET VALUE

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

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

## PUBLICATION OF NET ASSET VALUE

The net asset value in respect of shares in each of the Sub-Funds will be available on every Hong Kong business day at the offices of the Hong Kong Representative during office hours and will also be available online at <https://www.ubs.com/hk/en/assetmanagement/> (this website has not been reviewed by the SFC).

## SUSPENSION OF NET ASSET VALUE CALCULATIONS

The Company may, in consultation with the Depositary, having regard to the best interests of shareholders, temporarily suspend the calculation of the net asset value and hence the issue and redemption of shares for one or more Sub-Funds, as well as the conversion between the individual Sub-Funds in the circumstances described in the Prospectus under the section headed “Suspension of net asset value calculation, and suspension of the issue, redemption and conversion of shares”. In the event of suspension of dealings in the Sub-Fund(s), publication will be made immediately and thereafter at least once a month during the period of suspension, on the Hong Kong Representative’s website at <https://www.ubs.com/hk/en/assetmanagement/> (this website has not been reviewed by the SFC).

## LIQUIDATION AND DISSOLUTION

Upon liquidation of the Company, a Sub-Fund or a class of shares in accordance with the articles of incorporation of the company and as disclosed under section “Liquidation of the Company and its sub-funds; merger of sub-funds” in the Prospectus, any unclaimed proceeds upon liquidation will be deposited with the Caisse de Consignation in Luxembourg. If not claimed, under Luxembourg law, such proceeds shall be forfeited after 30 years after being deposited with the Caisse de Consignation.

## FEES AND EXPENSES

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

In addition, for so long as the Company and the relevant Sub-Fund remain authorized by the SFC in Hong Kong, the Management Company or any person acting on behalf of a Sub-Fund or the Management Company may not obtain a rebate on any fees or charges levied by an underlying scheme or its management company, or any quantifiable monetary benefits in connection with investments in any underlying scheme.

*Payable by Hong Kong Investors*

<b>Subscription fee:</b>	Up to 5%* of the subscription amount (which is referred to as the "capital commitment" in the section of the Prospectus titled "Issue of shares").
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<b>Redemption fee</b>	Not applicable
<b>Switching fee (conversion fee):</b>	Up to 5%* of the net asset value per share of the Sub-Fund or share class from which the shareholder is switching out multiplied by the number of shares to be switched by the shareholder (which is also referred to as the "capital commitment" in the section of the Prospectus titled "Conversion of shares").

\* Investors should note that in respect of "mdist" share class, a maximum of up to 6% may be charged upon giving one month's prior notice to affected investors.

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

#### *Payable by the Company*

Please refer to the section headed "Expenses paid by the Company" and under the heading "The sub-funds and their special investment policies" in the Prospectus for details on the fees payable by the Company.

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

#### *Notice of increase in fees and charges*

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

## **TRANSACTION WITH CONNECTED PERSONS**

Transactions involving the sale and purchase of assets of the Company and the Sub-Funds are conducted through a number of brokers and dealers, some of whom might be members of the UBS Group. The Company and Sub-Funds do not, however, execute transactions exclusively through members of the UBS Group, but in circumstances where they do, such transactions are effected on normal commercial terms without any special privileges being afforded to either party. The Company will comply with the following when transacting with connected persons:

- (a) if the Company's cash is deposited with the Depositary, the Management Company, the Portfolio Managers, an investment delegate or any of their connected persons (being an institution licensed to accept deposits), such cash deposit shall be maintained in a manner that is in the best interests of the shareholders, having regard to the prevailing commercial rate for a deposit of similar type, size and term negotiated at arm's length in accordance with ordinary and normal course of business;
- (b) all transactions carried out by or on behalf of the Company will be executed at arm's length and in the best interests of the shareholders, and executed on the best available terms. Transactions between the Company, the Management Company, the Portfolio Managers, an investment delegate, directors of the Company or any of their connected persons (including directors of these entities) as principal may only be made with the prior written consent of the Depositary. All such transactions shall be disclosed in the Company's annual report;

- (c) the interest charged on money borrowed (if any) from the Depositary, the Management Company, the Portfolio Managers, an investment delegate or any of their connected persons (being a bank) shall be at no higher rate, and any fee for arranging or terminating the loan is of no greater amount, than is in accordance with its normal banking practice, the latter meaning the commercial rate for a loan of the size and nature of the loan in question negotiated at arm's length.
- (d) in transacting with brokers or dealers connected to the Management Company, the Portfolio Managers, an investment delegate, directors of the Company, the Depositary or any of their connected persons, the Management Company must ensure that it complies with the following obligations:
  - (i) such transactions should be on arm's length terms;
  - (ii) it must use due care in the selection of brokers or dealers and ensure that they are suitably qualified in the circumstances;
  - (iii) transaction execution must be consistent with applicable best execution standards;
  - (iv) the fee or commission paid to any such broker or dealer in respect of a transaction must not be greater than that which is payable at the prevailing market rate for a transaction of that size and nature;
  - (v) the Management Company must monitor such transactions to ensure compliance with its obligations; and
  - (vi) the nature of such transactions and the total commissions and other quantifiable benefits received by such broker or dealer shall be disclosed in the Company's annual report.

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

- (i) the goods and services are of demonstrable benefit to the shareholders;
- (ii) transaction execution is consistent with the best execution standards and brokerage rates are not in excess of customary institutional full-service brokerage rates;
- (iii) adequate disclosure is made in the Company's Hong Kong Offering Document;
- (iv) periodic disclosure is made in the Company's annual report in the form of a statement describing the soft dollar policies and practices of the Management Company or investment delegate, including a description of the goods and services received by them; and
- (v) the availability of soft dollar arrangements is not the sole or primary purpose to perform or arrange transaction with such broker or dealer.

Currently, the Company conducts repurchase/reverse-repurchase and securities lending transactions with UBS AG on a principal basis. UBS AG is a nominee shareholder of the Company pursuant to which it becomes a connected party to the Company.

## **REPORTS AND OTHER DOCUMENTS**

### Annual Report and Semi-Annual Report

The Annual Report of the Company (and each Sub-Fund) will be published and made available to shareholders within 4 months of the end of the financial year (as described in the Prospectus under the

section headed “Regular reports and publications”). The Semi Annual Report of the Company (and each Sub-Fund) will be published and made available to shareholders within 2 months of the end of the period it covers. Copies of the latest Annual Report of the Company (and each Sub-Fund) and its Semi Annual Report (collectively the “**Reports**”), as well as the Hong Kong Offering Document, may also be obtained at any time free of charge from the offices of the Hong Kong Representative.

Notwithstanding the above, investors in Hong Kong should note that copies of the Reports will be made available (in printed and electronic form) to affected shareholders. The Company will notify Hong Kong shareholders as and when such Reports become available and within the time period stipulated above. The electronic form of these Reports can be accessed from <https://www.ubs.com/hk/en/assetmanagement/> (this website has not been reviewed by the SFC).

Please note that these Reports (whether in printed or electronic form) are only available in the English language.

#### Documents Available for Inspection

For so long as the Company and the relevant Sub-Fund(s) remain authorized by the SFC in Hong Kong, copies of the latest constitutive documents in relation to the Company and the relevant Sub-Fund(s) listed in the Prospectus under the heading “Inspection of documents” may be inspected during usual business hours at the offices of the Hong Kong Representative and copies thereof obtained at a reasonable charge.

Past performance information of the relevant Sub-Fund(s) is only available in the English language from <https://www.ubs.com/hk/en/assetmanagement/> (which website has not been reviewed by the SFC).

## **LIQUIDITY RISK MANAGEMENT**

Information relating to the risk management procedures of the Company will be available upon request by Hong Kong investors from the Hong Kong Representative at their offices.

#### Governance Structure

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

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

#### Liquidity Risk Management Policy

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

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

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

- *Ongoing liquidity risk assessment through qualitative and quantitative evaluations* – The Company assesses, on a regular basis, the liquidity profile of:
  - i. the Sub-Fund's liabilities, in particular the Sub-Fund's investor profile and historical and future redemption patterns and likely liquidity demands; and
  - ii. the Sub-Fund's assets, using both quantitative metrics (e.g. Days to Trade and Costs to Trade) and qualitative factors (e.g. asset class or credit quality) and the Company's professional judgment, taking into account the characteristics of the assets and markets invested in by the Sub-Fund. Risk models and targets are reviewed regularly to ensure they are appropriate and effective.

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

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

#### Liquidity Risk Management Tools

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

- *Suspension of redemption* - The Company, in consultation with the Depositary, has discretion to suspend redemption or delay the payment of any moneys having regard to the best interests of shareholders. Please refer to section "Suspension of net asset value calculation, and suspension of the issue, redemption and conversion of shares" of the Prospectus for more information.
- *Limitations on redemption and conversion* - The Company reserves the right to refrain from executing redemption and conversion orders in full (redemption gate) on order dates on which the total orders would cause an outflow of funds of more than 10% of a Sub-Fund's net assets on that date to protect the interests of shareholders. Please refer to the section in this HKCD titled "Dealing in Shares" for more information.
- *Redemptions in-kind* – The Company has discretion to agree with redeeming shareholders that the Sub-Fund will meet part of the redemption request in-kind, by transferring underlying assets of an equivalent value to the shareholder. Please refer to section "Redemption of Shares" of the Prospectus for more information.
- *Swing Pricing/Dilution Adjustment* – Please refer to the section titled "Net asset value, issue, redemption and conversion price" of the Prospectus for more information.
- *Other Investment and Borrowing Restrictions* - Apart from being subject to investment restrictions and borrowing restrictions as outlined in the "Investment Principles" in the Prospectus, the Sub-Funds may not hold any physical commodities or engage in short selling activities.

#### **DISTRIBUTION POLICY**

Share classes with "-mdist" in their name may make monthly distributions excluding fees and expenses. Share classes with (1) "-mdist" in their name or (2) share classes with "-dist" in their name in respect of UBS (Lux) Equity SICAV – US Total Yield Sustainable (USD) may make distributions out of capital (i.e. which includes the existing issued share capital, realised and unrealised capital gains) ("**Capital**"), at the

discretion of the Management Company, or pay distributions out of gross income while charging/ paying all or part of a Sub-Fund's fees and expenses to/ out of the capital of the relevant Sub-Fund, resulting in an increase in distributable income for the payment of distributions by the Sub-Fund and therefore, the Sub-Fund may effectively pay distributions out of Capital.

The compositions of the distributions (i.e. the relative amounts pay out of (i) net distributable income and (ii) Capital) for the last 12 months will be made available by the Hong Kong Representative on request and also on <https://www.ubs.com/hk/en/asset-management/funds-and-prices.html> (which website has not been reviewed by the SFC).

The Management Company may amend the policy with respect to distribution payment subject to the SFC's prior approval (if required) and by giving not less than one month's prior notice to investors (if required).

## **TAXATION**

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

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



# UBS (Lux) Equity SICAV

Investment company under Luxembourg law (the “Company”)

April 2024

## Sales Prospectus

Shares in the Company may be acquired on the basis of this Sales Prospectus, the Company's Articles of Incorporation, the latest annual report and, if already published, the subsequent semi-annual report.

Only the information contained in the Sales Prospectus and the aforementioned documents shall be deemed valid.

Furthermore, a key information document for retail and insurance-based packaged investment products within the meaning of Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for retail and insurance-based packaged investment products (PRIIPs) (“KID”), is made available to investors before subscribing for Company shares. For the avoidance of doubt, UCITS Key Investor Information Documents (“KIIDs”) shall continue to be made available to investors in the UK to the extent this remains a regulatory requirement. References to the “KID” in this Prospectus shall therefore also be read as a reference to the “KIID” where applicable. Information on whether a sub-fund 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 Company shares is subject to the regulations prevailing in the country where this takes place. The Company treats all investor information with the strictest confidentiality, unless its disclosure is required pursuant to statutory or supervisory provisions.

Shares in this Company may not be offered, sold or delivered within the United States.

Shares of this Company 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 Company.

### **Management and administration**

#### **Registered office**

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

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

Chairman

Robert Süttinger,  
Managing Director,  
UBS Asset Management Switzerland AG,  
Zurich

Members

Francesca Guagnini,  
Managing Director,  
UBS Asset Management (UK) Ltd.,  
London

Josée Lynda Denis,  
Independent Director,  
Luxembourg

Ioana Naum,  
Executive Director,  
UBS Asset Management Switzerland AG  
Zurich

Raphael Schmidt-Richter,  
Executive Director,  
UBS Asset Management (Deutschland) GmbH,  
Frankfurt

### **Management Company**

UBS Fund Management (Luxembourg) S.A., 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 (the “**Mémorial**”).

The consolidated version of the Articles of Incorporation may be consulted at the Luxembourg Trade and Companies Register (Registre de Commerce et des Sociétés). The corporate purpose of the Management Company is to manage undertakings for collective investment pursuant to Luxembourg law and to issue/redeem units or shares in these products, among other activities. In addition to the Company, the Management Company currently also manages other undertakings for collective investment. The Management Company has fully paid-up equity capital of EUR 13,738,000.

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

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

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

### **Conducting Officer of the Management Company**

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

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

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

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

Andrea Papazzoni,  
UBS Fund Management (Luxembourg) S.A.,  
Luxembourg, Grand Duchy of Luxembourg

Stéphanie Minet,  
UBS Fund Management (Luxembourg) S.A.,  
Luxembourg, Grand Duchy of Luxembourg

## Portfolio Manager

Sub-fund	Portfolio Manager
UBS (Lux) Equity SICAV – All China (USD) UBS (Lux) Equity SICAV – China Health Care (USD) UBS (Lux) Equity SICAV – All China Sustainable (USD)	UBS Asset Management (Hong Kong) Limited, Hong Kong
UBS (Lux) Equity SICAV – Asian Smaller Companies (USD) UBS (Lux) Equity SICAV – China A Opportunity (USD)	UBS Asset Management (Singapore) Ltd, Singapore  For the sub-fund “China A Opportunity (USD)” UBS Asset Management (Singapore) Ltd. delegated the investment management of part or all of the assets of this sub-fund to UBS Asset Management (Hong Kong) Ltd.
UBS (Lux) Equity SICAV – German High Dividend Sustainable (EUR) UBS (Lux) Equity SICAV – Global Emerging Markets Opportunity (USD) UBS (Lux) Equity SICAV – Global Income Sustainable (USD) UBS (Lux) Equity SICAV – Russia (USD) UBS (Lux) Equity SICAV – Small Caps Europe Sustainable (EUR) UBS (Lux) Equity SICAV – Swiss Opportunity (CHF) UBS (Lux) Equity SICAV – US Income Sustainable (USD) UBS (Lux) Equity SICAV – Global Emerging Markets ex China Opportunity (USD) UBS (Lux) Equity SICAV – Innovation (USD)	UBS Asset Management Switzerland AG, Zurich
UBS (Lux) Equity SICAV – Active Climate Aware (USD) UBS (Lux) Equity SICAV – Engage for Impact (USD) UBS (Lux) Equity SICAV – US Opportunity (USD) UBS (Lux) Equity SICAV – US Total Yield Sustainable (USD)  UBS (Lux) Equity SICAV – USA Growth (USD) UBS (Lux) Equity SICAV – USA Growth Sustainable (USD) UBS (Lux) Equity SICAV – Healthy Living (USD) UBS (Lux) Equity SICAV – Mobility Leaders (USD) UBS (Lux) Equity SICAV – Security Leaders (USD) UBS (Lux) Equity SICAV – O’Connor China Long/Short Alpha Strategies UCITS (USD)	UBS Asset Management (Americas) LLC, New York
UBS (Lux) Equity SICAV – Euro Countries Income Sustainable (EUR) UBS (Lux) Equity SICAV – European High Dividend Sustainable (EUR) UBS (Lux) Equity SICAV – Global High Dividend Sustainable (USD) UBS (Lux) Equity SICAV – European Opportunity Unconstrained (EUR) UBS (Lux) Equity SICAV – Global Defensive Sustainable (USD) UBS (Lux) Equity SICAV – Global Opportunity Sustainable (USD) UBS (Lux) Equity SICAV – Global Opportunity Unconstrained (USD) UBS (Lux) Equity SICAV – Climate Action (USD) UBS (Lux) Equity SICAV – Diversity Equity and Inclusion (USD)	UBS Asset Management (UK) Ltd, London
UBS (Lux) Equity SICAV – Long Term Themes (USD) UBS (Lux) Equity SICAV – Future Leaders Small Caps (USD)	UBS Asset Management (Americas) LLC, New York UBS Switzerland AG, Zurich
UBS (Lux) Equity SICAV – European Income Opportunity Sustainable (EUR)	UBS Asset Management (UK) Ltd, London UBS Switzerland AG, Zurich

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

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

If the above table states that UBS Asset Management (Americas) LLC or UBS Asset Management (UK) Ltd, London and UBS Switzerland AG have been appointed Portfolio Managers for the sub-funds, the following division of responsibilities applies in addition: UBS Switzerland AG will assume the task of establishing the key long-term investment themes, a corresponding equities universe and the investment parameters. UBS Asset Management (Americas) LLC or UBS Asset Management (UK) Ltd, London will use the information provided by UBS Switzerland AG together with the results of its own fundamental research to determine the sub-funds’ investments. UBS Asset Management (Americas) LLC or UBS Asset Management (UK) Ltd, London will carry out all relevant transactions in line with the prescribed investment parameters.

## Depository 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 depository of the Company (the “**Depository**”). The Depository will also provide paying agent services to the Company.

The Depository 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 Depository 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 Depository 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 Company. The Depository shall also ensure the effective and proper monitoring of the Company’s cash flows pursuant to the provisions of the Law of 17 December 2010 on undertakings for collective investment (“**Law of 2010**”) and the depository agreement (hereinafter referred to as the “**Depository Agreement**”), each as amended.

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

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

In accordance with the provisions of the Depository Agreement and the Law of 2010, the Depository may appoint one or more sub-depositaries. Subject to certain conditions and with the aim of effectively fulfilling its duties, the Depository 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 Company.

In accordance with the applicable laws and regulations, as well as the directive on conflicts of interest, the Depository shall assess potential conflicts of interest that may arise from the delegation of its safekeeping tasks to a sub-depository or sub-delegate before any such appointing takes place. The Depository 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 Depository and its affiliates engage in various business activities and may have diverging direct or indirect interests.

Investors may obtain additional information free of charge by addressing a written request to the Depository.

Irrespective of whether a sub-depository or sub-delegate is part of the UBS Group, the Depository 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-depository or sub-delegate. Furthermore, the conditions determining the appointment of any sub-depository 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 Company and its shareholders. Should a conflict of interest arise and prove impossible to mitigate, such conflict of interest will be disclosed to the shareholders, together with all decisions taken pertaining thereto. An up-to-date description of all custody tasks delegated by the Depository, alongside an up-to-date list of these delegates and sub-delegate(s), 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 Depository 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 Depository must exercise all due skill, care and diligence as required by the Law of 2010 in the selection and appointment of any sub-depository 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-depository to which it has delegated a portion of its tasks and of any arrangements entered into by the sub-depository in respect of the matters delegated to it. In particular, delegation is only permitted if the sub-depository keeps the assets of the Company separate from the Depository’s own assets and the assets belonging to the sub-depository at all times during performance of the delegated tasks pursuant to the Law of 2010. The Depository’s liability shall not be affected by any such delegation, unless otherwise stipulated in the Law of 2010 and/or the Depository Agreement.

The Depository is liable to the Company and its shareholders for the loss of a financial instrument held in custody within the meaning of Article 35 (1) of the Law of 2010 and Article 12 of Commission Delegated Regulation (EU) 2016/438 of 17 December 2015 supplementing the UCITS Directive with regard to the obligations of depositaries (the “**Deposited Fund Assets**”) by the Depository and/or a sub-depository (the “**Loss of a Deposited Fund Asset**”).

In the event of the Loss of a Deposited Fund Asset, the Depository must provide a financial instrument of the same type or value to the Company without undue delay. In accordance with the provisions of the Law of 2010, the Depository 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.

Without prejudice to the special liability of the Depository in the event of the loss of any fund assets held in custody, the Depository shall be liable for any loss or damage suffered by the Company resulting directly from the Depository’s negligence, fraud or wilful misconduct in the execution of the services under the Depository Agreement, except in respect of the Depository’s duties under

the Law of 2010 for which the Depositary will be liable for any loss or damage suffered by the Company resulting directly from the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the Law of 2010.

The Company and the Depositary may terminate the Depositary Agreement at any time by giving three (3) months' notice via registered letter. Under certain circumstances, the Depositary Agreement may also be terminated with a shorter notice period, for example in the event of a material breach of duty by one of the parties. Until a new depositary has been appointed, which must occur within no more than two (2) months of the time when notice to terminate the Depositary Agreement took effect, the Depositary shall take all necessary steps in order to ensure that the interests of investors in the Company are upheld. If the Company does not name another depositary as its successor within this period, the Depositary may notify the Luxembourg supervisory authority ("Commission de Surveillance du Secteur Financier – "CSSF") concerning the situation.

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

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

In case the Depositary receives investors' data, such data might be accessible and/or transferred by the Depositary to other entities controlled by the UBS Group AG currently or in the future as well as third-party service providers (the "UBS Partners"), in their capacity as service providers on behalf of the Depositary. UBS Partners are domiciled in the EU or in countries located outside the EU but with an adequate level of data protection (on the basis of an adequacy decision by the European Commission) such as Switzerland. Data could be made available to UBS entities located in Poland, the UK, Switzerland, Monaco, and Germany as well as other branches of UBS Europe SE (in France, Italy, Spain, Denmark, Sweden, Switzerland and Poland), for the purpose of outsourcing certain infrastructure (e.g. telecommunications, software) and/or other tasks in order to streamline and/or centralise a series of processes linked to the finance, operational, back-office, credit, risk, or other support or control functions. Further information about the outsourcing and processing of personal data by the Depositary is available at <https://www.ubs.com/lux-europe-se>.

#### **Administrative agent**

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

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

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

PricewaterhouseCoopers, Société coopérative, 2, rue Gerhard Mercator, L-2182 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 countries of distribution.

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

The sub-funds are suitable investments for private and institutional investors who wish to invest in a diversified equity portfolio and are prepared to assume the risks associated with investments in equities.

#### **Historical performance**

Information on where historical performance can be found is outlined in the KID or in the corresponding sub-fund-specific document for the Company's distribution countries.

#### **Risk profile**

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

Factors that can trigger such fluctuations or influence their magnitude include but are not limited to:

- Company-specific changes,
- Changes in interest rates,
- Changes in exchange rates,
- Changes in commodity prices and energy sources,
- Changes affecting economic factors such as employment, public expenditure and indebtedness, and inflation,
- Changes in the legal environment,
- Changes in investor confidence in asset classes (e.g. equities), markets, countries, industries and sectors as well as
- changes in sustainability risks

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

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

## **Legal aspects**

### **The Company**

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

Name of the Company:		UBS (Lux) Equity SICAV	
Legal form:		Open-ended investment fund legally established in the form of a société d'investissement à capital variable ("SICAV") pursuant to Part I of the Law of 2010	
Date of incorporation:		7 October 1996	
Entered in the Luxembourg trade and companies register under:		RCS B 56.386	
Financial year:		1 June to 31 May	
Ordinary general meeting:		Held annually at 11:30 on 24 November at the registered office of the Company. Should 24 November fall on a day that is not a business day in Luxembourg (i.e. a day on which banks in Luxembourg are open during normal business hours), then the general meeting will be held on the next business day.	
Articles of Incorporation:			
	Initial publication	7 October 1996	Published in the Mémorial on 8 November 1996
	Amendments	5 March 1998	Published in the Mémorial on 14 April 1998
		3 March 2005	Published in the Mémorial on 22 March 2005
		10 June 2011	Published in the Mémorial on 24 August 2011
			30 October 2015
Management Company		UBS Fund Management (Luxembourg) S.A., RCS Luxembourg B 154.210	

The consolidated version of the Articles of Incorporation of the Company may be consulted at the Luxembourg trade and companies register (Registre de Commerce et des Sociétés). Any amendments thereto shall be notified by way of a notice of deposit in the Recueil Electronique des Sociétés et Associations ("**RESA**"), as well as by any other means described below in the section entitled "Regular reports and publications". Amendments become legally binding following their approval by the general meeting of shareholders.

The combined net assets of the individual sub-funds form the total net assets of the Company, which at all times constitute the Company's share capital and consist of fully-paid up, no-par value shares (the "**shares**").

The Company asks investors to note that they only benefit from shareholder rights – particularly the right to participate in general meetings – if they are entered in their own name in the register of shareholders following their investment in the Company. However, if investors buy Company shares 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 shareholders' register instead of the investor, the aforementioned shareholder rights 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.

At general meetings, shareholders are entitled to one vote per share held, irrespective of any differences in value between the shares in the individual sub-funds. Shares of a particular sub-fund carry the right of one vote per share held when voting at meetings affecting this sub-fund.

The Company forms a legal unit. As regards the association between shareholders, 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 Company may decide to liquidate existing sub-funds and/or launch new sub-funds and/or create different share classes with specific characteristics within these sub-funds at any time. This Sales Prospectus will be updated each time a new sub-fund is launched.

The Company's duration and total assets are unlimited.

The Company was established on 7 October 1996 as an open-ended investment fund in the form of a SICAV pursuant to Part I of the Luxembourg Law of 30 March 1988 relating to undertakings for collective investment and was adapted in March 2005 to comply with the provisions of the Law of 2002; it has been subject to the Law of 2010 since 1 July 2011. With effect from 15 June 2011, the Company has appointed UBS Fund Management (Luxembourg) S.A. as its Management Company.

### **Share classes**

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

"P"	Shares in classes with "P" in their name are available to all investors. Their smallest tradable unit is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, BRL 400, CAD 100, CHF 100, CZK 2,000, DKK 700, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NOK 900, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100, USD 100 or ZAR 1,000.
"N"	Shares in classes with "N" in their name (shares 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 Company. No entry costs shall be charged for these classes, even if they have additional characteristics. Their smallest tradable unit is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, BRL 400, CAD 100, CHF 100, CZK 2,000, DKK 700, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NOK 900, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100, USD 100 or ZAR 1,000.
"K-1"	Shares in classes with "K-1" in their name are available to all investors. Their smallest tradable unit is 0.001. The minimum investment amount is equivalent to the initial issue price of the unit class and is applicable on the level of the clients of financial intermediaries. This minimum investment amount must be met or exceeded with every subscription order that is placed. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 5 million, BRL 20 million, CAD 5 million, CHF 5 million, CZK 100 million, DKK 35 million, EUR 3 million, GBP 2.5 million, HKD 40 million, JPY 500 million, NOK 45 million, NZD 5 million, PLN 25 million, RMB 35 million, RUB 175 million, SEK 35 million, SGD 5 million, USD 5 million or ZAR 40 million.
K-B	Shares in classes with "K-B" in their name are exclusively reserved for investors who have signed a written agreement with UBS Asset Management Switzerland AG or one of its authorised distribution partners on investing in one or more sub-funds of this umbrella fund. The costs for asset management are charged to investors under the aforementioned agreements. Their smallest tradable unit is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, BRL 400, CAD 100, CHF 100, CZK 2,000, DKK 700, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NOK 900, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100, USD 100 or ZAR 1,000.
"K-X"	Shares in classes with "K-X" in their name are exclusively reserved for investors who have signed a written agreement with UBS Asset Management Switzerland AG or one of its authorised distributors on investing in one or more sub-funds of this umbrella fund. The costs for asset management, fund administration (comprising the costs incurred by the 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 Company decides otherwise, the initial issue price of these shares amounts to AUD 100, BRL 400, CAD 100, CHF 100, CZK 2,000, DKK 700, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NOK 900, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100, USD 100 or ZAR 1,000.
"F"	Shares in classes with "F" in their name are exclusively reserved for UBS Group AG affiliates. The maximum flat fee for this class does not include distribution costs. These shares 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 shares will be returned to the Company upon termination of the mandate at the prevailing net asset value and without being subject to charges. The smallest tradable unit of these shares is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, BRL 400, CAD 100, CHF 100, CZK 2,000, DKK 700, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NOK 900, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100, USD 100 or ZAR 1,000.
"Q"	Shares in classes with "Q" in their name are exclusively reserved for financial intermediaries that (i) make investments for their own account, and/or (ii) receive no distribution fees in accordance with regulatory requirements, and/or (iii) can only offer their clients classes with no retrocessions, where these are available in the investment fund in question, in accordance with written agreements or agreements on fund savings plans concluded with their clients. Investments that no longer meet the above conditions may be forcibly redeemed at the prevailing net asset value or exchanged for another class of the sub-fund. The Company and the Management Company are not liable for any tax consequences that may result from a forcible redemption or exchange. The smallest tradable unit of these shares is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, BRL 400, CAD 100, CHF 100, CZK 2,000, DKK 700, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NOK 900, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100, USD 100, NZD 100 or ZAR 1,000.
"QL"	Shares in classes with "QL" in their name are exclusively reserved for selected financial intermediaries that: (i) have received approval from the Management Company prior to first subscription, and (ii) receive no distribution fees in accordance with regulatory requirements and/or can only offer their clients classes with no retrocessions, where these are available in the investment fund in question, in accordance with written agreements concluded with their clients. The Management Company will require a minimum investment of CHF 200 million (or the equivalent in another currency). The Management Company may waive the minimum investment temporarily or permanently. Investments that no longer meet the above conditions may be forcibly redeemed at the prevailing net asset value or exchanged for another class of the sub-fund. The Company and the Management Company are not liable for any tax consequences that may result from a forcible redemption or exchange. The smallest tradable unit of these shares is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, BRL 400, CAD 100, CHF 100, CZK 2,000, DKK 700, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NOK 900, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100, USD 100 or ZAR 1,000.

"I-A1"	Shares in classes with "I-A1" in their name are exclusively reserved for institutional investors within the meaning of Article 174(2)(c) of the Law of 2010. The maximum flat fee for this class does not include distribution costs. The smallest tradable unit of these shares is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, BRL 400, CAD 100, CHF 100, CZK 2,000, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NOK 900, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100, USD 100 or ZAR 1,000.
"I-A2"	Shares in classes with "I-A2" in their name are exclusively reserved for institutional investors within the meaning of Article 174(2)(c) of the Law of 2010. The maximum flat fee for this class does not include distribution costs. The smallest tradable unit of these shares is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, BRL 400, CAD 100, CHF 100, CZK 2,000, DKK 700, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NOK 900, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100, USD 100 or ZAR 1,000. The minimum subscription amount for these shares is CHF 10 million (or foreign currency equivalent). Upon subscription (i) a minimum subscription must be made in accordance with the list above; or (ii) based on a written agreement between the institutional investor and UBS Asset Management Switzerland AG (or one of its authorised contractual partners) or on the written approval of UBS Asset Management Switzerland AG (or one of its authorised contractual partners), the investor's total assets managed by UBS or its holdings in UBS collective investment schemes must be more than CHF 30 million (or foreign currency equivalent); or (iii) the institutional investor must be an institution for occupational retirement provision that is part of UBS Group AG or must be one of its wholly-owned group companies. The management company may waive the minimum subscription if the total assets under management at UBS or the holdings of UBS collective investment schemes by institutional investors exceed CHF 30 million within a specified period.
"I-A3"	Shares in classes with "I-A3" in their name are exclusively reserved for institutional investors within the meaning of Article 174(2)(c) of the Law of 2010. The maximum flat fee for this class does not include distribution costs. The smallest tradable unit of these shares is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, BRL 400, CAD 100, CHF 100, CZK 2,000, DKK 700, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NOK 900, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100, USD 100 or ZAR 1,000. The minimum subscription amount for these shares is CHF 30 million (or foreign currency equivalent). Upon subscription (i) a minimum subscription must be made in accordance with the list above; or (ii) based on a written agreement between the institutional investor and UBS Asset Management Switzerland AG (or one its authorised contractual partners) or on the written approval of UBS Asset Management Switzerland AG (or one its authorised contractual partners), the investor's total assets managed by UBS or its holdings in UBS collective investment schemes must be more than CHF 100 million (or foreign currency equivalent); or (iii) the institutional investor must be an institution for occupational retirement provision that is part of UBS Group AG or must be one of its wholly-owned group companies. The management company may waive the minimum subscription if the total assets under management at UBS or the holdings of UBS collective investment schemes by institutional investors exceed CHF 100 million within a specified period.
"I-A4"	Shares in classes with "I-A4" in their name are exclusively reserved for institutional investors within the meaning of Article 174(2)(c) of the Law of 2010. The maximum flat fee for this class does not include distribution costs. The smallest tradable unit of these shares is 0.001. Unless the Management Company decides otherwise, the initial issue price of these shares amounts to AUD 100, BRL 400, CAD 100, CHF 100, CZK 2,000, DKK 700 EUR 100, GBP 100, HKD 1,000, JPY 10,000, NOK 900, NZD 100, PLN 500, RUB 3,500, SEK 700, SGD 100, USD 100 or ZAR 1,000. The minimum subscription amount for these shares is CHF 100 million (or foreign currency equivalent). Upon subscription: (i) a minimum subscription must be made in accordance with the list above; or (ii) based on a written agreement between the institutional investor and UBS Asset Management Switzerland AG (or one its authorised contractual partners) or on the written approval of UBS Asset Management Switzerland AG (or one its authorised contractual partners), the investor's total assets managed by UBS or its holdings in UBS collective investment schemes must be more than CHF 500 million (or foreign currency equivalent); or (iii) the institutional investor must be an institution for occupational retirement provision that is part of UBS Group AG or must be one of its wholly-owned group companies. The Management Company may waive the minimum subscription amount if the total assets managed by UBS or the amount held in UBS collective investment schemes for institutional investors is more than CHF 500 million within a defined period. Investments that no longer meet the above conditions may be forcibly redeemed at the prevailing net asset value or exchanged for another class of the sub-fund. The Company and the Management Company are not liable for any tax consequences that may result from a forcible redemption or exchange.
"I-B"	Shares in classes with "I-B" in their name are exclusively reserved for institutional investors within the meaning of Article 174(2)(c) of the Law of 2010 who have signed a written agreement with UBS Asset Management Switzerland AG or one of its authorised contractual partners. A fee covering the costs for fund administration (comprising the costs of the 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 Company decides otherwise, the initial issue price of these shares amounts to AUD 100, BRL 400, CAD 100,



	CHF 100, CZK 2,000, DKK 700, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NOK 900, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100, USD 100 or ZAR 1,000.
"I-X"	Shares in classes with "I-X" in their name are exclusively reserved for institutional investors within the meaning of Article 174(2)(c) of the Law of 2010 who have signed a written agreement with UBS Asset Management Switzerland AG or one of its authorised contractual partners. The costs for asset management, fund administration (comprising the costs incurred by the 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 Company decides otherwise, the initial issue price of these shares amounts to AUD 100, BRL 400, CAD 100, CHF 100, CZK 2,000, DKK 700, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NOK 900, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100, USD 100 or ZAR 1,000.
"U-X"	Shares in classes with "U-X" in their name are exclusively reserved for institutional investors within the meaning of Article 174(2)(c) of the Law of 2010 who have signed a written agreement with UBS Asset Management Switzerland AG or one of its authorised contractual partners. The costs for asset management, fund administration (comprising the costs of the Company, the administrative agent and the Depositary) and distribution are charged to investors under the aforementioned agreements. This share 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 Company decides otherwise, the initial issue price of these shares amounts to AUD 10,000, BRL 40,000, CAD 10,000, CHF 10,000, CZK 200,000, DKK 70,000, EUR 10,000, GBP 10,000, HKD 100,000, JPY 1 million, NOK 90,000, NZD 10,000, PLN 50,000, RMB 100,000, RUB 350,000, SEK 70,000, SGD 10,000, USD 10,000 or ZAR 100,000.
"A"	Shares in classes with "A" in their name are available to all investors. The maximum flat fee for this class does not include distribution costs. Their smallest tradable unit is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, BRL 400, CAD 100, CHF 100, CZK 2,000, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NOK 900, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100, USD 100 or ZAR 1,000.

Additional characteristics:

Currencies	The share classes may be denominated in AUD, BRL, CAD, CHF, CZK, DKK, EUR, GBP, HKD, JPY, NOK, NZD, PLN, RMB, RUB, SEK, SGD, USD or ZAR. For share classes issued in the currency of account of the sub-fund, this currency will not be included in the share class name. The currency of account features in the name of the relevant sub-fund.
"hedged"	For share classes with "hedged" in their name and with reference currencies different to the sub-fund's currency of account (" <b>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 share class in foreign currency. Changes in the market value of the portfolio, as well as subscriptions and redemptions of share classes in foreign currencies, can result in the hedging temporarily surpassing the aforementioned range. The 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.
"portfolio hedged"	For share classes with "portfolio hedged" in their name, the currency risk of the sub-fund's investments is hedged against the reference currency of the share class as follows: Systematically, between 95% and 105% of the proportion of investments in developed nation foreign currencies relative to the share class' total net assets is hedged, except where this is unfeasible or not cost-effective. Emerging market foreign currency investments are not hedged. Changes in the market value of the sub-fund's investments, as well as subscriptions and redemptions of share classes, can cause the hedge to temporarily exceed the range specified by the Portfolio Manager. The Company and the Portfolio Manager will take all necessary steps to bring the hedging back within the aforementioned limits. The hedging described is used to hedge the currency risk resulting from investments denominated in a currency other than the share class' reference currency, as described above.
"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 share class and/or the sub-fund in accordance with the section "Liquidation of the Company and its sub-funds; merger of sub-funds".
"RMB hedged"	Investors should note that the renminbi (ISO 4217 currency code: CNY), the official currency of the People's Republic of China (the " <b>PRC</b> "), is traded on two markets, namely as onshore RMB (CNY) in mainland China and offshore RMB (CNH) outside mainland China. Shares in classes with "RMB hedged" in their name are shares whose net asset value is calculated in offshore RMB (CNH). Onshore RMB (CNY) is not a freely convertible currency and is subject to foreign exchange control policies and repatriation restrictions imposed by the PRC government. Offshore RMB (CNH), on the other hand, may be traded freely against other currencies, particularly EUR, CHF and USD. This means the exchange rate between offshore RMB (CNH) and other currencies is determined on the basis of supply and demand relating to the respective currency pair.

	<p>Convertibility between offshore RMB (CNH) and onshore RMB (CNY) is a regulated currency process subject to foreign exchange control policies and repatriation restrictions imposed by the PRC government in coordination with offshore supervisory and governmental agencies (e.g. the Hong Kong Monetary Authority).</p> <p>Prior to investing in RMB classes, investors should bear in mind that the requirements relating to regulatory reporting and fund accounting of offshore RMB (CNH) are not clearly regulated. Furthermore, investors should be aware that offshore RMB (CNH) and onshore RMB (CNY) have different exchange rates against other currencies. The value of offshore RMB (CNH) can potentially differ significantly from that of onshore RMB (CNY) due to a number of factors including, without limitation, foreign exchange control policies and repatriation restrictions imposed by the PRC government at certain times, as well as other external market forces. Any devaluation of offshore RMB (CNH) could adversely affect the value of investors' investments in the RMB classes. Investors should therefore take these factors into account when calculating the conversion of their investments and the ensuing returns from offshore RMB (CNH) into their target currency.</p> <p>Prior to investing in RMB classes, investors should also bear in mind that the availability and tradability of RMB classes, and the conditions under which they may be available or traded, depend to a large extent on the political and regulatory developments in the PRC. Thus, no guarantee can be given that offshore RMB (CNH) or the RMB classes will be offered and/or traded in future, nor can there be any guarantee as to the conditions under which offshore RMB (CNH) and/or RMB classes may be made available or traded. In particular, since the currency of account of the relevant sub-funds offering the RMB classes would be in a currency other than offshore RMB (CNH), the ability of the relevant sub-fund to make redemption payments in offshore RMB (CNH) would be subject to the sub-fund's ability to convert its currency of account into offshore RMB (CNH), which may be restricted by the availability of offshore RMB (CNH) or other circumstances beyond the control of the Management Company.</p> <p>The risk of fluctuations is hedged as described above under "hedged".</p> <p>Potential investors should be aware of the risks of reinvestment, which could arise if the RMB class has to be liquidated early due to political and/or regulatory circumstances. This does not apply to the risk associated with reinvestment due to liquidation of a share class and/or the sub-fund in accordance with the section "Liquidation of the Company and its sub-funds; merger of sub-funds".</p>
"acc"	The income of share classes with "-acc" in their name is not distributed unless the Company decides otherwise.
"dist"	For share classes with "-dist" in their name, income is distributed unless the Company decides otherwise.
"qdist"	Shares in classes with "-qdist" in their name may make quarterly distributions, 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 share of the sub-fund. Investors in certain countries may be subject to higher tax rates on distributed capital than on any capital gains from the sale of fund units. Some investors may therefore prefer to subscribe to accumulating (-acc) rather than distributing (-dist, -qdist) share classes. Investors may be taxed at a later point in time on income and capital arising on accumulating (-acc) share classes compared with distributing (-dist) share classes. Investors should consult qualified experts for tax advice regarding their individual situation.
"mdist"	Shares 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 share of the sub-fund. Investors in certain countries may be subject to higher tax rates on distributed capital than on any capital gains from the sale of fund units. Some investors may therefore prefer to invest in accumulating (-acc) rather than distributing (-dist, -mdist) share classes. Investors may be taxed at a later point in time on income and capital arising on accumulating (-acc) share classes compared with distributing (-dist) share classes. Investors should consult qualified experts for tax advice regarding their individual situation. The maximum entry costs for shares in classes with "-mdist" in their name are 6%.
"UKdist"	For share classes with "UKdist" in their name that are subject to the reporting fund rules, the Company intends to distribute a sum corresponding to 100% of the reportable income within the meaning of the <b>UK reporting fund</b> rules. The Company does not intend to make taxable values for these share classes available in other countries, as they are intended for investors whose investment in the share class is liable to tax in the UK.
"2%", "4%", "6%", "8%"	<p>Shares in classes with "2%" / "4%" / "6%" / "8%" in their name may make monthly (-mdist), quarterly (-qdist) or annual (-dist) distributions at the respective aforementioned annual percentage rates, gross of fees and expenses. The distribution amount is calculated based on the net asset value of the respective share class at the end of the month (in the case of monthly distributions), financial quarter (in the case of quarterly distributions) or financial year (in the case of annual distributions). These share classes are suitable for investors who wish for more stable distributions, unrelated to past or expected returns or income of the relevant sub-fund.</p> <p>Distributions may thus also be made from the capital. Distributions out of capital result in the reduction of an investor's original capital invested in the sub-fund. Furthermore, any distributions from the income and/or involving the capital result in an immediate reduction of the net asset value per share of the sub-fund. Investors in certain countries may be subject to higher tax rates on distributed capital than on any capital gains from the sale of fund units. Some investors may therefore choose to invest in the accumulating (-acc) instead of the distributing (-dist, -qdist, -mdist) share classes. Investors may be taxed at a later point in time on income and capital arising on accumulating (-acc) share classes compared with distributing (-dist, -qdist, -mdist) share classes. Investors should consult qualified experts for tax advice regarding their individual situation.</p>

"seeding"	Shares with "seeding" in their name are only offered for a limited period of time. At the end of this period, no further subscriptions are permitted unless the Company decides otherwise. However, shares can still be redeemed in accordance with the conditions for share redemptions. Unless otherwise decided by the Company, the smallest tradeable unit, the initial issue price and the minimum subscription amount shall correspond to the characteristics of the share classes listed above.
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## **Investment objective and investment policy of the sub-funds**

### **Investment objective**

The Company aims to generate strong capital appreciation with a reasonable level of income, while giving due consideration to capital security and the liquidity of the Company's assets.

### **General investment policy**

Unless otherwise stated in the special investment policy, at least two-thirds of the assets of the Company's sub-funds shall be invested in equities, other equity interests, dividend-right certificates and, on an ancillary basis, in warrants on equities and other equity interests.

Furthermore, where the name of a country or region appears in the name of a sub-fund, that sub-fund may invest no more than one third of its net assets in countries or regions other than that which appears in its name.

In addition, irrespective of its name and in accordance with the provisions on investment instruments and restrictions listed below, each sub-fund may invest up to 25% of its net assets in convertible bonds and warrant-linked bonds with warrants on securities, and up to 15% of its net assets in bonds, notes that are permissible under the UCITS Directive and similar fixed-income or floating-rate debt instruments (including floating rate notes and excluding notes with a derivative as the underlying) of public, semi-public and private issuers, in money market securities, and, on an ancillary basis, in warrants on bonds from the aforementioned issuers. No more than 15% of the net assets of the Company may be invested in promissory notes of any kind which bear "interest" in the sense of Council Directive 2003/48/EC of 3 June 2003 on taxation of interest payments, unless such instruments are required to create a synthetic equity exposure using derivatives (e.g. futures).

Unless specified otherwise in the sub-fund's special investment policy, investments in Special Purpose Acquisition Companies ("SPACs") are limited to 3% of the net assets of the sub-fund. Further information may be found in the section "Special Purpose Acquisition Companies (SPAC)".

Unless otherwise provided for in the investment policy of the relevant sub-fund, that sub-fund may invest no more than 10% of its assets in UCITS or UCIs.

As set out in Point 1.1(g) and Point 5 of the investment principles, the Company may, as a main element in achieving the investment policy for each sub-fund and within the statutory limits defined, use special techniques and financial instruments whose underlying assets are securities, money market instruments and other financial instruments.

The markets in derivatives are volatile; both the opportunity to achieve gains as well as the risk of suffering losses are higher than with investments in securities.

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

### **ESG Integration**

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

ESG integration is driven by taking into account material ESG risks as part of the research process. For corporate issuers, this process utilises the ESG Material Issues framework which identifies the financially relevant factors per sector that can impact investment decisions. This orientation toward financial materiality ensures that analysts focus on sustainability factors that can impact the financial performance of the company and therefore investment returns. ESG integration can also identify opportunities for engagement to improve the company's ESG risk profile and thereby mitigate the potential negative impact of ESG issues on the company's financial performance. The Portfolio Manager employs a proprietary ESG Risk Dashboard that combines multiple ESG

data sources in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process. For non-corporate issuers, the Portfolio Manager may apply a qualitative or quantitative ESG risk assessment that integrates data on the most material ESG factors. The analysis of material sustainability/ESG considerations can include many different aspects, such as the following among others: the carbon footprint, health and well-being, human rights, supply chain management, fair customer treatment and governance.

### **Sustainability Exclusion Policy**

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

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

### **Sustainability Annual Reporting**

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

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

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

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

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

### **UBS (Lux) Equity SICAV – All China (USD)**

This actively managed sub-fund invests mainly in shares and other equity interests of companies domiciled in the People’s Republic of China (“PRC”) as well as in other companies that have close economic links with the PRC. These investments contain securities listed within the PRC (onshore) or outside of the PRC (offshore). This sub-fund promotes environmental and/or social characteristics and complies with Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (“SFDR”). Further information related to environmental and/or social characteristics is available in Annex I to this document (SFDR RTS Art. 14(2)).

The UBS Blended ESG Score is used to identify issuers/companies for the investment universe with strong environmental and social performance characteristics, or a strong sustainability profile. The UBS Blended ESG Score represents an average of normalized ESG assessment data from UBS and two recognized external ESG data providers, MSCI and Sustainalytics. This blended score approach enhances the quality of the derived sustainability profile by integrating multiple independent ESG assessments, rather than depending solely on one single view. The UBS Blended ESG Score represents an entity’s sustainability profile assessing material environmental, social, and governance factors. These factors may include, but are not limited to, environmental footprint and operational efficiency, risk management, climate change response, natural resource utilization, pollution and waste management, employment standards, supply chain oversight, human capital development, board diversity, occupational health and safety, product safety, and anti-fraud and anti-corruption policies. Each assessed entity is assigned a UBS Blended ESG Score, which ranges from 0 to 10, with 10 indicating the best sustainability profile. The sub-fund incorporates the following ESG promotion characteristics:

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

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

The sub-fund uses the benchmark MSCI China All Share (net div. reinvested) for performance measurement, monitoring the ESG metrics, investment risk management and portfolio construction purposes. The benchmark is not designed to promote ESG characteristics. The Portfolio Manager may use discretion when constructing the portfolio and is not tied to the benchmark in terms of investment selection or weight. This means that the investment performance of the sub-fund may differ from the benchmark. For share classes with “hedged” in their name, currency-hedged versions of the benchmark may be used if available.

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

Investors should note that the sub-fund’s exposure may also include Chinese A shares. Chinese A shares are renminbi-denominated A shares of companies domiciled in mainland China; these are traded on Chinese stock exchanges such as the Shanghai Stock Exchange and the Shenzhen Stock Exchange. The sub-fund may invest in Chinese A shares via Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

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

**Currency of account:** USD

## Fees

	Maximum flat fee (maximum management fee) p.a.	Maximum flat fee (maximum management fee) p.a. for share classes with "hedged" in their name
Share classes with "P" in their name	2.150% (1.720%)	2.200% (1.760%)
Share classes with "K-1" in their name	1.570% (1.260%)	1.600% (1.280%)
Share classes with "K-B" in their name	0.140% (0.000%)	0.140% (0.000%)
Share classes with "K-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "F" in their name	1.020% (0.820%)	1.050% (0.840%)
Share classes with "Q" in their name	1.290% (1.030%)	1.340% (1.070%)
Share classes with "QL" in their name	1.290% (1.030%)	1.340% (1.070%)
Share classes with "I-A1" in their name	1.240% (0.990%)	1.270% (1.016%)
Share classes with "I-A2" in their name	1.170% (0.940%)	1.200% (0.960%)
Share classes with "I-A3" in their name	1.020% (0.820%)	1.050% (0.840%)
Share classes with "I-A4" in their name	1.020% (0.820%)	1.050% (0.840%)
Share classes with "I-B" in their name	0.140% (0.000%)	0.140% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)	0.000% (0.000%)

## **UBS (Lux) Equity SICAV – China Health Care (USD)**

The actively managed sub-fund invests mainly in shares and other equity interests of companies related to the healthcare sector domiciled in the People's Republic of China ("PRC") or other companies that have close economic links with the PRC. These investments contain securities listed within the PRC (onshore) or outside of the PRC (offshore). This sub-fund promotes environmental and/or social characteristics and complies with Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR"). Further information related to environmental and/or social characteristics is available in Annex I to this document (SFDR RTS Art. 14(2)).

The UBS Blended ESG Score is used to identify issuers/companies for the investment universe with strong environmental and social performance characteristics, or a strong sustainability profile. The UBS Blended ESG Score represents an average of normalized ESG assessment data from UBS and two recognized external ESG data providers, MSCI and Sustainalytics. This blended score approach enhances the quality of the derived sustainability profile by integrating multiple independent ESG assessments, rather than depending solely on one single view. The UBS Blended ESG Score represents an entity's sustainability profile assessing material environmental, social, and governance factors. These factors may include, but are not limited to, environmental footprint and operational efficiency, risk management, climate change response, natural resource utilization, pollution and waste management, employment standards, supply chain oversight, human capital development, board diversity, occupational health and safety, product safety, and anti-fraud and anti-corruption policies. Each assessed entity is assigned a UBS Blended ESG Score, which ranges from 0 to 10, with 10 indicating the best sustainability profile. The sub-fund incorporates the following ESG promotion characteristics:

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

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

The sub-fund uses the benchmark MSCI China All Shares China Healthcare 10/40 (net dividend reinvested) for performance measurement, monitoring the ESG metrics, investment risk management and portfolio construction purposes. The benchmark is not

designed to promote ESG characteristics. The Portfolio Manager may use discretion when constructing the portfolio and is not tied to the benchmark in terms of investment selection or weight. This means that the investment performance of the sub-fund may differ from the benchmark. For share classes with "hedged" in their name, currency-hedged versions of the benchmark may be used if available.

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

Investors should note that the sub-fund's exposure may also include Chinese A shares. Chinese A shares are renminbi-denominated A shares of companies domiciled in mainland China; these are traded on Chinese stock exchanges such as the Shanghai Stock Exchange and the Shenzhen Stock Exchange. The sub-fund may invest in Chinese A shares via Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

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

**Currency of account:** USD

#### Fees

	Maximum flat fee (maximum management fee) p.a.	Maximum flat fee (maximum management fee) p.a. for share classes with "hedged" in their name
Share classes with "P" in their name	2.150% (1.720%)	2.200% (1.760%)
Share classes with "K-1" in their name	1.570% (1.260%)	1.600% (1.280%)
Share classes with "K-B" in their name	0.140% (0.000%)	0.140% (0.000%)
Share classes with "K-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "F" in their name	1.020% (0.820%)	1.050% (0.840%)
Share classes with "Q" in their name	1.290% (1.030%)	1.340% (1.070%)
Share classes with "QL" in their name	1.290% (1.030%)	1.340% (1.070%)
Share classes with "I-A1" in their name	1.240% (0.990%)	1.270% (1.010%)
Share classes with "I-A2" in their name	1.170% (0.940%)	1.200% (0.960%)
Share classes with "I-A3" in their name	1.020% (0.820%)	1.050% (0.840%)
Share classes with "I-A4" in their name	1.020% (0.820%)	1.050% (0.840%)
Share classes with "I-B" in their name	0.140% (0.000%)	0.140% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)	0.000% (0.000%)

#### **UBS (Lux) Equity SICAV – Asian Smaller Companies (USD)**

This actively managed sub-fund invests mainly in equities and other equity interests of small-cap companies that are domiciled or chiefly active in Asian markets (excl. Japan). The market capitalisation of the small-cap companies included in the sub-fund may not exceed that of the company with the highest market capitalisation in the benchmark of small and mid-cap companies for this sub-fund. However, they need not be included in the benchmark universe of the sub-fund. As the sub-fund invests in many foreign currencies due to its focus on the Asian region, the portfolio or parts thereof may be hedged against the reference currency of the sub-fund in order to reduce the associated foreign currency risks. This sub-fund promotes environmental and/or social characteristics and complies with Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR"). Further information related to environmental and/or social characteristics is available in Annex I to this document (SFDR RTS Art. 14(2)).

The sub-fund uses the benchmark MSCI All Country Asia (ex Japan) Small & Mid Caps (net div. reinvested) for performance measurement, monitoring the ESG metrics, investment risk management and portfolio construction purposes. The benchmark is not designed to promote ESG characteristics. The Portfolio Manager may use discretion when constructing the portfolio and is not tied to the benchmark in terms of investment selection or weight. This means that the investment performance of the sub-fund may differ from the benchmark. For share classes with "hedged" in their name, currency-hedged versions of the benchmark may be used if available.

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

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

**Currency of account:** USD

#### **Fees**

	Maximum flat fee (maximum management fee) p.a.	Maximum flat fee (maximum management fee) p.a. for share classes with "hedged" in their name
Share classes with "P" in their name	1.920% (1.540%)	1.970% (1.580%)
Share classes with "K-1" in their name	1.300% (1.040%)	1.330% (1.060%)
Share classes with "K-B" in their name	0.140% (0.000%)	0.140% (0.000%)
Share classes with "K-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "F" in their name	0.800% (0.640%)	0.830% (0.660%)
Share classes with "Q" in their name	1.080% (0.860%)	1.130% (0.900%)
Share classes with "QL" in their name	1.080% (0.860%)	1.130% (0.900%)
Share classes with "I-A1" in their name	0.950% (0.760%)	0.980% (0.780%)
Share classes with "I-A2" in their name	0.900% (0.720%)	0.930% (0.740%)
Share classes with "I-A3" in their name	0.800% (0.640%)	0.830% (0.660%)
Share classes with "I-A4" in their name	0.800% (0.640%)	0.830% (0.660%)
Share classes with "I-B" in their name	0.140% (0.000%)	0.140% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)	0.000% (0.000%)

#### **UBS (Lux) Equity SICAV – Active Climate Aware (USD)**

UBS Asset Management categorises this sub-fund as a Sustainability Focus Fund. This sub-fund promotes environmental and/or social characteristics and complies with Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR"). Further information related to environmental and/or social characteristics is available in Annex I to this document (SFDR RTS Art. 14(2)).

This actively managed sub-fund invests at least 90% of its assets globally in equities and other equity interests of companies that are leaders in their sectors in terms of supporting a more ecological economy, or that benefit from activities that reduce the CO<sub>2</sub> emissions of the global economy, such as companies in clean or renewable energy.

The sub-fund uses the benchmark MSCI AC World (net div. reinvested) for performance measurement, investment and sustainability risk management, measurement of the climate targets mentioned above and portfolio construction purposes.

The benchmark is not designed to promote ESG characteristics. The Portfolio Manager may use discretion when constructing the portfolio and is not tied to the benchmark in terms of investment selection or weight. This means that the investment performance of the sub-fund may differ from the benchmark. As the sub-fund invests in multiple currencies due to its global orientation, the investment portfolio or parts of it may be subject to currency fluctuation risks.

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

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

**Currency of account:** USD

**Fees**

	Maximum flat fee (maximum management fee) p.a.	Maximum flat fee (maximum management fee) p.a. for share classes with "hedged" in their name
Share classes with "P" in their name	1.600% (1.280%)	1.650% (1.320%)
Share classes with "K-1" in their name	1.100% (0.880%)	1.130% (0.900%)
Share classes with "K-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Share classes with "K-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "F" in their name	0.700% (0.560%)	0.730% (0.580%)
Share classes with "Q" in their name	0.900% (0.720%)	0.950% (0.760%)
Share classes with "QL" in their name	0.900% (0.720%)	0.950% (0.760%)
Share classes with "I-A1" in their name	0.800% (0.640%)	0.830% (0.660%)
Share classes with "I-A2" in their name	0.750% (0.600%)	0.780% (0.620%)
Share classes with "I-A3" in their name	0.700% (0.560%)	0.730% (0.580%)
Share classes with "I-A4" in their name	0.700% (0.560%)	0.730% (0.580%)
Share classes with "I-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)	0.000% (0.000%)

**UBS (Lux) Equity SICAV - China A Opportunity (USD)**

This sub-fund promotes environmental and/or social characteristics and complies with article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR"). Further information related to environmental and/or social characteristics is available in Annex I to this document (SFDR RTS Art. 14(2)).

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

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

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

The UBS Blended ESG Score assesses sustainability factors, such as the performance of the relevant issuers/companies with reference to environmental, social and governance (ESG) aspects. These ESG aspects relate to the main areas in which the issuers/companies operate and their effectiveness in managing ESG risks. Environmental and social factors can include (amongst others) the following: environmental footprint and operational efficiency, environmental risk management, climate change, natural resource



usage, pollution and waste management, employment standards and supply chain monitoring, human capital, diversity within the board of directors, occupational health and safety, product safety, as well as anti-fraud and anti-corruption guidelines.

The sub-fund incorporates the following ESG promotion characteristics:

- A lower Weighted Average Carbon Intensity (WACI) than the reference benchmark or a low absolute carbon profile
  - A sustainability profile that is higher than its benchmark's sustainability profile or a minimum of 51% of assets invested in companies with a sustainability profile in the top half of the benchmark
- The calculations do not take account of cash, derivatives and unrated investment instruments.

The sub-fund uses the benchmark MSCI China A Onshore (net dividend reinvested) for performance measurement, monitoring the ESG metrics, investment risk management and portfolio construction purposes. The benchmark is not designed to promote ESG characteristics. The Portfolio Manager may use discretion when constructing the portfolio and is not tied to the benchmark in terms of investment selection or weight. This means that the investment performance of the sub-fund may differ from the benchmark.

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

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

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

A detailed description of the risks connected with an investment in this sub-fund is given under the following sections "General Risk Information" and "Specific Risks when investing in the PRC. This sub-fund is only suitable for investors who are willing to accept these risks. Investors should note that the sub-fund's investment exposure may also include Chinese A-shares traded via Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

**Currency of account:** USD

	<b>Maximum flat fee (maximum management fee) p.a.</b>	<b>Maximum flat fee (maximum management fee) p.a. for share classes with "hedged" in their name</b>
Share classes with "P" in their name	2.000% (1.600%)	2.050% (1.640%)
Share classes with "K-1" in their name	1.500% (1.200%)	1.530% (1.220%)
Share classes with "K-B" in their name	0.140% (0.000%)	0.140% (0.000%)
Share classes with "K-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "F" in their name	1.100% (0.880%)	1.130% (0.900%)
Share classes with "Q" in their name	1.300% (1.040%)	1.350% (1.080%)
Share classes with "QL" in their name	1.300% (1.040%)	1.350% (1.080%)
Share classes with "I-A1" in their name	1.200% (0.960%)	1.230% (0.980%)
Share classes with "I-A2" in their name	1.150% (0.920%)	1.180% (0.940%)
Share classes with "I-A3" in their name	1.100% (0.880%)	1.130% (0.900%)
Share classes with "I-A4" in their name	1.100% (0.880%)	1.130% (0.900%)
Share classes with "I-B" in their name	0.140% (0.000%)	0.140% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)	0.000% (0.000%)
	0.000%	0.000%

Share classes with "U-X" in their name	(0.000%)	(0.000%)
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### UBS (Lux) Equity SICAV – Climate Action (USD)

UBS Asset Management categorises this sub-fund as an Impact Fund. This sub-fund promotes environmental and/or social characteristics and complies with Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR"). Further information related to environmental and/or social characteristics is available in Annex I to this document (SFDR RTS Art. 14(2)).

This actively managed sub-fund invests at least 90% of its net assets in equities and other equity interests of attractively valued companies of emission-intense industries in developed and emerging markets worldwide, and ensures engagement with these companies to accelerate their decarbonization.

The sub-fund invests in companies that have exposure to sustainable themes related to decarbonization of emission-intense industries such as, but not limited to, materials, utilities, and agriculture, that the Portfolio Manager consider essential to society.

The Portfolio Manager uses a traditional intrinsic valuation and a proprietary decarbonization framework to select companies that have exposure to the targeted investment theme(s) of the sub-fund related to decarbonization of emission-intense industries. Such exposure is measured by sustainable revenues, capital or operational expenditures, research and development spending, or similar metrics.

The sub-fund uses the benchmark MSCI AC World (net div. reinvested) for performance measurement and risk management purposes. The benchmark is a broad market index which does not assess or include constituents according to environmental and/or social characteristics and therefore is not intended to be consistent with the characteristics promoted by the sub-fund. The Portfolio Manager may use discretion when constructing the portfolio and is not tied to the benchmark in terms of investment selection or weight. This means that the investment performance of the sub-fund may differ from the benchmark.

As the sub-fund invests in multiple currencies due to its global orientation, the investment portfolio or parts of it may be subject to currency fluctuation risks. This sub-fund may invest in both developed and emerging markets. The risks associated therewith are listed in the section entitled "General risk information".

**Currency of account:** USD

#### Fees

	Maximum flat fee (maximum management fee) p.a.	Maximum flat fee (maximum management fee) p.a. for share classes with "hedged" in their name
Share classes with "P" in their name	1.600% (1.280%)	1.650% (1.320%)
Share classes with "K-1" in their name	1.100% (0.880%)	1.130% (0.900%)
Share classes with "K-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Share classes with "K-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "F" in their name	0.520% (0.420%)	0.550% (0.440%)
Share classes with "Q" in their name	0.900% (0.720%)	0.950% (0.760%)
Share classes with "QL" in their name	0.900% (0.720%)	0.950% (0.760%)
Share classes with "I-A1" in their name	0.600% (0.480%)	0.630% (0.500%)
Share classes with "I-A2" in their name	0.560% (0.450%)	0.590% (0.470%)
Share classes with "I-A3" in their name	0.520% (0.420%)	0.550% (0.440%)
Share classes with "I-A4" in their name	0.520% (0.420%)	0.550% (0.440%)
Share classes with "I-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)	0.000% (0.000%)

### **UBS (Lux) Equity SICAV – Diversity Equity and Inclusion (USD)**

UBS Asset Management categorises this sub-fund as a Sustainability Focus Fund. This sub-fund promotes environmental and/or social characteristics and complies with Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR"). Further information related to environmental and/or social characteristics is available in Annex I to this document (SFDR RTS Art. 14(2)).

This actively managed sub-fund invests at least 90% of its assets globally in equities and other equity interests of companies in developed and emerging markets that the Portfolio Manager considers to be at the forefront in terms of supporting the principles of diversity, equity and inclusion ("DEI") in their operations and supply chain, and that rate top quartile as per the proprietary UBS DEI score; as well as investments in companies whose products and services support the principles of DEI. These include, but are not limited to, inclusive healthcare products and services, inclusive human capital management products and services, providers supporting access to utilities, telecommunications, affordable housing, education, finance and transportation, food and nutrition and small business enablers. The investment universe is reduced by at least 20%, whereby issuers with the lowest UBS DEI score are excluded.

The UBS DEI score is used to identify issuers/companies for the investment universe with the strong social performance characteristics. UBS DEI score is a normalized weighted average of DEI score data from several internal and recognized external providers. Rather than relying on a limited number of social factors from a single provider, this approach increases conviction in the validity of the social characteristics.

UBS DEI score assesses social factors, such as the performance of the relevant issuers/companies in terms of diversity, equity and inclusion aspects. These DEI aspects relate to the main areas in which the issuers/companies operate and their effectiveness in managing DEI risks and opportunities. These social factors can include (amongst others but are not limited to) the following: employment standards and labour rights, human capital, diversity within the board of directors, percentage of women in directors and executive management, etc.

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

The sub-fund uses the benchmark MSCI AC World (net div. reinvested) for portfolio construction, performance measurement and risk management purposes. The benchmark is a broad market index which does not assess or include constituents according to environmental and/or social characteristics and therefore is not intended to be consistent with the characteristics promoted by the sub-fund. The investment strategy and monitoring process ensure that the environmental or social characteristics of the product are taken into account. The Portfolio Manager may use discretion when constructing the portfolio and is not tied to the benchmark in terms of investment selection or weight. This means that the investment performance of the sub-fund may differ from the benchmark. As the sub-fund invests in multiple currencies due to its global orientation, the investment portfolio, or parts of it, may be subject to currency fluctuation risks.

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

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

For the reasons mentioned, the sub-fund is suitable for investors who are aware of these risks.

The sub-fund may use derivative financial instruments in accordance with Point 1.1(g) for investment purposes.

**Currency of account:** USD

### **Fees**

	Maximum flat fee (maximum management fee) p.a.	Maximum flat fee (maximum management fee) p.a. for share classes with "hedged" in their name
Share classes with "P" in their name	1.600% (1.280%)	1.650% (1.320%)
Share classes with "K-1" in their name	1.100% (0.880%)	1.130% (0.900%)
Share classes with "K-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Share classes with "K-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "F" in their name	0.520% (0.420%)	0.550% (0.440%)
Share classes with "Q" in their name	0.900%	0.950%

	(0.720%)	(0.760%)
Share classes with "QL" in their name	0.900% (0.720%)	0.950% (0.760%)
Share classes with "I-A1" in their name	0.600% (0.480%)	0.630% (0.500%)
Share classes with "I-A2" in their name	0.560% (0.450%)	0.590% (0.470%)
Share classes with "I-A3" in their name	0.520% (0.420%)	0.550% (0.440%)
Share classes with "I-A4" in their name	0.520% (0.420%)	0.550% (0.440%)
Share classes with "I-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)	0.000% (0.000%)

### **UBS (Lux) Equity SICAV – Euro Countries Income Sustainable (EUR)**

UBS Asset Management categorises this sub-fund as a Sustainability Focus Fund. This sub-fund promotes environmental and/or social characteristics and complies with Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR"). Further information related to environmental and/or social characteristics is available in Annex I to this document (SFDR RTS Art. 14(2)).

This actively managed sub-fund invests at least 75% of assets in equities and other equity interests of companies that are domiciled or chiefly active in member states of the European Monetary Union (EMU). Countries of the European Monetary Union (EMU) are those that participate in the EMU and therefore have the euro as their national currency. The sub-fund's investment strategy aims to generate above-average returns on equity investments compared to the performance of the eurozone equity markets. Returns on equity investments may stem from dividends, call option premia and other sources. Consequently, the sub-fund may use derivative financial instruments in accordance with Point 1.1(g) for investment purposes.

The sub-fund uses the benchmark MSCI EMU (net div. reinvested) to measure performance and the ESG profile, as well as for ESG and investment risk management and portfolio construction purposes. The benchmark is not designed to promote ESG characteristics. The Portfolio Manager may use discretion when constructing the portfolio and is not tied to the benchmark in terms of investment selection or weight. This means that the investment performance of the sub-fund may differ from the benchmark. For unit classes with "hedged" in their name, currency-hedged versions of the benchmark may be used if available.

The distributing (-dist) share classes of this sub-fund may thus distribute both capital and income (for ex. dividends). Income and capital may be distributed in two separate coupons. 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. For this reason, some investors may prefer to invest in accumulating (-acc) share classes instead of distributing (-dist) share classes. Investors may be taxed at a later point in time on income and capital arising on accumulating (-acc) share classes compared with distributing (-dist) share classes. Investors should consult qualified experts for tax advice regarding their individual situation.

**Currency of account:** EUR

### **Fees**

	Maximum flat fee (maximum management fee) p.a.	Maximum flat fee (maximum management fee) p.a. for share classes with "hedged" in their name
Share classes with "P" in their name	1.600% (1.280%)	1.650% (1.320%)
Share classes with "K-1" in their name	1.100% (0.880%)	1.130% (0.900%)
Share classes with "K-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Share classes with "K-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "F" in their name	0.600% (0.480%)	0.630% (0.500%)
Share classes with "Q" in their name	0.980% (0.780%)	1.030% (0.820%)
Share classes with "QL" in their name	0.780% (0.620%)	0.830% (0.660%)
Share classes with "I-A1" in their name	0.700% (0.560%)	0.730% (0.580%)
Share classes with "I-A2" in their name	0.650% (0.520%)	0.680% (0.540%)
Share classes with "I-A3" in their name	0.600%	0.630%

	(0.480%)	(0.500%)
Share classes with "I-A4" in their name	0.600% (0.480%)	0.630% (0.500%)
Share classes with "I-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)	0.000% (0.000%)

### **UBS (Lux) Equity SICAV – European High Dividend Sustainable (EUR)**

UBS Asset Management categorises this sub-fund as a Sustainability Focus Fund. This sub-fund promotes environmental and/or social characteristics and complies with Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR"). Further information related to environmental and/or social characteristics is available in Annex I to this document (SFDR RTS Art. 14(2)).

This actively managed sub-fund invests following the principle of risk diversification, with at least two thirds of its assets invested in equities or other equity interests in small, medium and large-cap companies domiciled or chiefly active in Europe. The Fund strategy is to select companies with high, consistent dividends.

The sub-fund uses the benchmark MSCI Europe (net dividend reinvested) to measure performance and the ESG profile, as well as for ESG and investment risk management and portfolio construction purposes. The benchmark is not designed to promote ESG characteristics. The Portfolio Manager may use discretion when constructing the portfolio and is not tied to the benchmark in terms of investment selection or weight. This means that the investment performance of the sub-fund may differ from the benchmark. As the sub-fund invests in many foreign currencies due to its regional orientation, the portfolio or parts thereof may be hedged against the reference currency of the sub-fund in order to reduce the associated foreign currency risks. For unit classes with "hedged" in their name, currency-hedged versions of the benchmark may be used if available.

**Currency of account:** EUR

### **Fees**

	Maximum flat fee (maximum management fee) p.a.	Maximum flat fee (maximum management fee) p.a. for share classes with "hedged" in their name
Share classes with "P" in their name	1.500% (1.200%)	1.550% (1.240%)
Share classes with "N" in their name	2.500% (2.000%)	2.550% (2.040%)
Share classes with "K-1" in their name	0.900% (0.720%)	0.930% (0.740%)
Share classes with "K-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Share classes with "K-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "F" in their name	0.520% (0.420%)	0.550% (0.440%)
Share classes with "Q" in their name	0.840% (0.670%)	0.890% (0.710%)
Share classes with "QL" in their name	0.670% (0.540%)	0.720% (0.580%)
Share classes with "I-A1" in their name	0.640% (0.510%)	0.670% (0.540%)
Share classes with "I-A2" in their name	0.600% (0.480%)	0.630% (0.500%)
Share classes with "I-A3" in their name	0.520% (0.420%)	0.550% (0.440%)
Share classes with "I-A4" in their name	0.520% (0.420%)	0.550% (0.440%)
Share classes with "I-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)	0.000% (0.000%)

## **UBS (Lux) Equity SICAV – European Income Opportunity Sustainable (EUR)**

UBS Asset Management categorises this sub-fund as a Sustainability Focus Fund. This sub-fund promotes environmental and/or social characteristics and complies with Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR"). Further information related to environmental and/or social characteristics is available in Annex I to this document (SFDR RTS Art. 14(2)).

The actively managed sub-fund mainly invests in shares and other equity interests of large-cap companies that are domiciled or chiefly active in Europe. In addition, the sub-fund may also invest directly or indirectly in European small and/or mid caps. In accordance with Point 5 of the investment principles "Special techniques and instruments with securities and money market instruments as underlying assets", the sub-fund is also permitted to use index futures to manage its market exposure.

Sub-fund investments focus on long-term themes and/or trends that the portfolio manager considers attractive. These aspects can comprise any sectors, countries and company capitalisations. These trends may relate to the global growth in population, an ageing population or increasing urbanisation, for instance.

The sub-fund's investment strategy aims to generate above-average returns on equity investments compared to the performance of European equity markets. Returns on equity investments may stem from dividends, call option premia and other sources.

Consequently, the sub-fund may use derivative financial instruments in accordance with Point 1.1(g) for investment purposes.

As the sub-fund invests in many foreign currencies due to its European orientation, the portfolio or parts thereof may be hedged against the reference currency of the sub-fund in order to reduce the associated foreign currency risks.

The sub-fund uses the benchmark MSCI Europe (net dividends reinvested) to measure performance and the ESG profile, as well as for ESG and investment risk management and portfolio construction purposes. The benchmark is not designed to promote ESG characteristics. The Portfolio Manager may use discretion when constructing the portfolio and is not tied to the benchmark in terms of investment selection or weight. This means that the investment performance of the sub-fund may differ from the benchmark.

The distributing (-dist) share classes of this sub-fund may thus distribute both capital and income (for ex. dividends). Income and capital may be distributed in two separate coupons. 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. For this reason, some investors may prefer to invest in accumulating (-acc) share classes instead of distributing (-dist) share classes. Investors may be taxed at a later point in time on income and capital arising on accumulating (-acc) share classes compared with distributing (-dist) share classes. Investors should consult qualified experts for tax advice regarding their individual situation.

### **Currency of account: EUR**

#### **Fees**

	Maximum flat fee (maximum management fee) p.a.	Maximum flat fee (maximum management fee) p.a. for share classes with "hedged" in their name
Share classes with "P" in their name	1.610% (1.290%)	1.660% (1.330%)
Share classes with "K-1" in their name	0.950% (0.760%)	0.980% (0.780%)
Share classes with "K-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Share classes with "K-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "F" in their name	0.650% (0.520%)	0.680% (0.540%)
Share classes with "Q" in their name	0.810% (0.650%)	0.860% (0.690%)
Share classes with "QL" in their name	0.810% (0.650%)	0.860% (0.690%)
Share classes with "I-A1" in their name	0.800% (0.640%)	0.830% (0.660%)
Share classes with "I-A2" in their name	0.750% (0.600%)	0.780% (0.620%)
Share classes with "I-A3" in their name	0.700% (0.560%)	0.730% (0.580%)
Share classes with "I-A4" in their name	0.700% (0.560%)	0.730% (0.580%)
Share classes with "I-B" in their name	0.065% (0.000%)	0.650% (0.000%)

Share classes with "I-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)	0.000% (0.000%)

### **UBS (Lux) Equity SICAV – European Opportunity Unconstrained (EUR)**

This actively managed sub-fund predominantly invests in equities, equity rights or other equity interests in companies domiciled or chiefly active in Europe. This sub-fund promotes environmental and/or social characteristics and complies with Article 8(1) of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR"). Further information related to environmental and/or social characteristics is available in Annex I to this document (SFDR RTS Art. 14(2)).

The UBS Blended ESG Score is used to identify issuers/companies for the investment universe with strong environmental and social performance characteristics, or a strong sustainability profile. The UBS Blended ESG Score represents an average of normalized ESG assessment data from UBS and two recognized external ESG data providers, MSCI and Sustainalytics. This blended score approach enhances the quality of the derived sustainability profile by integrating multiple independent ESG assessments, rather than depending solely on one single view. The UBS Blended ESG Score represents an entity's sustainability profile assessing material environmental, social, and governance factors. These factors may include, but are not limited to, environmental footprint and operational efficiency, risk management, climate change response, natural resource utilization, pollution and waste management, employment standards, supply chain oversight, human capital development, board diversity, occupational health and safety, product safety, and anti-fraud and anti-corruption policies. Each assessed entity is assigned a UBS Blended ESG Score, which ranges from 0 to 10, with 10 indicating the best sustainability profile. .

The sub-fund incorporates the following ESG promotion characteristics:

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

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

The sub-fund generally seeks to combine long and short positions to maintain net equity exposure of between 80% and 120% of its total net assets. This net equity exposure may range between 50% and 150% of the total net assets. Gross exposure in the form of long positions may not exceed 150% of the total net assets, and gross exposure in the form of short positions may not exceed 50% of the total net assets. In accordance with Section 5 entitled "Special techniques and instruments with securities and money market instruments as underlying assets", the sub-fund uses exchange-traded derivative instruments such as equity options or futures, or OTC derivatives such as equity rights (swaps), to build long and short equity positions. Potential losses incurred from taking a short position on an asset may be unlimited, since the price of the asset may rise without limitation. Sharp, rapid rises in the price of these assets may lead to substantial losses. The sub-fund does not engage in the physical short-selling of equities. The sub-fund uses the benchmark MSCI Europe (net, dividend reinvested) for performance measurement, monitoring the ESG metrics, investment risk management and portfolio construction purposes. The benchmark is not designed to promote ESG characteristics. The Portfolio Manager may use discretion when constructing the portfolio and is not tied to the benchmark in terms of investment selection or weight. This means that the investment performance of the sub-fund may differ from the benchmark. For unit classes with "hedged" in their name, currency-hedged versions of the benchmark may be used if available.

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

**Currency of account:** EUR

### **Fees**

	Maximum flat fee (maximum management fee) p.a.	Maximum flat fee (maximum management fee) p.a. for share classes with "hedged" in their name
Share classes with "P" in their name	1.910% (1.530%)	1.960% (1.570%)
Share classes with "N" in their name	2.450% (1.960%)	2.500% (2.000%)
Share classes with "K-1" in their name	1.250%	1.280%

	(1.000%)	(1.020%)
Share classes with "K-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Share classes with "K-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "F" in their name	0.800% (0.640%)	0.830% (0.660%)
Share classes with "Q" in their name	0.990% (0.790%)	1.040% (0.830%)
Share classes with "QL" in their name	0.990% (0.790%)	1.040% (0.830%)
Share classes with "I-A1" in their name	0.900% (0.720%)	0.930% (0.740%)
Share classes with "I-A2" in their name	0.850% (0.680%)	0.880% (0.700%)
Share classes with "I-A3" in their name	0.800% (0.640%)	0.830% (0.660%)
Share classes with "I-A4" in their name	0.800% (0.640%)	0.830% (0.660%)
Share classes with "I-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)	0.000% (0.000%)

#### **UBS (Lux) Equity SICAV – German High Dividend Sustainable (EUR)**

UBS Asset Management categorises this sub-fund as a Sustainability Focus Fund. This sub-fund promotes environmental and/or social characteristics and complies with Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR"). Further information related to environmental and/or social characteristics is available in Annex I to this document (SFDR RTS Art. 14(2)).

This actively managed sub-fund invests mainly in equities and other equity interests of companies that are domiciled or chiefly active in Germany. The sub-fund strategy is to select companies with high and/or rising dividends.

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

**Currency of account:** EUR

#### **Fees**

	Maximum flat fee (maximum management fee) p.a.	Maximum flat fee (maximum management fee) p.a. for share classes with "hedged" in their name
Share classes with "P" in their name	1.500% (1.200%)	1.550% (1.240%)
Share classes with "K-1" in their name	0.900% (0.720%)	0.930% (0.740%)
Share classes with "K-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Share classes with "K-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "F" in their name	0.520% (0.420%)	0.550% (0.440%)
Share classes with "Q" in their name	0.840% (0.670%)	0.890% (0.710%)
Share classes with "QL" in their name	0.840% (0.670%)	0.890% (0.710%)
Share classes with "I-A1" in their name	0.640%	0.670%



	(0.510%)	(0.540%)
Share classes with "I-A2" in their name	0.600% (0.480%)	0.630% (0.500%)
Share classes with "I-A3" in their name	0.520% (0.420%)	0.550% (0.440%)
Share classes with "I-A4" in their name	0.520% (0.420%)	0.550% (0.440%)
Share classes with "I-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)	0.000% (0.000%)

### **UBS (Lux) Equity SICAV – Global Emerging Markets Opportunity (USD)**

This actively managed sub-fund invests at least two-thirds of its assets following the principle of risk diversification in equities or other equity interests of companies that are domiciled or chiefly active in emerging markets. In doing so, the sub-fund invests in equities that are expected to benefit most from emerging market growth. The sub-fund focuses on equities and sectors that are considered particularly attractive and will actively assume risk proportionate to the potential opportunities. The sub-fund's assets are not limited to a particular range of market capitalisations, or to any geographical or sectoral allocation. The sub-fund may also invest in other assets as permitted by the Articles of Incorporation of the Company and the investment policy and guidelines. This sub-fund promotes environmental and/or social characteristics and complies with Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR"). Further information related to environmental and/or social characteristics is available in Annex I to this document (SFDR RTS Art. 14(2)).

The sub-fund uses the benchmark MSCI Emerging Markets (net div. reinvested) for performance measurement, monitoring the ESG metrics, investment risk management and portfolio construction purposes. The benchmark is not designed to promote ESG characteristics. The Portfolio Manager may use discretion when constructing the portfolio and is not tied to the benchmark in terms of investment selection or weight. This means that the investment performance of the sub-fund may differ from the benchmark. For share classes with "hedged" in their name, currency-hedged versions of the benchmark may be used if available. As the sub-fund invests in many foreign currencies due to its regional orientation, the portfolio or parts thereof may be hedged against the reference currency of the sub-fund in order to reduce the associated foreign currency risks.

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

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

**Currency of account:** USD

### **Fees**

	Maximum flat fee (maximum management fee) p.a.	Maximum flat fee (maximum management fee) p.a. for share classes with "hedged" in their name
Share classes with "P" in their name	1.920% (1.540%)	1.970% (1.580%)
Share classes with "K-1" in their name	1.400% (1.120%)	1.430% (1.140%)
Share classes with "K-B" in their name	0.140% (0.000%)	0.10140% (0.000%)
Share classes with "K-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "F" in their name	0.850% (0.680%)	0.880% (0.700%)
Share classes with "Q" in their name	0.980% (0.780%)	1.030% (0.820%)
Share classes with "QL" in their name	0.980% (0.780%)	1.030% (0.820%)
Share classes with "I-A1" in their name	0.950%	0.980%

	(0.760%)	(0.780%)
Share classes with "I-A2" in their name	0.900% (0.720%)	0.930% (0.740%)
Share classes with "I-A3" in their name	0.850% (0.680%)	0.880% (0.700%)
Share classes with "I-A4" in their name	0.850% (0.680%)	0.880% (0.700%)
Share classes with "I-B" in their name	0.140% (0.000%)	0.140% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)	0.000% (0.000%)

### **UBS (Lux) Equity SICAV – Global High Dividend Sustainable (USD)**

UBS Asset Management categorises this sub-fund as a Sustainability Focus Fund. This sub-fund promotes environmental and/or social characteristics and complies with Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR"). Further information related to environmental and/or social characteristics is available in Annex I to this document (SFDR RTS Art. 14(2)).

This actively managed sub-fund invests worldwide following the principle of risk diversification, with at least two thirds of its assets invested in equities or other equity interests of small, medium and large-cap companies in both developed and emerging markets. The Fund strategy is to select companies with high, consistent dividends. As the sub-fund invests in many foreign currencies due to its global orientation, the portfolio or parts thereof may be hedged against the reference currency of the sub-fund in order to reduce the associated foreign currency risks.

The sub-fund uses the benchmark MSCI AC World (net dividend reinvested) to measure performance and the ESG profile, as well as for ESG and investment risk management and portfolio construction purposes. The benchmark is not designed to promote ESG characteristics. The Portfolio Manager may use discretion when constructing the portfolio and is not tied to the benchmark in terms of investment selection or weight. This means that the investment performance of the sub-fund may differ from the benchmark. For unit classes with "hedged" in their name, currency-hedged versions of the benchmark may be used if available.

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

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

**Currency of account:** USD

### **Fees**

	Maximum flat fee (maximum management fee) p.a.	Maximum flat fee (maximum management fee) p.a. for share classes with "hedged" in their name
Share classes with "P" in their name	1.500% (1.200%)	1.550% (1.240%)
Share classes with "N" in their name	2.500% (2.000%)	2.550% (2.040%)
Share classes with "K-1" in their name	0.900% (0.720%)	0.930% (0.740%)
Share classes with "K-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Share classes with "K-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "F" in their name	0.520% (0.420%)	0.550% (0.440%)
Share classes with "Q" in their name	0.840% (0.670%)	0.890% (0.710%)
Share classes with "QL" in their name	0.670% (0.540%)	0.720% (0.580%)

Share classes with "I-A1" in their name	0.640% (0.510%)	0.670% (0.540%)
Share classes with "I-A2" in their name	0.600% (0.480%)	0.630% (0.500%)
Share classes with "I-A3" in their name	0.520% (0.420%)	0.550% (0.440%)
Share classes with "I-A4" in their name	0.520% (0.420%)	0.550% (0.440%)
Share classes with "I-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)	0.000% (0.000%)

### **UBS (Lux) Equity SICAV – Engage for Impact (USD)**

UBS Asset Management categorises this sub-fund as an Impact Fund. This sub-fund promotes environmental and/or social characteristics and complies with Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR"). Further information related to environmental and/or social characteristics is available in Annex I to this document (SFDR RTS Art. 14(2)).

This actively managed sub-fund invests at least 90% of its net assets in equities and other equity interests of companies in developed and emerging markets worldwide that are aligned to specific United Nations Sustainable Development Goals (UN SDGs), as defined by the Portfolio Manager's proprietary impact universe. The Portfolio Manager uses a traditional intrinsic valuation framework to identify companies with an attractive valuation. The Portfolio Manager uses quantitative and qualitative factors to define a universe of companies that offer or manufacture products or services that meet the UN SDGs, such as clean water and sanitation products, clean energy, energy saving, treatment of disease, sustainable food system and food security, access to finance or education services. The Portfolio Manager uses the UN SDGs to guide and frame engagement activities with invested companies. The sub-fund uses the benchmark MSCI AC World (net div. reinvested) for performance measurement and risk management purposes. The benchmark is a broad market index which does not assess or include constituents according to environmental and/or social characteristics and therefore is not intended to be consistent with the characteristics promoted by the sub-fund. The investment strategy and monitoring process ensures that the environmental or social characteristics of the product are taken into account. The Portfolio Manager may use discretion when constructing the portfolio and is not tied to the benchmark in terms of investment selection or weight. This means that the investment performance of the sub-fund may differ from the benchmark. As the sub-fund invests in multiple currencies due to its global orientation, the investment portfolio or parts of it may be subject to currency fluctuation risks.

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

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

**Currency of account:** USD

### **Fees**

	Maximum flat fee (maximum management fee) p.a.	Maximum flat fee (maximum management fee) p.a. for share classes with "hedged" in their name
Share classes with "P" in their name	1.500% (1.200%)	1.550% (1.240%)
Share classes with "K-1" in their name	0.950% (0.760%)	0.980% (0.780%)
Share classes with "K-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Share classes with "K-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "F" in their name	0.550% (0.440%)	0.580% (0.460%)
Share classes with "Q" in their name	0.800% (0.640%)	0.850% (0.680%)
Share classes with "QL" in their name	0.800% (0.640%)	0.850% (0.680%)

Share classes with "I-A1" in their name	0.650% (0.520%)	0.680% (0.540%)
Share classes with "I-A2" in their name	0.600% (0.480%)	0.630% (0.500%)
Share classes with "I-A3" in their name	0.550% (0.440%)	0.580% (0.460%)
Share classes with "I-A4" in their name	0.550% (0.440%)	0.580% (0.460%)
Share classes with "I-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)	0.000% (0.000%)

### **UBS (Lux) Equity SICAV – Global Income Sustainable (USD)**

UBS Asset Management categorises this sub-fund as a Sustainability Focus Fund. This sub-fund promotes environmental and/or social characteristics and complies with Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector. Further information related to environmental and/or social characteristics is available in Annex I to this document (SFDR RTS Art. 14(2)).

This actively managed sub-fund primarily invests its assets in equities and other equity interests of small, medium and large-cap companies in developed and emerging markets worldwide.

The sub-fund generally selects equities based on dividend income and an assessment of quality characteristics. The income received by the sub-fund may originate from dividends, call option premiums and other sources.

Consequently, the sub-fund may use derivative financial instruments in accordance with Point 1.1(g) for investment purposes.

The sub-fund has defensive characteristics through exposure to equities and a derivative overlay strategy which may include (amongst others) selling call options on the underlying equities in the portfolio. Typically, these defensive characteristics may lead to outperformance in periods of increased volatility with market drawdowns but the sub-fund may not participate fully in arising equity market.

The sub-fund uses the benchmark MSCI AC World (net dividend reinvested) to measure performance and the ESG profile, as well as for ESG and investment risk management and portfolio construction purposes. The benchmark is not designed to promote ESG characteristics. The Portfolio Manager may use discretion when constructing the portfolio and is not tied to the benchmark in terms of investment selection or weight. This means that the investment performance of the sub-fund may differ from the benchmark. For unit classes with "hedged" in their name, currency-hedged versions of the benchmark may be used if available.

As the sub-fund invests in many foreign currencies due to its global orientation, the portfolio or parts thereof may be hedged against the reference currency of the sub-fund in order to reduce the associated foreign currency risks.

The distributing (-dist) share classes of this sub-fund may thus distribute both capital and income (for ex. dividends). Income and capital may be distributed in two separate coupons. 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. For this reason, some investors may prefer to invest in accumulating (-acc) share classes instead of distributing (-dist) share classes. Investors may be taxed at a later point in time on income and capital arising on accumulating (-acc) share classes compared with distributing (-dist) share classes. Investors should consult qualified experts for tax advice regarding their individual situation.

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

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

**Currency of account:** USD

**Fees**

	Maximum flat fee (maximum management fee) p.a.	Maximum flat fee (maximum management fee) p.a. for share classes with "hedged" in their name
Share classes with "P" in their name	1.800% (1.440%)	1.850% (1.480%)
Share classes with "K-1" in their name	1.200% (0.960%)	1.230% (0.980%)
Share classes with "K-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Share classes with "K-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "F" in their name	0.650% (0.520%)	0.680% (0.540%)
Share classes with "Q" in their name	1.080% (0.860%)	1.130% (0.900%)
Share classes with "QL" in their name	0.860% (0.690%)	0.910% (0.730%)
Share classes with "I-A1" in their name	0.750% (0.600%)	0.780% (0.620%)
Share classes with "I-A2" in their name	0.700% (0.560%)	0.730% (0.580%)
Share classes with "I-A3" in their name	0.650% (0.520%)	0.680% (0.540%)
Share classes with "I-A4" in their name	0.650% (0.520%)	0.680% (0.540%)
Share classes with "I-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)	0.000% (0.000%)

### **UBS (Lux) Equity SICAV – Global Defensive Sustainable (USD)**

UBS Asset Management categorises this sub-fund as a Sustainability Focus Fund. This sub-fund promotes environmental and/or social characteristics and complies with Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR"). Further information related to environmental and/or social characteristics is available in Annex I to this document (SFDR RTS Art. 14(2)).

This actively managed sub-fund invests at least 70% of its assets in an equity portfolio, comprising equities and other equity interests of companies worldwide. The investment process aims to generate capital gains from exposure to global equity markets while reducing risk (volatility) and maximum drawdown.

The sub-fund aims to reduce risk and losses relative to a fully invested equity strategy. The Portfolio Manager utilizes derivatives as part of the risk management process to reduce the overall exposure to equity markets and to provide mitigation against equity market falls. Derivatives may include put options, put spreads, call options, index futures and other instruments and combinations. In accordance with Section 5 "Special techniques and instruments with securities and money market instruments as underlying assets", derivatives (e.g. options) may be used extensively to reduce risk, such as combinations of long and short put options with different exercise prices (put spreads), as well as short call options.

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

The sub-fund uses a risk benchmark comprised of 65% MSCI World 100% Hedged to USD (net div. reinvested) index and 35% US Federal Funds Effective Rate rebalanced daily (the "Risk Benchmark") for performance measurement and uses the MSCI World 100% Hedged to USD (net div. reinvested) index (the "Portfolio Construction Benchmark") for portfolio construction and ESG measurement. The Portfolio Construction Benchmark is not designed to promote ESG characteristics.

The Portfolio Manager may use discretion when constructing the equity portfolio and is not tied to the portfolio construction benchmark in terms of investment selection or weight. This means that the investment performance of the sub-fund may differ from the benchmark.

**This sub-fund may invest in both developed and emerging markets. The risks associated therewith are listed in the section entitled "General risk information". In addition to the aforementioned, investors should read, be aware of and**

take into account the risks associated with investments traded via Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect. Information on this topic can be found after the section “General risk information”. For the reasons mentioned, the sub-fund is suitable for investors who are aware of these risks.

**Currency of account:** USD

#### Fees

	Maximum flat fee (maximum management fee) p.a.	Maximum flat fee (maximum management fee) p.a. for share classes with “hedged” in their name
Share classes with “P” in their name	0.700% (0.560%)	0.750% (0.600%)
Share classes with “K-1” in their name	0.600% (0.480%)	0.630% (0.500%)
Share classes with “K-B” in their name	0.065% (0.000%)	0.065% (0.000%)
Share classes with “K-X” in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with “F” in their name	0.400% (0.320%)	0.430% (0.340%)
Share classes with “Q” in their name	0.500% (0.400%)	0.550% (0.440%)
Share classes with “QL” in their name	0.500% (0.400%)	0.550% (0.440%)
Share classes with “I-A1” in their name	0.480% (0.380%)	0.510% (0.410%)
Share classes with “I-A2” in their name	0.450% (0.360%)	0.480% (0.380%)
Share classes with “I-A3” in their name	0.400% (0.320%)	0.430% (0.340%)
Share classes with “I-A4” in their name	0.400% (0.320%)	0.430% (0.340%)
Share classes with “I-B” in their name	0.065% (0.000%)	0.065% (0.000%)
Share classes with “I-X” in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with “U-X” in their name	0.000% (0.000%)	0.000% (0.000%)

#### **UBS (Lux) Equity SICAV – Global Opportunity Sustainable (USD)**

UBS Asset Management categorises this sub-fund as a Sustainability Focus Fund. This sub-fund promotes environmental and/or social characteristics and complies with Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (“SFDR”). Further information related to environmental and/or social characteristics is available in Annex I to this document (SFDR RTS Art. 14(2)).

This actively managed sub-fund invests mainly in shares and other participation rights of large caps worldwide. The sub-fund assets are also invested in shares and participation rights of small and medium-sized companies worldwide.

The sub-fund may use derivatives to raise or lower its investment level to a minimum of 75% and a maximum of 125% of net assets. In accordance with Point 5 of the investment principles “Special techniques and instruments with securities and money market instruments as underlying assets”, the sub-fund is also permitted to use index futures to raise or reduce its market exposure.

k. The sub-fund uses the benchmark MSCI World (net dividend reinvested) to measure performance and the ESG profile, as well as for ESG and investment risk management and portfolio construction purposes. The benchmark is not designed to promote ESG characteristics. The Portfolio Manager may use discretion when constructing the portfolio and is not tied to the benchmark in terms of investment selection or weight. This means that the investment performance of the sub-fund may differ from the benchmark.

As the sub-fund invests in various currencies due to its global orientation, the investment portfolio or parts of it may be subject to currency fluctuation risks.

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

**Currency of account:** USD

**Fees:**

	Maximum flat fee (maximum management fee) p.a.	Maximum flat fee (maximum management fee) p.a. for share classes with "hedged" in their name
Share classes with "P" in their name	1.800% (1.440%)	1.850% (1.480%)
Share classes with "K-1" in their name	1.100% (0.880%)	1.130% (0.900%)
Share classes with "K-B" in their name	0.065% (0.065%)	0.065% (0.065%)
Share classes with "K-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "F" in their name	0.660% (0.530%)	0.690% (0.550%)
Share classes with "Q" in their name	0.980% (0.780%)	1.030% (0.820%)
Share classes with "QL" in their name	0.980% (0.780%)	1.030% (0.820%)
Share classes with "I-A1" in their name	0.850% (0.680%)	0.880% (0.700%)
Share classes with "I-A2" in their name	0.800% (0.640%)	0.830% (0.660%)
Share classes with "I-A3" in their name	0.660% (0.530%)	0.690% (0.550%)
Share classes with "I-A4" in their name	0.660% (0.530%)	0.690% (0.550%)
Share classes with "I-B" in their name	0.065% (0.065%)	0.065% (0.065%)
Share classes with "I-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)	0.000% (0.000%)

**UBS (Lux) Equity SICAV – Global Opportunity Unconstrained (USD)**

This actively managed sub-fund mainly invests in equities and other equity interests of companies worldwide. This sub-fund promotes environmental and/or social characteristics and complies with Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR"). Further information related to environmental and/or social characteristics is available in Annex I to this document (SFDR RTS Art. 14(2)).

The UBS Blended ESG Score is used to identify issuers/companies for the investment universe with strong environmental and social performance characteristics, or a strong sustainability profile. The UBS Blended ESG Score represents an average of normalized ESG assessment data from UBS and two recognized external ESG data providers, MSCI and Sustainalytics. This blended score approach enhances the quality of the derived sustainability profile by integrating multiple independent ESG assessments, rather than depending solely on one single view. The UBS Blended ESG Score represents an entity's sustainability profile assessing material environmental, social, and governance factors. These factors may include, but are not limited to, environmental footprint and operational efficiency, risk management, climate change response, natural resource utilization, pollution and waste management, employment standards, supply chain oversight, human capital development, board diversity, occupational health and safety, product safety, and anti-fraud and anti-corruption policies. Each assessed entity is assigned a UBS Blended ESG Score, which ranges from 0 to 10, with 10 indicating the best sustainability profile.

The sub-fund incorporates the following ESG promotion characteristics:

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

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

The sub-fund generally seeks to combine long and short positions to maintain net equity exposure of between 80% and 120% of its total net assets. This net equity exposure may range between 50% and 150% of the total net assets. Gross exposure in the form of long positions may not exceed 150% of the total net assets, and gross exposure in the form of short positions may not exceed 50% of the total net assets. In accordance with Section 5 entitled "Special techniques and instruments with securities and money market instruments as underlying assets", the sub-fund uses exchange-traded derivative instruments such as equity options or futures, or OTC derivatives such as equity rights (swaps), to build long and short equity positions. Potential losses incurred from taking a short position on an asset may be unlimited, since the price of the asset may rise without limitation. Sharp, rapid rises in the price of these assets may lead to substantial losses. The sub-fund does not engage in the physical short-selling of equities.

The sub-fund uses the benchmark MSCI World (net dividend reinvested) for performance measurement, monitoring the ESG metrics, investment risk management and portfolio construction purposes. The benchmark is not designed to promote ESG characteristics. The Portfolio Manager may use discretion when constructing the portfolio and is not tied to the benchmark in terms of investment selection or weight. This means that the investment performance of the sub-fund may differ from the benchmark.

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

Due to its global focus, this sub-fund may invest in various currencies. The resulting currency risk may be hedged in whole or in part against the sub-fund's reference currency.

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

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

**Currency of account:** USD

#### Fees

	Maximum flat fee (maximum management fee) p.a.	Maximum flat fee (maximum management fee) p.a. for share classes with "hedged" in their name
Share classes with "P" in their name	2.040% (1.630%)	2.090% (1.670%)
Share classes with "K-1" in their name	1.300% (1.040%)	1.330% (1.060%)
Share classes with "K-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Share classes with "K-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "F" in their name	0.850% (0.680%)	0.880% (0.700%)
Share classes with "Q" in their name	1.020% (0.820%)	1.070% (0.860%)
Share classes with "QL" in their name	1.020% (0.820%)	1.070% (0.860%)
Share classes with "I-A1" in their name	0.950% (0.760%)	0.980% (0.780%)
Share classes with "I-A2" in their name	0.900% (0.720%)	0.930% (0.740%)
Share classes with "I-A3" in their name	0.850% (0.680%)	0.880% (0.700%)
Share classes with "I-A4" in their name	0.850% (0.680%)	0.880% (0.700%)
Share classes with "I-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)	0.000% (0.000%)

#### **UBS (Lux) Equity SICAV – Innovation (USD)**

UBS Asset Management categorises this sub-fund as an ESG integration fund which does not promote particular ESG characteristics or pursues a specific sustainability or impact objective.

This sub-fund complies with Article 6 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ("SFDR"). As such it does not consider principal adverse impacts on sustainability factors due to its investment strategy and the nature of the underlying investments (Art. 7(2) SFDR).



The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities (Art. 7 Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 ("Taxonomy Regulation")).

In line with the above-mentioned general investment policy, the actively managed sub-fund invests at least two thirds of its assets in equities and equity rights in developed and emerging markets worldwide. Further information on investing in emerging markets can be found in the corresponding section of this sales prospectus.

The sub-fund splits its assets between a range of innovative, growth sub-strategies with shorter track records. These sub-strategies also include sustainable or thematic strategies or strategies with other innovative investment styles. These new strategies may include, but shall not be limited to, the following themes: Climate and environmental themes; digital transformation and other technology-related themes; health and social themes; consumer and production themes; innovative emerging markets strategies, innovative growth strategies and value strategies etc. The strategies may be implemented by directly acquiring equities or equity-related instruments or by investing or in other UCITS or UCIs. The sub-fund may also invest in established strategies with longer track records in order to achieve a globally diversified equity allocation.

In order to fulfil its investment objective and achieve broad diversification of investments, the sub-fund may invest up to 100% of its total assets in UCITS and up to 30% of its assets in other UCIs within the meaning of Point 1.1(e) of the section entitled "Investment principles". This method of investment and the associated expenses are described in the section "Investments in UCIs and UCITS".

The sub-fund uses the benchmark MSCI AC World (net div. reinvested) for performance measurement, risk management and portfolio construction purposes. The Portfolio Manager may use their discretion when constructing the portfolio and is not tied to the benchmark in terms of equities or weightings. The portfolio may deviate from the benchmark in terms of allocation and performance.

In accordance with Point 5 of the investment principles "Special techniques and instruments with securities and money market instruments as underlying assets", the sub-fund is also permitted to use index futures to raise or reduce/hedge its market exposure.

Up to 20% of its assets may be invested in convertible, exchangeable and warrant-linked bonds as well as convertible debentures. As the sub-fund invests in many foreign currencies due to its global orientation, the portfolio or parts thereof may be hedged against the reference currency of the sub-fund in order to reduce the associated foreign currency risks.

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

Investors should read, be aware of and take into account the risks associated with investments traded via Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect. Information on this topic can be found in the section entitled "General risk information".

**Currency of account:** USD

## Fees

	Maximum flat fee (maximum management fee) p.a.	Maximum flat fee (maximum management fee) p.a. for share classes with "hedged" in their name
Share classes with "P" in their name	1.200% (0.960%)	1.250% (1.000%)
Share classes with "K-1" in their name	0.750% (0.600%)	0.780% (0.620%)
Share classes with "K-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Share classes with "K-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "F" in their name	0.330% (0.260%)	0.360% (0.290%)
Share classes with "Q" in their name	0.550% (0.440%)	0.600% (0.480%)
Share classes with "QL" in their name	0.550% (0.440%)	0.600% (0.480%)
Share classes with "I-A1" in their name	0.430% (0.340%)	0.460% (0.370%)
Share classes with "I-A2" in their name	0.360% (0.290%)	0.390% (0.310%)
Share classes with "I-A3" in their name	0.330% (0.260%)	0.360% (0.290%)
Share classes with "I-A4" in their name	0.330%	0.360%

	(0.260%)	(0.290%)
Share classes with "I-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "A" in their name	0.080% (0.060%)	0.130% (0.100%)

### **UBS (Lux) Equity SICAV – Long Term Themes (USD)**

UBS Asset Management categorises these sub-funds as Sustainability Focus funds. This sub-fund promotes environmental and/or social characteristics and complies with Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR"). Further information related to environmental and/or social characteristics is available in Annex I to this document (SFDR RTS Art. 14(2)).

This actively managed sub-fund primarily invests its assets in equities and other equity interests of small, medium and large-cap companies in developed and emerging markets worldwide. The sub-fund focuses on long-term aspects which the portfolio manager views as attractive from an investment perspective. These aspects can comprise any sectors, countries and company capitalisations. These aspects can relate to the global growth in population, the trend towards an ageing population or increasing urbanisation, for instance.

The sub-fund uses the benchmark MSCI AC World (net dividend reinvested) to measure performance and the ESG profile, as well as for ESG and investment risk management and portfolio construction purposes. The benchmark is not designed to promote ESG characteristics. The Portfolio Manager may use discretion when constructing the portfolio and is not tied to the benchmark in terms of investment selection or weight. This means that the investment performance of the sub-fund may differ from the benchmark.

As the sub-fund invests in multiple currencies due to its global orientation, the investment portfolio or parts of it may be subject to currency fluctuation risks.

For share classes with "hedged" in their name (except for those with "portfolio hedged"), currency-hedged versions of the benchmark (if available) are used. Investors should note that the sub-fund's exposure may also include Chinese A shares traded via Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect. Chinese A shares are renminbi-denominated A shares of companies domiciled in mainland China; these are traded on Chinese stock exchanges such as the Shanghai Stock Exchange and the Shenzhen Stock Exchange.

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

**Currency of account:** USD

### **Fees**

	Maximum flat fee (maximum management fee) p.a.	Maximum flat fee (maximum management fee) p.a. for share classes with "hedged" in their name
Share classes with "P" in their name	1.800% (1.440%)	1.850% (1.480%)
Share classes with "N" in their name	2.500% (2.000%)	2.550% (2.040%)
Share classes with "K-1" in their name	1.080% (0.860%)	1.110% (0.890%)
Share classes with "K-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Share classes with "K-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "F" in their name	0.670% (0.540%)	0.700% (0.560%)
Share classes with "Q" in their name	1.020% (0.820%)	1.070% (0.860%)
Share classes with "QL" in their name	1.020% (0.820%)	1.070% (0.860%)
Share classes with "I-A1" in their name	0.800% (0.640%)	0.830% (0.660%)

Share classes with "I-A2" in their name	0.750% (0.600%)	0.780% (0.620%)
Share classes with "I-A3" in their name	0.670% (0.540%)	0.700% (0.560%)
Share classes with "I-A4" in their name	0.670% (0.540%)	0.700% (0.560%)
Share classes with "I-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)	0.000% (0.000%)

### **UBS (Lux) Equity SICAV – Future Leaders Small Caps (USD)**

This actively managed sub-fund invests at least 70% of its assets in equities and other equity interests of smaller capitalised companies worldwide. The market capitalisation of such smaller companies may not exceed that of the company with the largest market capitalisation in an index representative of small companies. However, the sub-fund's investment scope is not limited to the equities or other equity interests of companies included in representative indices. This sub-fund promotes environmental and/or social characteristics and complies with Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR"). Further information related to environmental and/or social characteristics is available in Annex I to this document (SFDR RTS Art. 14(2)).

The UBS Blended ESG Score is used to identify issuers/companies for the investment universe with strong environmental and social performance characteristics, or a strong sustainability profile. The UBS Blended ESG Score represents an average of normalized ESG assessment data from UBS and two recognized external ESG data providers, MSCI and Sustainalytics. This blended score approach enhances the quality of the derived sustainability profile by integrating multiple independent ESG assessments, rather than depending solely on one single view. The UBS Blended ESG Score represents an entity's sustainability profile assessing material environmental, social, and governance factors. These factors may include, but are not limited to, environmental footprint and operational efficiency, risk management, climate change response, natural resource utilization, pollution and waste management, employment standards, supply chain oversight, human capital development, board diversity, occupational health and safety, product safety, and anti-fraud and anti-corruption policies. Each assessed entity is assigned a UBS Blended ESG Score, which ranges from 0 to 10, with 10 indicating the best sustainability profile.

The sub-fund incorporates the following ESG promotion characteristics:

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

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

The sub-fund uses the benchmark MSCI ACWI Small Cap Index (net div. reinvested) for performance measurement, monitoring the ESG metrics, investment risk management and portfolio construction purposes. The benchmark is not designed to promote ESG characteristics. The Portfolio Managers may use discretion when constructing the portfolio and are not tied to the benchmark in terms of investment selection or weight. This means that the investment performance of the sub-fund may differ from the benchmark.

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

The sub-fund focuses on long-term themes that the portfolio managers consider attractive from an investment perspective. These topics can include any sector or country. Example topics include, but are not limited to: digital data, enabling technologies, automation & robotics, security, e-commerce, financial technologies (fintech), health technologies, genetic therapies, clean air & carbon reduction such as waste management.

The sub-fund may also invest in other assets in accordance with the Articles of Incorporation of the Company and the general investment policy or investment principles.

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

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

**For the reasons mentioned, the sub-fund is suitable for investors who are aware of these risks.**

**Currency of account:** USD

**Fees**

	Maximum flat fee (maximum management fee) p.a.	Maximum flat fee (maximum management fee) p.a. for share classes with "hedged" in their name
Share classes with "P" in their name	1.710% (1.370%)	1.760% (1.410%)
Share classes with "K-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Share classes with "K-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "F" in their name	0.650% (0.520%)	0.680% (0.540%)
Share classes with "Q" in their name	0.910% (0.730%)	0.960% (0.770%)
Share classes with "QL" in their name	0.910% (0.730%)	0.960% (0.770%)
Share classes with "I-A1" in their name	0.880% (0.700%)	0.910% (0.730%)
Share classes with "I-A2" in their name	0.830% (0.660%)	0.860% (0.690%)
Share classes with "I-A3" in their name	0.800% (0.640%)	0.830% (0.660%)
Share classes with "I-A4" in their name	0.800% (0.640%)	0.830% (0.660%)
Share classes with "I-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)	0.000% (0.000%)

**UBS (Lux) Equity SICAV – Russia (USD)**

UBS Asset Management categorises this sub-fund as an ESG integration fund which does not promote particular ESG characteristics or pursues a specific sustainability or impact objective.

This actively managed sub-fund invests at least two thirds of its assets in equities and other equity interests of companies domiciled or chiefly active in Russia, regardless of market capitalisation.

The assets of the Fund are invested in the following instruments listed on recognised stock exchanges and markets: Global Depositary Receipts (GDRs), American Depositary Receipts (ADRs) and similar certificates which comprise securities. However, securities of Russian issuers may also be acquired directly, provided these are traded on a recognised stock exchange or another regulated market that is recognised, open to the public and operates regularly.

The Russian Trading System Stock Exchange and Moscow Interbank Currency Exchange are currently the recognised markets of the Russian Federation. Directly acquired securities which are not traded at one of the aforementioned stock exchanges are subject to the investment restrictions described in Point 1.2 of the investment restrictions. This sub-fund is managed without reference to a benchmark. The Portfolio Manager may use their discretion when constructing the portfolio.

**This sub-fund may invest in both developed and emerging markets. The risks associated therewith are listed in the section entitled "General risk information".**

**For the reasons mentioned, the sub-fund is suitable for investors who are aware of these risks.**

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities (Art. 7 Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 ("Taxonomy Regulation")). This sub-fund complies with Article 6 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ("SFDR"). As such it does not consider principal adverse impacts on sustainability factors due to its investment strategy and the nature of the underlying investments (Art. 7(2) SFDR).

**Currency of account:** USD

**Fees**

	Maximum flat fee (maximum management fee) p.a.	Maximum flat fee (maximum management fee) p.a. for share classes with "hedged" in their name
Share classes with "P" in their name	2.340% (1.870%)	2.390% (1.910%)
Share classes with "K-1" in their name	1.500% (1.200%)	1.530% (1.220%)
Share classes with "K-B" in their name	0.140% (0.000%)	0.140% (0.000%)
Share classes with "K-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "F" in their name	0.740% (0.590%)	0.770% (0.620%)
Share classes with "Q" in their name	1.200% (0.960%)	1.250% (1.000%)
Share classes with "QL" in their name	1.200% (0.960%)	1.250% (1.000%)
Share classes with "I-A1" in their name	0.880% (0.700%)	0.910% (0.730%)
Share classes with "I-A2" in their name	0.820% (0.660%)	0.850% (0.680%)
Share classes with "I-A3" in their name	0.740% (0.590%)	0.770% (0.620%)
Share classes with "I-A4" in their name	0.740% (0.590%)	0.770% (0.620%)
Share classes with "I-B" in their name	0.140% (0.000%)	0.140% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)	0.000% (0.000%)

### **UBS (Lux) Equity SICAV – Small Caps Europe Sustainable (EUR)**

UBS Asset Management categorises this sub-fund as a Sustainability Focus Fund. This sub-fund promotes environmental and/or social characteristics and complies with Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR"). Further information related to environmental and/or social characteristics is available in Annex I to this document (SFDR RTS Art. 14(2)).

This actively managed sub-fund mainly invests in equities and other equity interests of small-cap companies domiciled or chiefly active in Europe. The market capitalisation of such smaller companies may not exceed that of the company with the largest market capitalisation in an index representative of small European companies. However, the sub-fund's investment scope is not limited to the equities or other equity interests of companies included in indices that are representative of small European companies.

The sub-fund uses the benchmark MSCI Small Cap Europe (net div. reinvested) to measure performance and the ESG profile, as well as for ESG and investment risk management and portfolio construction purposes. The benchmark is not designed to promote ESG characteristics. The Portfolio Manager may use discretion when constructing the portfolio and is not tied to the benchmark in terms of investment selection or weight. This means that the investment performance of the sub-fund may differ from the benchmark. For unit classes with "hedged" in their name, currency-hedged versions of the benchmark may be used if available.

The sub-fund may also invest in other assets in accordance with the Articles of Incorporation of the Company and the general investment policy or investment principles.

**Currency of account:** EUR

### **Fees**

	Maximum flat fee (maximum management fee) p.a.	Maximum flat fee (maximum management fee) p.a. for share classes with "hedged" in their name
Share classes with "P" in their name	1.700% (1.360%)	1.750% (1.400%)
Share classes with "K-1" in their name	1.000% (0.800%)	1.030% (0.820%)
Share classes with "K-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Share classes with "K-X" in their name	0.000%	0.000%

	(0.000%)	(0.000%)
Share classes with "F" in their name	0.530% (0.420%)	0.560% (0.450%)
Share classes with "Q" in their name	0.950% (0.760%)	1.000% (0.800%)
Share classes with "QL" in their name	0.950% (0.760%)	1.000% (0.800%)
Share classes with "I-A1" in their name	0.580% (0.460%)	0.610% (0.490%)
Share classes with "I-A2" in their name	0.560% (0.450%)	0.590% (0.470%)
Share classes with "I-A3" in their name	0.530% (0.420%)	0.560% (0.450%)
Share classes with "I-A4" in their name	0.530% (0.420%)	0.560% (0.450%)
Share classes with "I-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)	0.000% (0.000%)

### **UBS (Lux) Equity SICAV – Swiss Opportunity (CHF)**

This actively managed sub-fund invests at least two thirds of its assets in equities and equity rights of companies domiciled or chiefly active in Switzerland, regardless of market capitalisation. This sub-fund promotes environmental and/or social characteristics and complies with Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR"). Further information related to environmental and/or social characteristics is available in Annex I to this document (SFDR RTS Art. 14(2)).

The sub-fund uses the benchmark Swiss Performance Index (TR) for performance measurement, monitoring the ESG metrics, investment risk management and portfolio construction purposes. The benchmark is not designed to promote ESG characteristics. The Portfolio Manager may use discretion when constructing the portfolio and is not tied to the benchmark in terms of investment selection or weight. This means that the investment performance of the sub-fund may differ from the benchmark. For share classes with "hedged" in their name, currency-hedged versions of the benchmark may be used if available.

**Currency of account:** CHF

### **Fees**

	Maximum flat fee (maximum management fee) p.a.	Maximum flat fee (maximum management fee) p.a. for share classes with "hedged" in their name
Share classes with "P" in their name	1.500% (1.200%)	1.550% (1.240%)
Share classes with "K-1" in their name	0.900% (0.720%)	0.930% (0.740%)
Share classes with "K-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Share classes with "K-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "F" in their name	0.550% (0.440%)	0.580% (0.460%)
Share classes with "Q" in their name	1.020% (0.820%)	1.070% (0.860%)
Share classes with "QL" in their name	1.020% (0.820%)	1.070% (0.860%)
Share classes with "I-A1" in their name	0.720% (0.580%)	0.750% (0.600%)
Share classes with "I-A2" in their name	0.660% (0.530%)	0.690% (0.550%)
Share classes with "I-A3" in their name	0.550% (0.440%)	0.580% (0.460%)
Share classes with "I-A4" in their name	0.550% (0.440%)	0.580% (0.460%)
Share classes with "I-B" in their name	0.065% (0.000%)	0.065% (0.000%)

Share classes with "I-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)	0.000% (0.000%)

### **UBS (Lux) Equity SICAV – US Income Sustainable (USD)**

UBS Asset Management categorises this sub-fund as a Sustainability Focus Fund. This sub-fund promotes environmental and/or social characteristics and complies with Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR"). Further information related to environmental and/or social characteristics is available in Annex I to this document (SFDR RTS Art. 14(2)).

This actively managed sub-fund mainly invests in equities and other equity interests of companies domiciled or chiefly active in the US. The sub-fund's investment strategy aims to generate above-average returns on equity investments compared to the performance of the US equity markets. Returns on equity investments may stem from dividends, company earnings paid to shareholders through share repurchases, call option premia and other sources.

Consequently, the sub-fund may use derivative financial instruments in accordance with Point 1.1(g) for investment purposes.

The sub-fund uses the benchmark MSCI USA (net dividend reinvested) to measure performance and the ESG profile, as well as for ESG and investment risk management and portfolio construction purposes. The benchmark is not designed to promote ESG characteristics. The Portfolio Manager may use discretion when constructing the portfolio and is not tied to the benchmark in terms of investment selection or weight. This means that the investment performance of the sub-fund may differ from the benchmark. For unit classes with "hedged" in their name, currency-hedged versions of the benchmark may be used if available.

The distributing (-dist) share classes of this sub-fund may thus distribute both capital and income (for ex. dividends). Income and capital may be distributed in two separate coupons. 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. For this reason, some investors may prefer to invest in accumulating (-acc) share classes instead of distributing (-dist) share classes. Investors may be taxed at a later point in time on income and capital arising on accumulating (-acc) share classes compared with distributing (-dist) share classes. Investors should consult qualified experts for tax advice regarding their individual situation.

**Currency of account:** USD

### **Fees**

	Maximum flat fee (maximum management fee) p.a.	Maximum flat fee (maximum management fee) p.a. for share classes with "hedged" in their name
Share classes with "P" in their name	1.600% (1.280%)	1.650% (1.320%)
Share classes with "K-1" in their name	1.100% (0.880%)	1.130% (0.900%)
Share classes with "K-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Share classes with "K-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "F" in their name	0.600% (0.480%)	0.630% (0.500%)
Share classes with "Q" in their name	0.980% (0.780%)	1.030% (0.820%)
Share classes with "QL" in their name	0.780% (0.620%)	0.830% (0.660%)
Share classes with "I-A1" in their name	0.700% (0.560%)	0.730% (0.580%)
Share classes with "I-A2" in their name	0.650% (0.520%)	0.680% (0.540%)
Share classes with "I-A3" in their name	0.600% (0.480%)	0.630% (0.500%)
Share classes with "I-A4" in their name	0.600% (0.480%)	0.630% (0.500%)
Share classes with "I-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)	0.000% (0.000%)

Share classes with "U-X" in their name	0.000% (0.000%)	0.000% (0.000%)
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### **UBS (Lux) Equity SICAV – US Opportunity (USD)**

UBS Asset Management categorises this sub-fund as an ESG integration fund which does not promote particular ESG characteristics or pursues a specific sustainability or impact objective.

This actively managed sub-fund is a securities fund that invests at least two thirds of its total net assets in equities or other equity interests of companies domiciled or chiefly active in the US. The Sub-Fund may invest directly or indirectly, i.e. via undertakings for collective investment (UCI) or undertakings for collective investment in transferable securities (UCITS) as defined in Section 1.1.e. of "Permitted Investments of the Company" and in accordance with Section 2.4 of "Risk Diversification". In accordance with Section 5 entitled "Special techniques and instruments with securities and money market instruments as underlying assets", the sub-fund may also use exchange-traded derivative instruments to increase or reduce equity exposure. The sub-fund uses the benchmark MSCI USA (net div. reinvested) for performance measurement, risk management and portfolio construction purposes. The Portfolio Manager may use their discretion when constructing the portfolio and is not tied to the benchmark in terms of equities or weightings. For share classes with "hedged" in their name, currency-hedged versions of the benchmark (if available) are used. The portfolio may deviate from the benchmark in terms of allocation and performance.

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities (Art. 7 Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 ("Taxonomy Regulation")).

This sub-fund complies with Article 6 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ("SFDR"). As such it does not consider principal adverse impacts on sustainability factors due to its investment strategy and the nature of the underlying investments (Art. 7(2) SFDR).

**Currency of account:** USD

### **Fees**

	Maximum flat fee (maximum management fee) p.a.	Maximum flat fee (maximum management fee) p.a. for share classes with "hedged" in their name
Share classes with "P" in their name	1.640% (1.310%)	1.690% (1.350%)
Share classes with "K-1" in their name	1.000% (0.800%)	1.030% (0.820%)
Share classes with "K-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Share classes with "K-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "F" in their name	0.650% (0.520%)	0.680% (0.540%)
Share classes with "Q" in their name	0.900% (0.720%)	0.950% (0.760%)
Share classes with "QL" in their name	0.900% (0.720%)	0.950% (0.760%)
Share classes with "I-A1" in their name	0.790% (0.630%)	0.820% (0.660%)
Share classes with "I-A2" in their name	0.740% (0.590%)	0.770% (0.620%)
Share classes with "I-A3" in their name	0.650% (0.520%)	0.680% (0.540%)
Share classes with "I-A4" in their name	0.650% (0.520%)	0.680% (0.540%)
Share classes with "I-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)	0.000% (0.000%)



## **UBS (Lux) Equity SICAV – US Total Yield Sustainable (USD)**

UBS Asset Management categorises this sub-fund as a Sustainability Focus Fund. This sub-fund promotes environmental and/or social characteristics and complies with Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR"). Further information related to environmental and/or social characteristics is available in Annex I to this document (SFDR RTS Art. 14(2)).

This actively managed sub-fund mainly invests in equities and other equity interests of companies domiciled or chiefly active in the US. It aims to select companies with total yields that are stable and above the market average. Total yield is the sum of yields from dividend distributions and from company profits, returned to shareholders via share repurchases.

The sub-fund uses the benchmark MSCI USA (net dividend reinvested) to measure performance and the ESG profile, as well as for ESG and investment risk management and portfolio construction purposes. The benchmark is not designed to promote ESG characteristics. The Portfolio Manager may use discretion when constructing the portfolio and is not tied to the benchmark in terms of investment selection or weight. This means that the investment performance of the sub-fund may differ from the benchmark. For unit classes with "hedged" in their name, currency-hedged versions of the benchmark may be used if available.

The distributing (-dist) share classes of this sub-fund are intended to distribute both capital and income (e.g. dividends). Income and capital may be distributed in two separate coupons. 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. For this reason, some investors may prefer to invest in accumulating (-acc) share classes instead of distributing (-dist) share classes.

Investors may be taxed at a later point in time on income and capital arising on accumulating (-acc) share classes compared with distributing (-dist) share classes. Investors should consult qualified experts for tax advice regarding their individual situation.

**Currency of account:** USD

### **Fees**

	Maximum flat fee (maximum management fee) p.a.	Maximum flat fee (maximum management fee) p.a. for share classes with "hedged" in their name
Share classes with "P" in their name	1.500% (1.200%)	1.550% (1.240%)
Share classes with "N" in their name	2.500% (2.000%)	2.550% (2.040%)
Share classes with "K-1" in their name	0.900% (0.720%)	0.930% (0.740%)
Share classes with "K-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Share classes with "K-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "F" in their name	0.520% (0.420%)	0.550% (0.440%)
Share classes with "Q" in their name	0.840% (0.670%)	0.890% (0.710%)
Share classes with "QL" in their name	0.670% (0.540%)	0.720% (0.580%)
Share classes with "I-A1" in their name	0.640% (0.510%)	0.670% (0.540%)
Share classes with "I-A2" in their name	0.600% (0.480%)	0.630% (0.500%)
Share classes with "I-A3" in their name	0.520% (0.420%)	0.550% (0.440%)
Share classes with "I-A4" in their name	0.520% (0.420%)	0.550% (0.440%)
Share classes with "I-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)	0.000% (0.000%)

## **UBS (Lux) Equity SICAV – USA Growth (USD)**

This actively managed sub-fund is a securities fund that invests at least two thirds of its assets following the principle of risk diversification in equities or other equity interests of companies with their registered office in the US, holding companies that own majority interests in companies with their registered office in the US or companies that are chiefly active in the US. The investment process is based on a growth style approach. In other words, investments are largely made in companies which enjoy a competitive advantage and/or demonstrate above-average earnings growth potential. The sub-fund may also invest in other equity interests as permitted by the Articles of Incorporation of the Company and the investment policy and guidelines. This sub-fund promotes environmental and/or social characteristics and complies with Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR"). Further information related to environmental and/or social characteristics is available in Annex I to this document (SFDR RTS Art. 14(2)).

The UBS Blended ESG Score is used to identify issuers/companies for the investment universe with strong environmental and social performance characteristics, or a strong sustainability profile. The UBS Blended ESG Score represents an average of normalized ESG assessment data from UBS and two recognized external ESG data providers, MSCI and Sustainalytics. This blended score approach enhances the quality of the derived sustainability profile by integrating multiple independent ESG assessments, rather than depending solely on one single view. The UBS Blended ESG Score represents an entity's sustainability profile assessing material environmental, social, and governance factors. These factors may include, but are not limited to, environmental footprint and operational efficiency, risk management, climate change response, natural resource utilization, pollution and waste management, employment standards, supply chain oversight, human capital development, board diversity, occupational health and safety, product safety, and anti-fraud and anti-corruption policies. Each assessed entity is assigned a UBS Blended ESG Score, which ranges from 0 to 10, with 10 indicating the best sustainability profile. The sub-fund incorporates the following ESG promotion characteristics:

- A lower Weighted Average Carbon Intensity (WACI) than the reference benchmark or a low absolute carbon profiled.

A sustainability profile that is higher than its benchmark's sustainability profile or have a minimum of 51% of assets invested in companies with a sustainability profile in the top half of the benchmark.

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

The sub-fund uses the benchmark Russell 1000 Growth (net div reinvested) for performance measurement, monitoring the ESG metrics, investment risk management and portfolio construction purposes. The benchmark is not designed to promote ESG characteristics. The Portfolio Manager may use discretion when constructing the portfolio and is not tied to the benchmark in terms of investment selection or weight. This means that the investment performance of the sub-fund may differ from the benchmark. For share classes with "hedged" in their name, currency-hedged versions of the benchmark may be used if available.

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

**Currency of account:** USD

### **Fees**

	Maximum flat fee (maximum management fee) p.a.	Maximum flat fee (maximum management fee) p.a. for share classes with "hedged" in their name
Share classes with "P" in their name	2.040% (1.630%)	2.090% (1.670%)
Share classes with "K-1" in their name	1.080% (0.860%)	1.110% (0.890%)
Share classes with "K-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Share classes with "K-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "F" in their name	0.560% (0.450%)	0.590% (0.470%)
Share classes with "Q" in their name	1.020% (0.820%)	1.070% (0.860%)
Share classes with "QL" in their name	0.820% (0.660%)	0.870% (0.700%)
Share classes with "I-A1" in their name	0.700% (0.560%)	0.730% (0.580%)

Share classes with "I-A2" in their name	0.640% (0.510%)	0.670% (0.540%)
Share classes with "I-A3" in their name	0.560% (0.450%)	0.590% (0.470%)
Share classes with "I-A4" in their name	0.560% (0.450%)	0.590% (0.470%)
Share classes with "I-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)	0.000% (0.000%)

### **UBS (Lux) Equity SICAV – USA Growth Sustainable (USD)**

UBS Asset Management categorises this sub-fund as a Sustainability Focus Fund. This sub-fund promotes environmental and/or social characteristics and complies with Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR"). Further information related to environmental and/or social characteristics is available in Annex I to this document (SFDR RTS Art. 14(2)).

This actively managed sub-fund invests at least two thirds of its assets following the principle of risk diversification in equities or other equity interests of companies with their registered office in the US, holding companies that own majority interests in companies with their registered office in the US, or companies chiefly active in the US.

The sub-fund uses the benchmark Russel 1000 Growth (net div. reinvested) in order to monitor performance and the ESG profile, as well as for ESG and investment risk management and portfolio construction purposes. The benchmark is not designed to promote ESG characteristics. The Portfolio Manager may use discretion when constructing the portfolio and is not tied to the benchmark in terms of investment selection or weight. This means that the investment performance of the sub-fund may differ from the benchmark. For share classes with "hedged" in their name, currency-hedged versions of the benchmark (if available) are used.

**Currency of account:** USD

#### **Fees:**

	Maximum flat fee (maximum management fee) p.a.	Maximum flat fee (maximum management fee) p.a. for share classes with "hedged" in their name
Share classes with "P" in their name	1.650% (1.320%)	1.700% (1.360%)
Share classes with "K-1" in their name	1.100% (0.880%)	1.130% (0.900%)
Share classes with "K-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Share classes with "K-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "F" in their name	0.620% (0.500%)	0.650% (0.520%)
Share classes with "Q" in their name	0.950% (0.760%)	1.000% (0.800%)
Share classes with "QL" in their name	0.950% (0.760%)	1.000% (0.800%)
Share classes with "I-A1" in their name	0.760% (0.610%)	0.790% (0.630%)
Share classes with "I-A2" in their name	0.700% (0.560%)	0.730% (0.580%)
Share classes with "I-A3" in their name	0.620% (0.500%)	0.650% (0.520%)
Share classes with "I-A4" in their name	0.620% (0.500%)	0.650% (0.520%)
Share classes with "I-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)	0.000% (0.000%)

## **UBS (Lux) Equity SICAV – O'Connor China Long/Short Alpha Strategies UCITS (USD)**

The sub-fund does not promote any environmental, social or governance (ESG) characteristics and does not pursue any sustainability or impact objective. Sustainability risks are not systematically integrated on the basis of the investment strategy and the type of underlying investments. At present, sustainability risks are not expected to have a significant impact on the sub-fund's return.

This sub-fund is actively managed, without reference to a benchmark.

The sub-fund UBS (Lux) Equity SICAV – O'Connor China Long/Short Alpha Strategies UCITS (USD) (the "**Feeder Fund**") is a feeder fund in accordance with Article 77 of the Law of 2010. It invests at least 85% of its net assets in units of **UBS (Irl) Investor Selection – O'Connor China Long/Short Alpha Strategies UCITS** (the "**Master Fund**"), a sub-fund of **UBS (Irl) Investor Selection PLC**, an open-ended umbrella investment company with variable capital and segregated liability between sub-funds established in Ireland on 16 December 2009 pursuant to the Companies Act 2014 with registration number 478169 and authorised by the Central Bank of Ireland as a UCITS for the purposes of the European Communities (Undertakings for Collective Investment in Transferable Securities) Directive, 2011 (S.I. No. 352 of 2011) (as amended from time to time, the "**Ordinance**"). UBS Fund Management (Ireland) Limited has been appointed as the management company (the "**Master Management Company**"). UBS O'Connor LLC has been appointed as the investment manager (the "**Investment Manager**") and UBS Asset Management (Singapore) Ltd. as the sub-investment manager (the "**Sub-Investment Manager**") of the Master Fund.

The Feeder Fund may invest up to 15% of its net assets in the following assets:

- a) liquid assets pursuant to Article 41(2)(2) of the Law of 2010;
- b) derivative financial instruments pursuant to Article 41(1)(g) and Article 42(2) and (3) of the Law of 2010 that may only be used for hedging purposes.

Thus, the performance of the Feeder Fund may differ from that of the Master Fund.

The calculation of the overall risk at Feeder Fund level is largely determined by the use of financial instruments at Master Fund level. The method used to calculate the global exposure resulting from the use of derivative financial instruments is the same as for the Master Fund, i.e. the absolute VaR (Value at Risk) approach in accordance with CSSF Circular 11/512. Information regarding the expected leverage range can be taken from the "Leverage" section of this Sales Prospectus.

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities (Art. 7 Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 ("Taxonomy Regulation")).

This sub-fund complies with Article 6 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ("SFDR"). As such it does not consider principal adverse impacts on sustainability factors due to its investment strategy and the nature of the underlying investments (Art. 7(2) SFDR).

**More detailed information on the Master Fund can be found in its Sales Prospectus (the "Extract Prospectus") and KID, and obtained at [www.ubs.com/funds](http://www.ubs.com/funds) or from the registered office of the Master Management Company.** The Feeder Fund's investment policy should be read in connection with the Extract Prospectus including the specific Master Fund appendix, whereby the following investment objectives and policy shall apply:

### **Investment Objectives and policy of the Master Fund**

#### Investment objective

The objective of the Master Fund is to achieve capital growth by investing in an equity portfolio focused on opportunities for alpha generation (i.e. opportunities offering a positive investment return) in Chinese equity markets. There can be no assurance that the Master Fund will be in a position to achieve its investment objective or generate positive returns.

#### Investment policy

The Master Fund's portfolio will comprise equities, equity derivatives and equity index derivatives of corporates predominantly listed in China, Hong Kong, Taiwan and the US. The expected net beta adjustment of the portfolio will be 30% of the Master Fund's NAV. Beta is a measure of the volatility of the portfolio compared to the market as a whole and is used as an adjustment factor when considering the portfolio's overall exposure. The Fund may gain exposure to Chinese companies listed on the US stock exchanges or markets set out in Appendix II to the Prospectus. The portfolio will implement a combination of equity hedge and relative value strategies, as described in more detail below. Equity hedge strategies use fundamental research to invest in listed equities to generate alpha from exceptional stock selection. Portfolio construction is primarily based on fundamental bottom-up research in combination with top-down macro analysis. Relative value strategies are non-directional strategies that use arbitrage to exploit valuation differences and other opportunities between different shares in the same sector or between shares listed in different countries.

The Master Fund may gain exposure to China A Shares ("A Shares") through the trading counterparties' approved status under the regimes operated by the government of the PRC to include the Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong

Stock Connect ("Stock Connect") as well as the Qualified Foreign Institutional Investor ("QFII") regimes, UCITS or other AIFs exposed to Chinese A shares and/or entry products such as ETFs, subject to any applicable regulatory limits.

The Master Fund is actively managed without reference to a benchmark index.

The Investment Manager (or Sub-Investment Manager) may, where local market conditions allow, seek to gain access to specific markets or market segments directly by investing in underlying instruments. Alternatively, the Investment Manager or sub-investment manager may gain access to these markets or market segments by using derivatives, as explained in greater detail below.

Investment will predominantly be made in derivatives which reference equity securities and equity indices via equity portfolio swaps ("Portfolio Swaps") or Total Return Swaps (where the economic performance of a single equity security, a basket of securities or an equity index over a specific period of time is obtained by the Master Fund in exchange for a physical cash payment by the Master Fund to the counterparty), equity futures (as further described in Appendix III to the Prospectus) and volatility index derivatives as further described below. The use of exchange traded and over-the-counter equity derivatives forms an important part of the investment approach of the Master Fund and will result in the Master Fund being leveraged. Market risk exposure is monitored through the use of VaR as described below. The leverage associated with certain derivatives creates leverage in the Master Fund, which is calculated as the sum of the nominal values of the derivatives used. Under normal market conditions, the Master Fund will not be leveraged in excess of 300% of the Net Asset Value of the Master Fund and in exceptional circumstances leverage may reach 400% of the Net Asset Value of the Master Fund, with gross long positions not exceeding 150% of the Net Asset Value of the Master Fund and gross short positions not exceeding 150% of the Net Asset Value of the Master Fund. However in exceptional circumstances (i.e. market movements) leverage and levels of long and short positions may exceed this level at times. The types of exchange traded derivative investments which the Master Fund may use are outlined further below.

Although investment will predominantly be made in derivatives which reference equity securities as set out above, the Master Fund may also invest directly in common and preferred stock and other equity-related securities such as warrants (received passively following corporate actions), Real Estate Investment Trusts ("REITs"), American Depositary Receipts ("ADRs") and Global Depositary Receipts ("GDRs") (as further described in Appendix III to the Prospectus where relevant) where such investment represents a more practical, efficient or less costly way of gaining exposure to the relevant security or market. ADRs and GDRs are certificates issued by a depository bank. ADRs and GDRs are certificates issued by a depository bank, representing shares held by the bank, usually by a branch or correspondent in the country of issue of the shares, which trade independently from the shares. REITs are pooled investment instruments which invest in real estate or in loans or interest related to real estate. REITs are used to ensure portfolio diversification and to generate income. They are structured in such a way that the income and capital gains generated by the tax-exempt company are transferred directly to investors, who are then liable for taxation on these amounts. The tax treatment differs from country to country. REITs in which the Master Fund shall invest will be listed, traded or dealt in on Recognised Exchanges. The Master Fund may invest up to 5% of its Net Asset Value in REITs.

The OTC counterparties of such transactions are financial institutions with a high credit rating, specialised in this type of transaction and approved by the Investment Manager or sub-investment manager. In this regard, where the Master Fund enters into Portfolio Swaps and Total Return Swaps it will only do so on behalf of the Master Fund with counterparties which shall be entities which satisfy the OTC counterparty criteria set down by the Central Bank in the Central Bank UCITS Regulations and set out in the Prospectus under the heading Securities Financing Transactions in Appendix III and shall specialise in such transactions. Subject to compliance with those conditions, the Investment Manager or Sub-Investment Manager has full discretion as to the appointment of counterparties when entering into Portfolio Swaps or Total Return Swaps in furtherance of the Master Fund's investment objective and policies. It is not possible to provide a full list of all counterparties in this addendum, as they have not been chosen at the time of writing and the list may be subject to changes from time to time. The Master Fund may not enter into such a swap or other derivative transaction where (1) the counterparty is permitted to have discretion over the composition or management of the Master Fund's portfolio or over the underlying of financial derivative instruments used by the Master Fund or (2) counterparty approval is required in relation to any investment decision made by the Master Fund. Risks related to portfolio swaps and total return swaps are explained in the Extract Prospectus in the "Risk factors" section. In particular, the use of total return swaps is subject to the requirements of the SFTR.

Investment can also be made, up to a maximum of 10% of the Master Fund's net assets, in open-ended collective investment schemes, including exchange traded funds, including UCITS domiciled in the EU (including, but not limited to, Austria, Belgium, France, Germany, Ireland, Italy and Luxembourg) and the UK. As part of this 10% limit, the Master Fund may also invest in regulated open-ended AIFs. These will primarily be AIFs domiciled in the EU, and which fall within the requirements set out in the Central Bank Rules and the level of protection of which is equivalent to that provided to unitholders of a UCITS. As part of this 10% limit, the Master Fund may invest in other Master Funds of the Company and funds that are managed by affiliates of the Investment Manager and or the Sub-Investment Manager. Investment is not permitted in Master Funds of the Company which in turn invest in other Master Funds of the Company. Where the Master Fund invests in a collective investment scheme linked to the Investment Manager or Sub-Investment Manager, the manager of the underlying collective investment scheme cannot charge subscription, conversion or redemption fees on account of the investment. The Master Fund will not charge an annual investment management fee in respect of that portion of its assets invested in other Master Funds of the Company. The Master Fund will invest in such schemes primarily when the investment focus of such schemes is consistent with the Master Fund's primary investment focus. Investment in other funds is not a primary investment focus of the Master Fund. The Master Fund may also use options on equity indices for the purpose of generating income and capturing money making opportunities through stock, sector or market mispricings and for efficient portfolio risk management.

Investments in open-ended exchange-traded funds are made in accordance with the investment restrictions for undertakings for collective investment and investments in closed-ended exchange-traded funds are made in accordance with the investment restrictions for transferable securities detailed in the Extract Prospectus in the section: "Authorised investments and investment restrictions".

The focussed method of stock selection used by the Investment Manager is reflected in a relatively diversified portfolio with a high concentration on holdings where the sub-investment manager has greater conviction. The sub-investment manager will not restrict investments to a particular market capitalisation range or to any sectoral allocation. The Sub-Investment Manager will assess whether the Master Fund should hold long or short positions in stocks. It will take long positions in stocks which it anticipates, based on the analysis described below, are undervalued by the market and should rise in value. In contrast, it will take short positions in stocks which it anticipates are overvalued by the market and will fall in value.

Portfolios are predominantly constructed using the bottom-up method using both in-house and external research sources. The sub-investment manager selects companies on the basis of a combination of fundamental, quantitative and qualitative research, as described below. The combination of these unrelated research sources enables the sub-investment manager to recognise share price anomalies and investment opportunities. Fundamental research is generally used, either from a macroeconomic perspective ("top-down" approach) or based on company-specific criteria ("bottom-up" approach). The top-down approach comprises an analysis of global, regional and/or national economic factors. The bottom-up approach consists of research on specific companies. The sub-investment manager uses in-house and selected external analysts to determine the fundamental value of a company on the basis of various approaches depending on the company and/or sector under consideration. Quantitative research is performed by analysing company-specific data. This analysis includes valuation ratios (e.g. the market value of a share versus its book value, the price/earnings ratio), momentum indicators (e.g. the rate at which earnings are growing or declining, and the rate at which share prices are rising or falling) and qualitative indicators (e.g. changes in the return on equity and working capital). Qualitative information is obtained from a network of sources. These include, but are not limited to sell side investment analysts and strategists, expert networks, corporate meetings, on the ground due diligence and attending Industry Conferences. The Sub-Investment Manager avails of the services of expert networks and analysts in local jurisdictions to provide certain advisory services. Any such expert network or analyst will not have discretionary investment powers in respect of the Master Fund (these powers rest with the Investment Manager and Sub-Investment Manager).

The Investment Manager uses a risk management system to precisely measure, monitor and manage the risk derived from individual positions, sectors and countries. Risk management for the Investment Manager starts at the level of individual companies with an analysis of the management, balance sheet and cash flows. The Sub-Investment Manager may employ spot foreign exchange transactions (as further described in Appendix III to the Prospectus) to convert subscription proceeds into the relevant currency and in order to pay fees in a particular currency. The Sub-Investment Manager may employ forward foreign exchange contracts and currency futures (as further described in Appendix III to the Prospectus) for the purpose of hedging the foreign exchange exposure of the assets of the Master Fund in order to neutralise, so far as possible, the impact of fluctuations in the relevant exchange rates. However, the Master Fund may take on currency positions as a result of its exposure to global markets. When seeking to neutralise the foreign exchange exposure of the assets of the Master Fund, the Sub-Investment Manager may use such spot foreign exchange transactions, forward foreign exchange contracts and currency futures to sell the currency in which a particular asset is denominated against the Base Currency of the Master Fund, or against another currency, as determined by the Sub-Investment Manager in its discretion.

The Master Fund intends to use derivatives as a significant part of its investment policies. The Manager will employ a risk management process in order to accurately measure, monitor and manage the risks attached to financial derivative positions. Details of this process have been provided to the Central Bank. The sub-investment manager does not use any derivatives not covered by the risk management process. The market risks generated by the Master Fund through the use of instruments will be measured through the use of VaR measure. Absolute VaR is measured over a holding period (of 20 days) and should not be greater than 20% of the Net Asset Value of the Master Fund. The VaR will be calculated using a 99% confidence level and the historical observation period will not be less than one year. The sub-investment manager believes that the method used to calculate the absolute VaR is appropriate given the complexity of the variance and volatility derivatives outlined above. The use of derivatives entails certain risks to the Master Fund. Some of these risks are set out under "Risk Factors" in this Supplement. Investors are also encouraged to read Appendix III to the Prospectus which describes the types of derivatives which the Company may use, the purposes of their intended use and their effect.

As the use of derivatives is an important part of the approach of the Master Fund, the Master Fund may at any one time have significant cash balances to invest. These cash positions may be invested in money market funds and instruments, including deposit certificates, fixed and variable-rate bonds and fixed and variable-rate commercial paper (with an investment grade rating from the major rating agencies), cash deposits in a currency or currencies defined by the sub-investment manager, and fixed or variable-rate bonds (including treasury bills, treasury notes and other secured and unsecured fixed and variable-rate investments) issued by companies, governments and supranational bodies (with an investment grade rating from the major rating agencies). The Master Fund's assets may also be invested in sight, term and time deposits of banks (which are considered investment grade or above by the principal rating agencies). The residual maturity of the individual investments described in this paragraph may not exceed one year. Such investment is made in order to manage the cash held by the Master Fund which is required for investment in derivatives outlined above. For example, investing in long and short equity swaps in equal measure leaves a cash balance which needs to be invested so that there is no drag on the performance of the Master Fund. It is for this purpose that these instruments will be used. Investment in money market funds and money market instruments is not a primary investment focus of the Master Fund. Nevertheless, the Master Fund will at times be significantly invested in these assets in order to manage the cash held by the Master Fund.

The Master Fund may use repurchase/reverse repurchase agreements and securities lending (i.e. Securities Financing Transactions) in accordance with the requirements of SFTR and the Central Bank Rules. Any type of assets that may be held by the Master Fund in accordance with its investment objective and policies may be subject to such Securities Financing Transactions. The Master Fund may also use Portfolio Swaps and Total Return Swaps and apply these to certain types of assets held by the Master Fund as disclosed in the section "Investment Policies" above. There is no restriction on the proportion of assets that may be subject to Portfolio Swaps or Total Return Swaps which at any given time is expected to be between 100% and 300% of the Net Asset Value of the Master Fund. The maximum proportion of assets that may be subject to Securities Financing Transactions is 300% of the Net Asset Value of the Master Fund. In any case the most recent semi-annual and annual report of the Company will express as an absolute amount and as a percentage of the Master Fund's assets the amount of Master Fund assets subject to Securities Financing

Transactions, the Portfolio Swaps and Total Return Swaps. In addition, Shareholders should note the anticipated leverage ranges of the Master Fund as disclosed further above.

In this regard, the Master Fund may lend stocks that it has bought to generate additional income. 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 the Master Fund purchases securities from a counterparty and simultaneously commits to resell the securities to the counterparty at an agreed upon date and price. For example, the Sub-Investment Manager may enter into repurchase agreements when interest rates are low to enhance income earned in the Master Fund, or to manage interest rate exposure of fixed rate bonds more precisely than via the use of interest rate futures.

Transaction costs may be incurred in respect of Securities Financing Transactions and efficient portfolio management techniques in respect of the Master Fund. The Company shall ensure that all revenues arising from Securities Financing Transactions and efficient portfolio management techniques and instruments, net of direct and indirect operational costs and fees, are returned to the Master Fund. Any direct and indirect operational costs/fees arising from Securities Financing Transactions and efficient portfolio management techniques do not include hidden revenue and will be paid to such entities as outlined in the annual report of the Company. The annual report shall indicate if the entities are related to the Depositary.

The addendum will be amended accordingly in the event of a change in the Fund's investment strategy.

Information on the collateral management policy for the Master Fund is set out under the heading "Collateral Management Policy" in the Prospectus.

For additional information regarding the risks associated with efficient portfolio management, investors should read the following sections of the Extract Prospectus: "Risk factors – counterparty risk", "Risk factors – risks from derivatives, securities financing transactions, techniques and instruments" and "Conflicts of interest".

#### Financial indices

As outlined above, the Master Fund may use certain derivative instruments to invest in financial indices which provide exposure to the asset classes listed above. Additional information on this matter can be found in the Extract Prospectus in the section: "Appendix III – derivative financial instruments for investment purposes and/or efficient portfolio management".

#### ESG integration

This Master Fund falls under Article 6 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector. Sustainability risks are not systematically integrated due to the nature of the investment objective of the Master Fund and they are also not a core part of the investment strategy.

**The Master Fund invests in accordance with the legal limits and restrictions, which are described in greater detail in the Sales Prospectus of the Master Fund. The Master Fund is as such not a feeder fund, and does not hold shares of the Feeder Fund.**

**Currency of account of the Feeder Fund:** USD

#### Fees

The Feeder Fund invests in the U-B-PF-acc share class of the Master Fund. At Master Fund level, the fees, costs and expenses in relation to the investment in the U-B-PF-acc share class are (i) an annual management fee of up to 0.30% per annum as well as a performance fee of no more than 20%; and (ii) the expenses for the establishment of the Master Fund which are written off over the first five (5) accounting periods of the Master Fund. The performance fee on Master Fund level is deducted from the Feeder Fund through its investments in the aforementioned performance-fee bearing share class, i.e. before any fees on feeder fund level are applied. Certain other costs and expenses incurred in the operation of the Master Fund will also be borne out of the assets of the Master Fund. Further information on the current fees and charges applicable at Master Fund level can be found in the Sales Prospectus and KID, and obtained at [www.ubs.com/funds](http://www.ubs.com/funds) or from the registered office of the Master Management Company. The Master Fund may not draw any fees for subscription, redemption or conversion from the Feeder Fund.

At Feeder Fund level, the maximum flat fee is payable for the different share classes available. For further details, please refer to the section "Expenses paid by the Company" of this Sales Prospectus.

The following fees are charged to cover costs (at Feeder Fund and Master Fund level):

	Maximum flat fee (maximum management fee) p.a.	Maximum flat fee (maximum management fee) p.a. for share classes with "hedged" in their name
Share classes with "P" in their name	1.920% (1.540%)	1.970% (1.580%)
Share classes with "K-1" in their name	1.520% (1.220%)	1.550% (1.240%)
Share classes with "K-B" in their name	0.065%	0.065%

	(0.000%)	(0.000%)
Share classes with "K-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "F" in their name	1.060% (0.850%)	1.090% (0.870%)
Share classes with "Q" in their name	1.320% (1.060%)	1.370% (1.100%)
Share classes with "QL" in their name	1.320% (1.060%)	1.370% (1.100%)
Share classes with "I-A1" in their name	1.310% (1.050%)	1.340% (1.070%)
Share classes with "I-A2" in their name	1.260% (1.010%)	1.290% (1.030%)
Share classes with "I-A3" in their name	1.060% (0.850%)	1.090% (0.870%)
Share classes with "I-A4" in their name	1.060% (0.850%)	1.090% (0.870%)
Share classes with "I-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)	0.000% (0.000%)

More information on running costs applicable to the Feeder Fund (as well as on the fees at Master Fund level) can be found in the KIDs.

#### Risk factors for the Master Fund

The Master Fund Prospectus and the specific Appendix on the Master Fund contain important general risk information and specific information regarding risks associated with the investment strategy and certain types of securities.

The risks described in the Master Prospectus and the specific Appendix should not be considered as an exhaustive list of the risks that potential investors should consider prior to an investment in the Master Fund. Potential investors should be aware that an investment in the Master Fund may be exposed to other risks from time to time. An investment in the Master Fund involves certain investment risks, including a potential loss of capital.

**In this regard, please refer to the "Risk factors" section in the Master Fund Prospectus, which includes additional information on risks in connection with the Master Fund's structure, investment strategies and potential investments and in connection with investments in global financial markets and other issues.**

#### Specific risks of the Feeder Fund

As the Feeder Fund invests in the Master Fund, the Feeder Fund is subject to the specific risks related to its investment in the Master Fund, as well as to the specific risks related to the Master Fund itself and its investments. Prior to any investment, potential investors should therefore carefully read the risks summarised above and the detailed description of the risk factors related to investments in the Master Fund included in the Master Fund's Prospectus. These risk assessments apply to the Feeder Fund as well as the Master Fund. The Feeder Fund invests in the Master Fund, and investments of the Feeder Fund are therefore not diversified. However, the investments of the Master Fund are diversified in accordance with the UCITS Directive.

#### Feeder Fund taxation

For further details, please refer to the "Taxation" section of this Sales Prospectus.

#### Liquidation or reorganisation of the Master UCITS

In accordance with Articles 79(4) and 79(5) of the Law of 2010, a feeder sub-fund shall be dissolved and liquidated if its master UCITS is liquidated, split into two or more UCITS or merged with another UCITS, unless the CSSF approves either (a) the investment of at least 85% of the assets of that feeder sub-fund into units of another master UCITS or (b) the feeder sub-fund's conversion into a UCITS that is not a feeder UCITS within the meaning of the Law of 2010.

#### Additional information

The Feeder Fund and the Master Fund have signed a Master/Feeder agreement stipulating, inter alia, appropriate means of minimising conflicts of interest that may arise between the Feeder Fund and the Master Fund; the principles on which investments and sales by the Feeder Fund are based; the general terms of trade; scenarios that affect the terms of trade; and any changes to key provisions of the Master Fund's Articles of Incorporation, Sales Prospectus and KIDs. The Master Fund and the Feeder Fund have taken appropriate measures to coordinate the timing of their net asset value calculation and publication, in order to avoid market timing and to prevent arbitrage opportunities.

The depositary of the Master Fund and the depositary of the Feeder Fund have signed an information and cooperation agreement in order to ensure the fulfilment of the duties of both depositaries, covering, inter alia, transmission of information, documents and categories of information to be shared, coordination of depositaries in relation to operational matters and coordination of procedures at the end of the financial year.



In their roles as auditors of the Master Fund (Ernst & Young) and of the Feeder Fund (PwC), the auditors ensure that the information required in relation to the Master Fund and the Feeder Fund is made available in compliance with the provisions of the Law of 2010.

#### **UBS (Lux) Equity SICAV – Mobility Leaders (USD)**

UBS Asset Management categorises this sub-fund as a Sustainability Focus Fund. This sub-fund promotes environmental and/or social characteristics and complies with Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR"). Further information related to environmental and/or social characteristics is available in Annex I to this document (SFDR RTS Art. 14(2)).

This actively managed sub-fund invests at least 80% of its assets in equities of companies in developed and emerging markets worldwide that the Portfolio Manager considers to be critical to the sustainable future of transportation and mobility. These include, but are not limited to companies that are active in the area of electric vehicles, batteries, hydrogen, autonomous transport, sustainable materials and clean and secure power. The investment focus is on companies that may be viewed as either leaders in their relevant segment or industry, or as future leaders that are expected to disrupt and will transform over time how we will travel.

The Portfolio Manager uses quantitative and qualitative factors to select companies that have exposure to the targeted investment theme(s) of the sub-fund described above.

The sub-fund uses the benchmark MSCI AC World (net div. reinvested) for performance measurement and risk management purposes. The benchmark is a broad market index which does not assess or include constituents according to environmental characteristics and therefore is not intended to be consistent with the sustainable investment objective of the sub-fund. The Portfolio Manager may use discretion when constructing the portfolio and is not tied to the benchmark in terms of investment selection or weight. This means that the investment performance of the sub-fund may differ from the benchmark. As the sub-fund invests in multiple currencies due to its global orientation, the investment portfolio or parts of it may be subject to currency fluctuation risks.

This sub-fund may invest in both developed and emerging markets. The risks associated therewith are listed in the section entitled "General risk information".

Investors should note that the sub-fund's exposure may also include Chinese A shares. Chinese A shares are renminbi-denominated A shares of companies domiciled in mainland China; these are traded on Chinese stock exchanges such as the Shanghai Stock Exchange and the Shenzhen Stock Exchange. The sub-fund may invest in Chinese A shares via Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

**Currency of account:** USD

**Fees:**

	Maximum flat fee (maximum management fee) p.a.	Maximum flat fee (maximum management fee) p.a. for share classes with "hedged" in their name
Share classes with "P" in their name	1.600% (1.280%)	1.650% (1.320%)
Share classes with "K-1" in their name	1.100% (0.880%)	1.130% (0.900%)
Share classes with "K-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Share classes with "K-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "F" in their name	0.520% (0.420%)	0.550% (0.440%)
Share classes with "Q" in their name	0.900% (0.720%)	0.950% (0.760%)
Share classes with "QL" in their name	0.900% (0.720%)	0.950% (0.760%)
Share classes with "I-A1" in their name	0.600% (0.480%)	0.630% (0.500%)
Share classes with "I-A2" in their name	0.560% (0.450%)	0.590% (0.470%)
Share classes with "I-A3" in their name	0.520% (0.420%)	0.550% (0.440%)
Share classes with "I-A4" in their name	0.520% (0.420%)	0.550% (0.440%)
Share classes with "I-B" in their name	0.065% (0.000%)	0.065% (0.000%)

Share classes with "I-X" in their name	0.420% (0.000%)	0.440% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)	0.000% (0.000%)

### **UBS (Lux) Equity SICAV – Security Leaders (USD)**

This sub-fund promotes environmental and/or social characteristics and complies with Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR"). Further information related to environmental and/or social characteristics is available in Annex I to this document (SFDR RTS Art. 14(2)).

This actively managed sub-fund invests at least 80% of its assets in equities and other equity interests of companies in developed and emerging markets worldwide that have exposure to themes which the Portfolio Manager considers to be critical to the security industry. Those include, but are not limited to, data protection, fintech & fraud detection, endpoint & security operations, network & cloud security and identity management. The digitalization of society and of critical infrastructure is a megatrend. This trend creates an increasing need for security & safety against unauthorized access. As such, the companies in this fund are expected to provide solutions in the security space and are likely to emerge as leaders.

The Portfolio Manager uses quantitative and qualitative factors to select companies that have exposure to the targeted investment theme(s) of the sub-fund described above.

The Portfolio Manager utilises a UBS Blended ESG Score to identify companies for the investment universe with strong environmental and social performance characteristics, or a strong sustainability profile. The UBS Blended ESG Score represents an average of normalized ESG assessment data from UBS and two recognized external ESG data providers, MSCI and Sustainalytics. This blended score approach enhances the quality of the derived sustainability profile by integrating multiple independent ESG assessments, rather than depending solely on one single view. The UBS Blended ESG Score represents an entity's sustainability profile assessing material environmental, social, and governance factors. These factors may include, but are not limited to, environmental footprint and operational efficiency, risk management, climate change response, natural resource utilization, pollution and waste management, employment standards, supply chain oversight, human capital development, board diversity, occupational health and safety, product safety, and anti-fraud and anti-corruption policies. Each assessed entity is assigned a UBS Blended ESG Score, which ranges from 0 to 10, with 10 indicating the best sustainability profile.

The sub-fund incorporates the following ESG promotion characteristics:

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

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

The sub-fund uses the benchmark MSCI AC World (net div. reinvested) for performance measurement and risk management purposes. The benchmark is a broad market index which does not assess or include constituents according to environmental and/or social characteristics and therefore is not intended to be consistent with the characteristics promoted by the sub-fund. The Portfolio Manager may use discretion when constructing the portfolio and is not tied to the benchmark in terms of investment selection or weight. This means that the investment performance of the sub-fund may differ from the benchmark. As the sub-fund invests in multiple currencies due to its global orientation, the investment portfolio or parts of it may be subject to currency fluctuation risks.

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

This sub-fund may invest in both developed and emerging markets. The risks associated therewith are listed in the section entitled "General risk information".

Investors should note that the sub-fund's exposure may also include Chinese A shares. Chinese A shares are renminbi-denominated A shares of companies domiciled in mainland China; these are traded on Chinese stock exchanges such as the Shanghai Stock Exchange and the Shenzhen Stock Exchange. The sub-fund may invest in Chinese A shares via Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

**Currency of account:** USD

**Fees:**

	Maximum flat fee (maximum management fee) p.a.	Maximum flat fee (maximum management fee) p.a. for share classes with "hedged" in their name
Share classes with "P" in their name	1.600% (1.280%)	1.650% (1.320%)
Share classes with "K-1" in their name	1.100% (0.880%)	1.130% (0.900%)
Share classes with "K-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Share classes with "K-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "F" in their name	0.520% (0.420%)	0.550% (0.440%)
Share classes with "Q" in their name	0.900% (0.720%)	0.950% (0.760%)
Share classes with "QL" in their name	0.900% (0.720%)	0.950% (0.760%)
Share classes with "I-A1" in their name	0.600% (0.480%)	0.630% (0.500%)
Share classes with "I-A2" in their name	0.560% (0.450%)	0.590% (0.470%)
Share classes with "I-A3" in their name	0.520% (0.420%)	0.550% (0.440%)
Share classes with "I-A4" in their name	0.520% (0.420%)	0.550% (0.440%)
Share classes with "I-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)	0.000% (0.000%)

#### **UBS (Lux) Equity SICAV – Healthy Living (USD)**

UBS Asset Management categorises this sub-fund as a Sustainability Focus Fund. This sub-fund promotes environmental and/or social characteristics and complies with Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR"). Further information related to environmental and/or social characteristics is available in Annex I to this document (SFDR RTS Art. 14(2)).

This actively managed sub-fund invests at least 80% of its assets in equities and other equity interests of companies in developed and emerging markets worldwide that have exposure to sustainable themes which the Portfolio Manager considers to be critical to the trend of healthy living and disease prevention. Those include, but are not limited to, healthy lifestyle, healthy nutrition, consumerization of health, disease prevention, mental well-being and longevity. Lifespan increased significantly over the past century; yet the time spent in a healthy state (i.e. health span) still lags behind. Increasing health span requires a combination of medical advances, lifestyle changes and improvements in environmental factors. The companies in this fund are expected to drive the megatrend of healthy living focused on prevention rather than treatment of health conditions. In addition, the sub-fund excludes companies with a sustainability profile that indicates a high and severe ESG risk.

The Portfolio Manager uses quantitative and qualitative factors to select companies that have exposure to the targeted investment theme(s) of the sub-fund described above.

The sub-fund uses the benchmark MSCI World (net div. reinvested) for performance measurement and risk management purposes. The benchmark is a broad market index which does not assess or include constituents according to environmental and/or social characteristics and therefore is not intended to be consistent with the characteristics promoted by the sub-fund. The Portfolio Manager may use discretion when constructing the portfolio and is not tied to the benchmark in terms of investment selection or weight. This means that the investment performance of the sub-fund may differ from the benchmark. As the sub-fund invests in multiple currencies due to its global orientation, the investment portfolio or parts of it may be subject to currency fluctuation risks.

This sub-fund may invest in both developed and emerging markets. The risks associated therewith are listed in the section entitled "General risk information".

Investors should note that the sub-fund's exposure may also include Chinese A shares. Chinese A shares are renminbi-denominated A shares of companies domiciled in mainland China; these are traded on Chinese stock exchanges such as the Shanghai Stock Exchange and the Shenzhen Stock Exchange. The sub-fund may invest in Chinese A shares via Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

**Currency of account:** USD

**Fees:**

	Maximum flat fee (maximum management fee) p.a.	Maximum flat fee (maximum management fee) p.a. for share classes with "hedged" in their name
Share classes with "P" in their name	1.710% (1.370%)	1.760% (1.410%)
Share classes with "K-1" in their name	1.100% (0.880%)	1.130% (0.900%)
Share classes with "K-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Share classes with "K-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "F" in their name	0.650% (0.520%)	0.680% (0.540%)
Share classes with "Q" in their name	0.910% (0.730%)	0.960% (0.770%)
Share classes with "QL" in their name	0.910% (0.730%)	0.960% (0.770%)
Share classes with "I-A1" in their name	0.730% (0.700%)	0.910% (0.730%)
Share classes with "I-A2" in their name	0.830% (0.660%)	0.860% (0.690%)
Share classes with "I-A3" in their name	0.800% (0.640%)	0.830% (0.660%)
Share classes with "I-A4" in their name	0.800% (0.640%)	0.830% (0.660%)
Share classes with "I-B" in their name	0.065% (0.000%)	0.065% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)	0.000% (0.000%)

**UBS (Lux) Equity SICAV – All China Sustainable (USD)**

UBS Asset Management categorises this sub-fund as a Sustainability Focus Fund. This sub-fund promotes environmental and/or social characteristics and complies with Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR"). Further information related to environmental and/or social characteristics is available in Annex I to this document (SFDR RTS Art. 14(2)).

This actively managed sub-fund invests mainly in shares and other equity interests of companies domiciled in the People's Republic of China ("PRC") as well as in other companies that have close economic links with the PRC. These investments contain securities listed within the PRC (onshore) or outside of the PRC (offshore).

The sub-fund uses the benchmark MSCI China All Share (net div. reinvested) in order to monitor performance and the ESG profile, as well as for ESG, investment risk management and portfolio construction purposes. The benchmark is not designed to promote ESG characteristics. The Portfolio Manager may use discretion when constructing the portfolio and is not tied to the benchmark in terms of investment selection or weight. This means that the investment performance of the sub-fund may differ from the benchmark.

For share classes with "hedged" in their name, currency-hedged versions of the benchmark may be used if available.

Investors should note that the sub-fund's exposure may also include Chinese A-shares. Chinese A-shares are renminbi-denominated A-shares of companies domiciled in mainland China; these are traded on Chinese stock exchanges such as the Shanghai Stock Exchange and the Shenzhen Stock Exchange. The sub-fund may invest in Chinese A-shares via Shanghai-Hong-Kong Stock Connect or Shenzhen-Hong-Kong Stock Connect.

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

**Currency of account:** USD

## Fees

	Maximum flat fee (maximum management fee) p.a.	Maximum flat fee (maximum management fee) p.a. for share classes with "hedged" in their name
Share classes with "P" in their name	2.150% (1.720%)	2.200% (1.760%)
Share classes with "K-1" in their name	1.570% (1.260%)	1.600% (1.280%)
Share classes with "K-B" in their name	0.160% (0.000%)	0.160% (0.000%)
Share classes with "K-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "F" in their name	1.020% (0.820%)	1.050% (0.840%)
Share classes with "Q" in their name	1.290% (1.030%)	1.340% (1.070%)
Share classes with "QL" in their name	1.290% (1.030%)	1.340% (1.070%)
Share classes with "I-A1" in their name	1.240% (0.990%)	1.270% (1.016%)
Share classes with "I-A2" in their name	1.170% (0.940%)	1.200% (0.960%)
Share classes with "I-A3" in their name	1.020% (0.820%)	1.050% (0.840%)
Share classes with "I-A4" in their name	1.020% (0.820%)	1.050% (0.840%)
Share classes with "I-B" in their name	0.160% (0.000%)	0.160% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)	0.000% (0.000%)

### **UBS (Lux) Equity SICAV – Global Emerging Markets ex China Opportunity (USD)**

This sub-fund promotes environmental and/or social characteristics and complies with Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR"). Further information related to environmental and/or social characteristics is available in Annex I to this document (SFDR RTS Art. 14(2)). This actively managed sub-fund invests at least two-thirds of its assets following the principle of risk diversification in equities or other equity interests of companies that are domiciled or chiefly active in emerging markets excluding China. In doing so, the sub-fund invests in equities that are expected to benefit most from emerging market growth excluding China. The sub-fund focuses on equities and sectors that are considered particularly attractive and will actively assume risk proportionate to the potential opportunities. The sub-fund's assets are not limited to a particular range of market capitalisations, or to any geographical or sectoral allocation.

The sub-fund uses the benchmark MSCI Emerging Markets ex China (net div. reinvested) for performance measurement, monitoring the ESG metrics investment risk management and portfolio construction purposes. The benchmark is not designed to promote ESG characteristics. The Portfolio Manager may use discretion when constructing the portfolio and is not tied to the benchmark in terms of investment selection or weight. This means that the investment performance of the sub-fund may differ from the benchmark. For share classes with "hedged" in their name, currency-hedged versions of the benchmark may be used if available. As the sub-fund invests in many foreign currencies due to its regional orientation, the portfolio or parts thereof may be hedged against the reference currency of the sub-fund in order to reduce the associated foreign currency risks.

**This sub-fund may invest in both developed and emerging markets. The risks associated therewith are listed in the section entitled "General risk information". For the reasons mentioned, the sub-fund is suitable for investors who are aware of these risks.**

**Currency of account:** USD

## Fees

	Maximum flat fee (maximum management fee) p.a.	Maximum flat fee (maximum management fee) p.a. for share classes with "hedged" in their name
Share classes with "P" in their name	1.750% (1.400%)	1.800% (1.440%)
Share classes with "K-1" in their name	1.130% (0.900%)	1.180% (0.940%)

Share classes with "K-B" in their name	0.160% (0.000%)	0.160% (0.000%)
Share classes with "K-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "F" in their name	0.670% (0.540%)	0.700% (0.560%)
Share classes with "Q" in their name	0.920% (0.740%)	0.970% (0.780%)
Share classes with "QL" in their name	0.920% (0.740%)	0.970% (0.780%)
Share classes with "I-A1" in their name	0.850% (0.680%)	0.880% (0.700%)
Share classes with "I-A2" in their name	0.760% (0.610%)	0.790% (0.630%)
Share classes with "I-A3" in their name	0.670% (0.540%)	0.700% (0.560%)
Share classes with "I-A4" in their name	0.670% (0.540%)	0.700% (0.560%)
Share classes with "I-B" in their name	0.160% (0.000%)	0.160% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)	0.000% (0.000%)

### **General risk information:**

#### **Investing in emerging markets**

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

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

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

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

► **Volatility** – investments in emerging markets may post more volatile performances than those in developed markets.

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

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

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

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

in markets in which the restrictions are acceptable. However, it is not possible to prevent additional restrictions from being imposed.

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

The risks described above apply in particular to investments in the People's Republic of China ("PRC").

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

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

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

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

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

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

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

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

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

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

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

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

#### **b) QFI Risk**

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

Under the prevailing regulations in the PRC, foreign investors can invest in the A-share market and other QFI permissible securities

through institutions that have obtained qualified status such as QFI status in the PRC. The current QFI regulations impose strict restrictions (such as investment guidelines) on A-share investments.

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

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

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

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

### ***QFI Regulations***

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

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

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

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

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

### ***PRC Broker***

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



## ***Custody***

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

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

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

## ***Limits on Redemption***

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

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

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

## ***Investment Restrictions***

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

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

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

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

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

civil procedures, the sub-fund's assets may be frozen to the extent of the claims made by such company. These risks may greatly impair the performance of the sub-fund.

**c) Liquidity Risk**

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

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

**d) Low Level of Monitoring Risk**

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

**e) Accounting Standards and Disclosure Risk**

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

**f) Currency Risk of the RMB**

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

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

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

Conversion between RMB and USD is subject to policy restrictions and promulgations relating to RMB and relevant regulatory requirements. Relevant policies may have impact on the ability of the sub-fund to convert between RMB and USD in respect of its onshore and offshore investments, applicable exchange rate and cost of conversion. There is no assurance that conversion will not become more difficult or impossible, or that the RMB will not be subject to devaluation, revaluation or shortages in its availability. There is no guarantee that RMB will not depreciate. The sub-fund will be subject to bid/offer spread on currency conversion and transaction costs. Such foreign exchange risk and costs of conversion may result in capital loss to the sub-fund and its investors.

**g) Concentration risk**

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

**h) Hedging Risk**

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

**i) Settlement Risk**

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

**j) Connected Party Risk**

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

**k) Clearing Reserve Fund Risk**

Under the QFI regulations, the PRC Sub-Custodian is required to deposit a minimum clearing reserve fund, the percentage amount to be determined from time to time by the China Securities Depository and Clearing Corporation Limited (Shanghai, Shenzhen and Beijing branches) (the "CSDCC"). The PRC Sub-Custodian will deposit a part of the assets of the sub-fund as part of its minimum clearing reserve fund. The minimum clearing reserve ratio is determined by the CSDCC from time to time and will be deposited by the PRC Sub-Custodian into its minimum clearing reserve fund. In times of rising PRC securities values,

the assets of the sub-fund retained in the clearing reserve fund may have a negative impact on the performance of the sub-fund and, conversely, in times of falling PRC security values may cause the sub-fund to perform better than might otherwise have been the case.

## **l) Fixed Income Securities Risks**

### *PRC debt instruments market risk*

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

### *Credit risk of counterparties to RMB denominated debt instruments*

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

### *Interest rate risk*

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

### *Valuation risk*

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

### *Credit rating risk*

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

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

### *Credit rating downgrading risk*

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

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

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

(i) Provide for 10% Withholding Income Tax ("WIT") in respect of interest income received where such WIT has not been withheld by the PRC issuers, or in respect of interest income accrued, with regard to non-government onshore PRC bonds.

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

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

If the actual applicable tax levied by PRC tax authorities is greater than that provided for by the Investment Manager so that there is a shortfall in the tax provision amount, investors should note that the net asset value of the sub-fund may suffer more than the tax provision amount as the sub-fund will ultimately have to bear the additional tax liabilities. In this case, the then existing and new shareholders will be disadvantaged. On the other hand, if the actual applicable tax levied by PRC tax

authorities is less than that provided for by the Board of Directors so that there is an excess in the tax provision amount, shareholders who have redeemed the shares before PRC tax authorities' ruling, decision or guidance in this respect will be disadvantaged as they would have borne the loss from the overprovision. In this case, the then existing and new shareholders may benefit if the difference between the tax provision and the actual taxation liability can be returned to the account of the sub-fund.

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

#### **Risks relating to securities trading in mainland China via Stock Connect**

If sub-fund investments in mainland China are traded via Stock Connect, there are additional risk factors in relation to these transactions. Investors should note in particular that Stock Connect is a new trading programme. There is currently no empirical data. Furthermore, the corresponding provisions could change in future. Stock Connect is subject to quota limits that could restrict the sub-fund's ability to perform transactions in a timely manner via Stock Connect. This could impair the sub-fund's ability to effectively implement its investment strategy. The scope of Stock Connect initially encompasses all securities included on the SSE 180 Index and SSE 380 Index, as well as all Chinese A shares listed on the Shanghai Stock Exchange ("SSE"). It also extends to all securities included in the SZSE Component Index and the SZSE Small/Mid Cap Innovation Index with a market capitalisation of at least RMB 6 billion, as well as to all Chinese A shares listed on the Shenzhen Stock Exchange ("SZSE"). Shareholders should also note that under the applicable regulations, a security can be removed from the Stock Connect programme. This could have an adverse effect on the sub-fund's ability to achieve its investment objective, for example if the Portfolio Manager wishes to acquire a security that has been removed from the Stock Connect programme.

#### **Beneficial owner of SSE shares/SZSE shares**

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

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

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

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

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

#### **Risk of quotas being used up**

Once the daily quotas for northbound and southbound transactions have been reached, acceptance of corresponding purchase orders will be immediately suspended and no further purchase orders will be accepted for the rest of the day. Purchase orders that have already been accepted are not affected in the event the daily quota is used up. Sell orders will continue to be accepted.

#### **Risk of payment default at ChinaClear**

ChinaClear has set up a risk management system, and has taken measures that have been approved by the China Securities Regulatory Commission ("CSRC") and are subject to its supervision. Under the general CCASS rules, should ChinaClear (as the central counterparty) not meet its obligations, HKSCC shall attempt, where applicable, in good faith to claim the outstanding Stock Connect securities and ChinaClear funds via the available legal channels available and during the winding up of ChinaClear.

HKSCC shall, in turn, distribute the Stock Connect securities and/or funds that can be reclaimed pro rata to qualified participants in accordance with the regulations of the competent Stock Connect authority. Investors should be aware of these regulations and the potential risk of a payment default by ChinaClear before investing in the sub-fund and its participation in northbound trading.

#### **Risk of HKSCC payment default**

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

#### **Ownership of Stock Connect securities**

Stock Connect securities are unsecuritised and held by HKSCC on behalf of their holders. The physical deposit and withdrawal of Stock Connect securities are not available to the sub-fund under northbound trading.

The ownership and ownership rights of the sub-fund and entitlements to Stock Connect securities (regardless of the legal nature thereof, in equity jurisprudence or otherwise) are subject to the applicable requirements, including the laws on the disclosure of interests and the restrictions on foreign share ownership. It is unclear whether the Chinese courts recognise investors and would grant them standing to initiate legal proceedings against Chinese companies in the event of disputes. This is a complex legal area and investors should seek independent professional advice.

### **Investments in UCIs and UCITS**

Sub-funds, which have invested at least half of their assets in existing UCIs and UCITS in accordance with their special investment policies, are structured as a fund of funds.

The general advantage of a fund of funds over funds investing directly is the greater level of diversification (or risk spreading). In a fund of funds, portfolio diversification extends not only to its own investments because the investment objects (target funds) themselves are also governed by the stringent principles of risk diversification. A fund of funds enables the investor to invest in a product that spreads its risks on two levels and thereby reduces the risks inherent in the individual investment objects, with the investment policy of the UCITS and UCIs in which most investments are made being required to accord as far as possible with the Company's investment policy. The Company additionally permits investment in a single product, by which means the investor gains an indirect investment in numerous securities.

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

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

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

### **Liquidity risk**

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

### **ESG risks**

"Sustainability risk" means an environmental, social or governance event or condition which could have a material or potentially substantial adverse effect on the value of the investment. If a sustainability risk associated with an investment materialises, it could lead to the loss in value of an investment.

### **Bonds**

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

### **High-yield bonds**

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

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

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

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

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

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

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

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

### Swap Agreements

A sub-fund may enter into swap agreements (including total return swaps and contracts for differences) with respect to various underlyings, including currencies, interest rates, securities, collective investment schemes and indices. A swap is a contract under which one party agrees to provide the other party with something, for example a payment at an agreed rate, in exchange for receiving something from the other party, for example the performance of a specified asset or basket of assets. A sub-fund may use these techniques for example to protect against changes in interest rates and currency exchange rates. A sub-fund may also use these techniques to take positions in or protect against changes in securities indices and specific securities prices.

In respect of currencies, a sub-fund may utilise currency swap contracts where the sub-fund may exchange currencies at a fixed rate of exchange for currencies at a floating rate of exchange or vice versa. These contracts allow a sub-fund to manage its exposures to currencies in which it holds investment but also to obtain opportunistic exposure to currencies. For these instruments, the sub-fund's return is based on the movement of currency exchange rates relative to a fixed currency amount agreed by the parties.

In respect of interest rates, a sub-fund may utilise interest rate swap contracts where the sub-fund may exchange a fixed rate of interest against a variable rate (or the other way round). These contracts allow a sub-fund to manage its interest rate exposures. For these instruments, the sub-fund's return is based on the movement of interest rates relative to a fixed rate agreed by the parties. The sub-fund may also utilise caps and floors, which are interest rate swap contracts in which the return is based only on the positive (in the case of a cap) or negative (in the case of a floor) movement of interest rates relative to a fixed rate agreed by the parties.

In respect of securities and securities indices a sub-fund may utilise total return swap contracts where the sub-fund may exchange interest rate cash flows for cash flows based on the return of, for example, an equity or fixed income instrument or a securities index. These contracts allow a sub-fund to manage its exposures to certain securities or securities indices. For these instruments, the sub-fund's return is based on the movement of interest rates relative to the return on the relevant security or index. The sub-fund may also use swaps in which the sub-fund's return is relative to the volatility of price of the relevant security (a volatility swap, which is a forward contract whose underlying is the volatility of a given product. This is a pure volatility instrument allowing investors to speculate solely upon the movement of a stock's volatility without the influence of its price) or to the variance (the square of the volatility) (a variance swap which is a type of volatility swap where the payout is linear to variance rather than volatility, with the result that the payout will rise at a higher rate than volatility).

Where a sub-fund enters into total return swaps (or invests in other financial derivative instruments with the same characteristics) it will only do so on behalf of the sub-fund with counterparties that are entities with legal personality, typically located in OECD jurisdictions. These counterparties will be subject to a credit assessment. Where the counterparty is subject to a credit rating by any agency registered and supervised by ESMA, that rating shall be taken into account in the credit assessment. Where a counterparty is downgraded to A2 or below (or comparable rating) by such a credit rating agency, a new credit assessment in respect of the counterparty will be undertaken without delay. Subject to compliance with those conditions, the Portfolio Manager has full discretion as to the appointment of counterparties when entering into total return swaps in furtherance of the relevant sub-fund's investment objective and policies.

A credit default swap ("**CDS**") is a derivative instrument which is a mechanism for transferring and transforming credit risk between purchaser and seller. The protection buyer purchases protection from the protection seller for losses that might be incurred as a result of a default or other credit event in relation to an underlying security. The protection buyer pays a premium for the protection and the protection seller agrees to make a payment to compensate the protection buyer for losses incurred upon the occurrence of any one of a number of possible specified credit events, as set out in the CDS agreement. In relation to the use of CDS, the sub-fund may be a protection buyer and/or a protection seller. A credit event is an event linked to the deteriorating credit worthiness of an underlying reference entity in a credit derivative. The occurrence of a credit event usually triggers full or partial termination of the transaction and a payment from protection seller to protection buyer. Credit events include, but are not limited to, bankruptcy, failure to pay, restructuring, and obligation default.

### Insolvency risk on swap counterparties

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

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

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

### Special Purpose Acquisition Companies (SPAC):

A SPAC is a listed special-purpose acquisition company that raises investment capital for the purpose of acquiring or merging with an existing company ("acquisition target"). The acquisition target is usually an existing unlisted company that wishes to go public, which is achieved through acquisition by a SPAC or merger with a SPAC and not through the traditional flotation route. As a rule, at the time the SPAC seeks investors, the identity of the acquisition target is not known. The structure of SPACs can be complex, and their characteristics can vary greatly, which may result in various risks, such as dilution, liquidity, conflicts of interest and uncertainty about the identification, valuation and eligibility of a target company.

Investors should note that investment in a SPAC carries the risk of the SPAC being unable to complete an acquisition e.g. because no suitable acquisition target is found, as the SPAC shareholders do not give the necessary consent to the proposed acquisition or merger, the necessary state or other authorisations cannot be obtained or the acquisition or merger proves unsuccessful after its completion and results in losses. Equities of companies acquired by a SPAC or merged with a SPAC can be volatile and entail substantial financial risk.

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

A sub-fund may enter into repurchase agreements and reverse repurchase agreements as a buyer or as a seller subject to the conditions and limits set out in Section 5 entitled "Special techniques and instruments with securities and money market instruments as underlying assets". If the other party to a repurchase agreement or reverse repurchase agreement should default, the sub-fund might suffer a loss to the extent that the proceeds from the sale of the underlying securities and/or other collateral held by the sub-fund in connection with the repurchase agreement or reverse repurchase agreement are less than the repurchase price or, as the case may be, the value of the underlying securities. In addition, in the event of bankruptcy or similar proceedings of the other party to the repurchase agreement or reverse repurchase agreement or its failure otherwise to perform its obligations on the repurchase date, the sub-fund could suffer losses, including loss of interest on or principal of the security and costs associated with delay and enforcement of the repurchase agreement or reverse repurchase agreement.

A sub-fund may enter into securities lending transactions subject to the conditions and limits set out in Section 5 entitled "Special techniques and instruments with securities and money market instruments as underlying assets". Securities lending transactions involve counterparty risk, including the risk that the securities lent cannot be returned or redeemed on time. If the borrower of securities fails to return the securities lent by a sub-fund, there is a risk that the collateral received may be realised at a lower value than the securities lent, whether due to inaccurate pricing of the collateral, adverse market movements, a deterioration in the creditworthiness of the collateral issuer, illiquidity of the market on which the collateral is traded, negligence or insolvency of the custodian holding collateral or termination of legal agreements, e.g. due to insolvency, which adversely affects the performance of the sub-fund. If the other party to a securities lending transaction should default, the sub-fund might suffer a loss to the extent that the proceeds from the sale of the collateral held by the Company in connection with the securities lending transaction are less than the value of the securities lent. In addition, in the event of the bankruptcy or similar proceedings of the other party to the securities lending transaction or its failure to return the securities as agreed, the sub-fund could suffer losses, including loss of interest on or principal of the securities and costs associated with delay and enforcement of the securities lending agreement.

The sub-funds will only use repurchase agreements, reverse repurchase agreements or securities lending transactions for the purpose of either reducing risks (hedging) or generating additional capital or income for the relevant sub-fund. When using such techniques, the sub-fund will comply at all times with the provisions set out in Section 5 entitled "Special techniques and instruments with securities and money market instruments as underlying assets". The risks arising from the use of repurchase agreements, reverse repurchase agreements and securities lending transactions will be closely monitored and techniques (including collateral management) will be employed to seek to mitigate those risks. Although it is expected that the use of repurchase agreements, reverse repurchase agreements and securities lending transactions will generally not have a material impact on a sub-fund's performance, the use of such techniques may have a significant effect, either negative or positive, on a sub-fund's net asset value.

### Exposure to securities financing transactions

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

Sub-fund	Total Return Swaps		Repurchase agreements/reverse repurchase agreements		Securities Lending	
	Expected	Maximum	Expected	Maximum	Expected	Maximum

UBS (Lux) Equity SICAV – Active Climate Aware (USD)	0%	15%	0%	25%	0%-40%	50%
UBS (Lux) Equity SICAV – All China (USD)	0%	15%	0%	25%	0%-40%	75%
UBS (Lux) Equity SICAV – China Health Care (USD)	0%	15%	0%	25%	0%-40%	75%
UBS (Lux) Equity SICAV – Asian Smaller Companies (USD)	0%	15%	0%	25%	0%-40%	50%
UBS (Lux) Equity SICAV – Climate Action (USD)	0%	15%	0%	25%	0-40%	50%
UBS (Lux) Equity SICAV – China A Opportunity (USD)	0%	15%	0%	25%	0-40%	60%
UBS (Lux) Equity SICAV – Diversity Equity and Inclusion (USD)	0%	15%	0%	25%	0-40%	50%
UBS (Lux) Equity SICAV – Euro Countries Income Sustainable (EUR)	0%–10%	50%	0%	25%	0%-40%	50%
UBS (Lux) Equity SICAV – European High Dividend Sustainable (EUR)	0%–10%	50%	0%	25%	0%-40%	50%
UBS (Lux) Equity SICAV – European Income Opportunity Sustainable (EUR)	0%–10%	50%	0%	25%	0%-40%	50%
UBS (Lux) Equity SICAV – European Opportunity Unconstrained (EUR)	0%–200%	300%	0%	25%	0%-40%	50%
UBS (Lux) Equity SICAV – German High Dividend Sustainable (EUR)	0%–10%	50%	0%	25%	0%-40%	50%
UBS (Lux) Equity SICAV – Global Defensive Sustainable (USD)	0%-15%	50%	0%	25%	0%-60%	85%
UBS (Lux) Equity SICAV – Global Emerging Markets Opportunity (USD)	0%	15%	0%	25%	0%-40%	50%
UBS (Lux) Equity SICAV – Global High Dividend Sustainable (USD)	0%–10%	50%	0%	25%	0%-40%	50%
UBS (Lux) Equity SICAV – Engage for Impact (USD)	0%	15%	0%	25%	0%-40%	50%
UBS (Lux) Equity SICAV – Global Income Sustainable (USD)	0%–10%	50%	0%	25%	0%-40%	50%
UBS (Lux) Equity SICAV – Global Opportunity Sustainable (USD)	0%	15%	0%	25%	0%-40%	50%
UBS (Lux) Equity SICAV – Global Opportunity Unconstrained (USD)	0%–200%	300%	0%	25%	0%-60%	75%
UBS (Lux) Equity SICAV – Innovation (USD)	0%	15%	0%	25%	0-40%	75%
UBS (Lux) Equity SICAV – Long Term Themes (USD)	0%	15%	0%	100%	0%-40%	50%
UBS (Lux) Equity SICAV – Future Leaders Small Caps (USD)	0%	15%	0%	25%	0%-40%	50%
UBS (Lux) Equity SICAV – Russia (USD)	0%	15%	0%	25%	0%-60%	75%
UBS (Lux) Equity SICAV – Small Caps Europe Sustainable (EUR)	0%	15%	0%	25%	0%-40%	50%
UBS (Lux) Equity SICAV – Swiss Opportunity (CHF)	0%	15%	0%	25%	0%-40%	50%
UBS (Lux) Equity SICAV – US Income Sustainable (USD)	0%–10%	50%	0%	25%	0%-40%	50%
UBS (Lux) Equity SICAV – US Opportunity (USD)	0%–10%	50%	0%	25%	0%-40%	50%
UBS (Lux) Equity SICAV – US Total Yield Sustainable (USD)	0%–10%	50%	0%	25%	0%-40%	50%
UBS (Lux) Equity SICAV – USA Growth (USD)	0%	15%	0%	25%	0%-40%	50%
UBS (Lux) Equity SICAV – USA Growth Sustainable (USD)	0%	15%	0%	25%	0%-40%	50%
UBS (Lux) Equity SICAV – O'Connor China Long/Short Alpha Strategies UCITS (USD)	0%	15%	0%	25%	0%	0%
UBS (Lux) Equity SICAV – Mobility Leaders (USD)	0%	15%	0%	25%	0%-40%	50%
UBS (Lux) Equity SICAV – Security Leaders (USD)	0%	15%	0%	25%	0%-40%	50%
UBS (Lux) Equity SICAV – Healthy Living (USD)	0%	15%	0%	25%	0%-40%	50%
UBS (Lux) Equity SICAV – Global Emerging Markets ex China Opportunity (USD)	0%	15%	0%	25%	0%-40%	50%



UBS (Lux) Equity SICAV – All China Sustainable (USD)	0%	15%	0%	25%	0%-40%	50%
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### 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 the techniques and instruments for the efficient management of the portfolio (see Section 5 entitled “Special techniques and instruments with securities and money market instruments as underlying assets”).

### Leverage

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

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

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

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

Sub-fund	Global risk calculation method	Expected range of leverage	Reference portfolio
UBS (Lux) Equity SICAV – Active Climate Aware (USD)	Commitment approach	n.a.	n.a.
UBS (Lux) Equity SICAV – All China (USD)	Commitment approach	n.a.	n.a.
UBS (Lux) Equity SICAV – China Health Care (USD)	Commitment approach	n.a.	n.a.
UBS (Lux) Equity SICAV – Asian Smaller Companies (USD)	Commitment approach	n.a.	n.a.
UBS (Lux) Equity SICAV – Climate Action (USD)	Commitment approach	n.a.	n.a.
UBS (Lux) Equity SICAV – China A Opportunity (USD)	Commitment approach	n.a.	n.a.
UBS (Lux) Equity SICAV – Diversity Equity and Inclusion (USD)	Commitment approach	n.a.	n.a.
UBS (Lux) Equity SICAV – Euro Countries Income Sustainable (EUR)	Relative VaR approach	0–2	MSCI EMU (net div. reinvested)
UBS (Lux) Equity SICAV – European High Dividend Sustainable (EUR)	Commitment approach	n.a.	n.a.
UBS (Lux) Equity SICAV – European Income Opportunity Sustainable (EUR)	Relative VaR approach	0–2	MSCI Europe (net div. reinvested)
UBS (Lux) Equity SICAV – European Opportunity Unconstrained (EUR)	Relative VaR approach	0–2	MSCI Europe (net div. reinvested)
UBS (Lux) Equity SICAV – German High Dividend Sustainable (EUR)	Commitment approach	n.a.	n.a.
UBS (Lux) Equity SICAV – Global Defensive Sustainable (USD)	Relative VaR approach	0–2	MSCI World Hedged to USD (net div. reinvested)
UBS (Lux) Equity SICAV – Global Emerging Markets Opportunity (USD)	Commitment approach	n.a.	n.a.
UBS (Lux) Equity SICAV – Global High Dividend Sustainable (USD)	Commitment approach	n.a.	n.a.
UBS (Lux) Equity SICAV – Engage for Impact (USD)	Commitment approach	n.a.	n.a.
UBS (Lux) Equity SICAV – Global Income Sustainable (USD)	Relative VaR approach	0–2	MSCI AC World (net div. reinvested)

UBS (Lux) Equity SICAV – Global Opportunity Sustainable (USD)	Commitment approach	n.a.	n.a.
UBS (Lux) Equity SICAV – Global Opportunity Unconstrained (USD)	Relative VaR approach	0–2	MSCI AC World (net div. reinvested)
UBS (Lux) Equity SICAV – Innovation (USD)	Commitment approach	n.a.	n.a.
UBS (Lux) Equity SICAV – Long Term Themes (USD)	Commitment approach	n.a.	n.a.
UBS (Lux) Equity SICAV – Future Leaders Small Caps (USD)	Commitment approach	n.a.	n.a.
UBS (Lux) Equity SICAV – Russia (USD)	Commitment approach	n.a.	n.a.
UBS (Lux) Equity SICAV – Small Caps Europe Sustainable (EUR)	Commitment approach	n.a.	n.a.
UBS (Lux) Equity SICAV – Swiss Opportunity (CHF)	Commitment approach	n.a.	n.a.
UBS (Lux) Equity SICAV – US Income Sustainable (USD)	Relative VaR approach	0–2	MSCI USA (net div. reinvested)
UBS (Lux) Equity SICAV – US Opportunity (USD)	Commitment approach	n.a.	n.a.
UBS (Lux) Equity SICAV – US Total Yield Sustainable (USD)	Commitment approach	n.a.	n.a.
UBS (Lux) Equity SICAV – USA Growth (USD)	Commitment approach	n.a.	n.a.
UBS (Lux) Equity SICAV – USA Growth Sustainable (USD)	Commitment approach	n.a.	n.a.
UBS (Lux) Equity SICAV – O'Connor China Long/Short Alpha Strategies UCITS (USD)	Absolute VaR approach	0-4	n.a.
UBS (Lux) Equity SICAV – Mobility Leaders (USD)	Commitment approach	n.a.	n.a.
UBS (Lux) Equity SICAV – Security Leaders (USD)	Commitment approach	n.a.	n.a.
UBS (Lux) Equity SICAV – Healthy Living (USD)	Commitment approach	n.a.	n.a.
UBS (Lux) Equity SICAV – Global Emerging Markets ex China Opportunity (USD)	Commitment approach	n.a.	n.a.
UBS (Lux) Equity SICAV – All China Sustainable (USD)	Commitment approach	n.a.	n.a.

### Collateral management

If the Company enters into OTC transactions, it may be exposed to risks associated with the creditworthiness of these OTC counterparties: should the Company 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 Company 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 Company, or a service provider appointed by the Company, 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 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 Company shall set up internal regulations determining the details of the above-mentioned requirements and values, particularly regarding the types of collateral accepted, the amounts to be added to and subtracted from the respective collateral, and the investment policy for liquid funds that are deposited as collateral. This framework agreement is reviewed and adapted where appropriate by the Company on a regular basis.

The Board of Directors of the 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%
Instruments that fulfil the same criteria as above and have a medium-term maturity (one to five years).	3%
Instruments that fulfil the same criteria as above and have a long-term maturity (five to ten years).	4%
Instruments that fulfil the same criteria as above and have a very long-term maturity (more than ten years).	5%
US TIPS (Treasury inflation protected securities) with a maturity of up to ten years	7%
US Treasury strips or zero coupon bonds (all maturities)	8%
US TIPS (Treasury inflation protected securities) with a maturity of over ten years	10%

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

Securities deposited as collateral may not have been issued by the respective OTC counterparty or be highly correlated with this OTC counterparty. For this reason, shares from the finance sector are not accepted as collateral. Securities deposited as collateral shall be held in safekeeping by the Depositary on behalf of the Company and may not be sold, invested or pledged by the Company.

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

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

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

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

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-sub-depositary/correspondent bank network may result in the rights of the Company in connection with the collateral being delayed or restricted in other ways. If the Company 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 Company and the OTC counterparty. Bankruptcy and insolvency events or other credit events involving the OTC counterparty, the Depositary or its sub-depositary/correspondent bank network may result in the rights or recognition of the Company in connection with the collateral being delayed, restricted or even eliminated, which would go so far as to force the Company to fulfil its obligations within the framework of the OTC transaction, in spite of any collateral that had previously been made available 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 share of each sub-fund or share class are expressed in the currency of account of the respective sub-fund or share class, and are calculated each business day by dividing the overall net assets of the sub-fund attributable to each share class by the number of shares in this share class of the sub-fund. However, the net asset value of a share may also be calculated on days where no shares are issued or redeemed, as described in the following section. In this case, the net asset value may be published, but it may only be used for the purpose of calculating performance, statistics or fees. Under no circumstances should it be used as a basis for subscription and redemption orders.

The net asset value of the sub-fund UBS (Lux) Equity SICAV – O’Connor China Long/Short Alpha Strategies UCITS (USD) is calculated for each “Feeder Fund trading day” as defined in the section entitled “Conditions for the issue and redemption of shares”.

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

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

- a) Liquid assets (whether in the form of cash and bank deposits, bills of exchange, cheques, promissory notes, expense advances, cash dividends and declared or accrued interest still receivable) are valued at face value, unless this value is unlikely to be fully paid or received, in which case their value is determined by deducting an amount deemed appropriate to arrive at their real value.
- b) Securities, derivatives and other assets listed on a stock exchange are valued at the most recent market prices available. If these securities, derivatives or other assets are listed on several stock exchanges, the most recently available price on the stock exchange that represents the major market for this asset shall apply.  
In the case of securities, derivatives and other assets not commonly traded on a stock exchange and for which a secondary market exists among securities traders with pricing based on market standards, the Company may value these securities, derivatives and other investments based on these prices. Securities, derivatives and other investments not listed on a stock exchange, but traded on another regulated market that operates regularly and is recognised and open to the public, are valued at the most recently available price on this market.
- c) Securities and other investments not listed on a stock exchange or traded on another regulated market, and for which no appropriate price can be obtained, are valued by the Company on the basis of the likely sales prices according to other principles chosen by the Company in good faith.
- d) Derivatives not listed on a stock exchange (OTC derivatives) are valued on the basis of independent pricing sources. If only one independent pricing source is available for a derivative, the plausibility of the valuation obtained will be verified using calculation models that are recognised by the Company and the Company's auditors, based on the market value of that derivative's underlying.
- e) Units of other undertakings for collective investment in transferable securities (UCITS) and/or undertakings for collective investment (UCIs) are valued at their last known asset value.  
Certain units or shares of other UCITS and/or UCIs 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).
- f) Money market instruments not traded on a stock exchange or on another regulated market open to the public will be valued on the basis of the relevant curves. Curve-based valuations are calculated from interest rates and credit spreads. The following principles are applied in this process: The interest rate nearest the residual maturity is interpolated for each money market instrument. Thus calculated, the interest rate is converted into a market price by adding a credit spread that reflects the creditworthiness of the underlying borrower. This credit spread is adjusted if there is a significant change in the borrower's credit rating.
- g) Securities, money market instruments, derivatives and other assets denominated in a currency other than the relevant sub-fund's currency of account, and not hedged by foreign exchange transactions, are valued using the average exchange rate (between the bid and ask prices) known in Luxembourg or, if none is available, using the rate on the most representative market for that currency.
- h) Term and fiduciary deposits are valued at their nominal value plus accumulated interest.
- i) The value of swaps is calculated by an external service provider and a second independent valuation is provided by another external service provider. Such calculations are based on the net present value of all cash flows (both inflows and outflows). In some specific cases, internal calculations (based on models and market data made available by Bloomberg) and/or broker statement valuations may be used. The valuation method depends on the security in question and is chosen pursuant to the applicable UBS valuation policy.

If valuation in accordance with the aforementioned regulations proves to be impossible or inaccurate, the Company is entitled to use other generally recognised and verifiable valuation criteria in good faith in order to achieve a suitable valuation of the net assets.

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

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

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

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

Furthermore, in exceptional circumstances, additional valuations can be carried out over the course of the day. These new valuations will then prevail for the subsequent issue, redemption and conversion of shares. Revaluations only take place before publishing the only net asset value for that day. Issues, redemptions and conversions are only processed based on this sole net asset value.

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

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

- (a) a sub-fund records a steady fall (i.e. a net outflow due to redemptions);
- (b) a sub-fund records a considerable volume of net subscriptions relative to its size;
- (c) a sub-fund shows a net subscription or net redemption position on a particular valuation day; or
- (d) In all other cases in which the Board of Directors believes a dilution adjustment is necessary in the interests of the shareholders.

When a valuation adjustment is made, a value is added to or deducted from the net asset value per share depending on whether the sub-fund is in a net subscription or net redemption position; the extent of the valuation adjustment shall, in the opinion of the Board of Directors, adequately cover the fees and charges as well as the spreads of buy and sell prices. In particular, the net asset value of the respective sub-fund will be adjusted (upwards or downwards) by an amount that (i) reflects the estimated tax expenses, (ii) the trading costs that may be incurred by the sub-fund, and (iii) the estimated bid-ask spread for the assets in which the sub-fund invests. As some equity markets and countries may show different fee structures on the buyer and seller side, the adjustment for net inflows and outflows may vary. The adjustments are generally limited to a maximum of 2% of the prevailing net asset value per share at the time. The Board of Directors may decide to temporarily apply a dilution adjustment of more than 2% of the prevailing net asset value per share at the time in respect of any sub-fund and/or valuation date in exceptional circumstances (e.g. high market volatility and/or liquidity, exceptional market conditions, market disruption, etc.), provided the Board of Directors can justify that this is representative of the prevailing market conditions and that it is in the best interest of the shareholders. This dilution adjustment will be calculated in accordance with the method determined by the Board of Directors. Shareholders will be informed via the usual communication channels when the temporary measures are introduced and when they end.

The net asset value of each class of the sub-fund is calculated separately. However, dilution adjustments affect the net asset value of each class to the same degree in percentage terms. The dilution adjustment is made at sub-fund level and relates to capital activity, but not to the specific circumstances of each individual investor transaction.

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

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

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

- for the sub-funds UBS (Lux) Equity SICAV – All China (USD), UBS (Lux) Equity SICAV – China Health Care (USD), UBS (Lux) Equity SICAV – All China Sustainable (USD) and UBS (Lux) Equity SICAV – China A Opportunity (USD) days which are not normal banking days in the PRC and/or Hong Kong are not deemed business days of these sub-funds;
- for the sub-fund **UBS (Lux) Equity SICAV – O'Connor China Long/Short Alpha Strategies UCITS (USD)**, the following days are not regarded as business days:
  - a) Days which are not normal banking days in Dublin, London, New York, Cayman Islands, Singapore in the PRC and/or in Hong Kong;
  - b) Days on which the Master Fund (UBS (Irl) Investor Selection – O'Connor China Long/Short Alpha Strategies UCITS) is closed for share subscriptions and redemptions.

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

No shares will be issued or redeemed on days for which the 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 shares". In addition, the Company is entitled to reject subscription orders at its discretion.

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

**Subscription and redemption orders ("orders") registered with the administrative agent by 15:00 CET ("cut-off time") on a business day ("order date") will be processed on the basis of the net asset value calculated for that day after the cut-off time ("valuation date"). By way of exception, orders for the sub-fund UBS (Lux) Equity SICAV – O'Connor China Long/Short Alpha Strategies UCITS (USD) must be placed three business days in advance.**

**By way of exception, the following cut-off time will apply to the sub-funds listed below:**

Sub-fund	Cut-off time (CET)
UBS (Lux) Equity SICAV – Asian Smaller Companies (USD) UBS (Lux) Equity SICAV – All China (USD) UBS (Lux) Equity SICAV – China Health Care (USD) UBS (Lux) Equity SICAV – Innovation (USD) UBS (Lux) Equity SICAV – All China Sustainable (USD) UBS (Lux) Equity SICAV – China A Opportunity (USD)	13:00 CET

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

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

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

### Issue of shares

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

Unless otherwise provided for in the section "Share classes", depending on the various distributors who have informed investors in advance of the method used, entry costs of a maximum of 5% may be deducted from the capital commitment (or charged in addition) or added to the net asset value and paid to distributors involved in the distribution of shares in the sub-fund and/or to financial intermediaries.

Any taxes, charges or other fees incurred in the relevant country of distribution will also be charged. Additional information can be found in the local offer documents.

Subscriptions for shares in the Company are accepted by the Company, the administrative agent and the Depositary as well as at the sales and paying agents, which forward them to the Company.

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

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

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

If, on the settlement date or any day between the order date/Feeder Fund trading day and the settlement date, banks in the country of the currency of the relevant share class are not open for business or the relevant currency is not traded in an interbank settlement system, these days are disregarded for the purposes of calculating the settlement date. The settlement date can only be a day on which these banks are open or these settlement systems are available for transactions in the relevant currency.

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

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

All shares issued have the same rights. The Articles of Incorporation nonetheless provide for the possibility of issuing various share classes with specific features within a particular sub-fund.

Furthermore, fractions of shares can be issued for all sub-funds/share classes. Fractions of shares are expressed up to three decimal places and do not confer the right to vote at general meetings. If the relevant sub-fund or share class is liquidated, however, fractional shares entitle the holder to a distribution or proportionate share of the liquidation proceeds.

### **Redemption of shares**

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

Consideration for sub-fund shares submitted for redemption is paid no later than the third day after the order date (for the sub-fund **UBS (Lux) Equity SICAV – O'Connor China Long/Short Alpha Strategies UCITS (USD)** normally within three business days following the order date, but in all instances within ten business days of 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/Feeder Fund trading day and the settlement date, banks in the country of the currency of the relevant share class are not open for business or the relevant currency is not traded in an interbank settlement system, these days are disregarded for the purposes of calculating the settlement date. The settlement date can only be a day on which these banks are open or these settlement systems are available for transactions in the relevant currency.

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

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

Subject to applicable laws and regulations, the Depositary and/or the agents entrusted with paying the redemption proceeds may, at their discretion and upon investors' request, make the payment in currencies other than the currency of account of the respective sub-fund and the currency of the share class redeemed. The exchange rate used will be determined by the respective agent on the basis of the bid-ask spread of the relevant currency pair.

Investors shall bear all fees associated with currency exchange. These fees, as well as any taxes, commissions or other fees that may be incurred in the relevant country of distribution and, for example, levied by correspondent banks, will be charged to the relevant investor and deducted from the redemption proceeds. Notwithstanding the above, payment of redemption proceeds for shares denominated in RMB shall be made in RMB (CNH) only. The investor may not request payment of the redemption proceeds in any currency other than RMB (CNH).

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

However, no redemption charge may be levied.

The performance of the net asset value determines whether the redemption price is higher or lower than the issue price paid by the shareholder.

The Company reserves the right to refrain from executing redemption and conversion orders in full (redemption gate) on order dates on which the total orders would cause an outflow of funds of more than 10% of the sub-fund's net assets on that date. In such cases, the Company may decide to execute only a portion of redemption and conversion orders, and to postpone the execution of the remaining redemption and conversion orders for that order date with priority status and for a period generally not to exceed 20 business days or 20 Feeder Fund trading days.

In the event of a large volume of redemption orders, the Company may decide to postpone the execution of redemption orders until equivalent Company 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 shareholders' request, the Company may grant investors full or partial redemptions in kind at its own discretion.

In such cases, it must be ensured that after the capital is redeemed in kind, the remaining portfolio still complies with the investment policy and restrictions of the relevant sub-fund, and that the remaining investors in the sub-fund are not disadvantaged by the redemption in kind. Such payments will also be appraised by the auditor selected by the Company. The costs incurred will be charged to the relevant investor.

### Conversion of shares

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

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

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

where:

- $\alpha$  = number of shares of the new sub-fund or share class into which conversion is requested
- $\beta$  = number of shares of the sub-fund or share class from which conversion is requested
- $\chi$  = net asset value of the shares submitted for conversion
- $\delta$  = foreign-exchange rate between the sub-funds or share classes in question. If both sub-funds or share classes are valued in the same currency of account, this coefficient equals 1
- $\varepsilon$  = net asset value of the shares in the sub-fund or share class into which conversion is requested plus any taxes, charges or other fees

Depending on the various distributors who have informed investors in advance of the method used, a maximum conversion fee in the amount of the maximum entry costs on the capital commitment may be deducted (or charged as an addition) or added to the net asset value for payment on to distributors involved in the distribution of shares in the sub-fund and/or to financial intermediaries. No redemption charge is applied in such cases, in accordance with the information in the section titled "Redemption of shares".

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

### Prevention of money laundering and terrorist financing

The Company'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 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 shares

The Company may temporarily suspend the calculation of the net asset value of one or more sub-funds, as well as the issue and redemption of shares, 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 net 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 Company and/or Management Company prevent access to the net assets under normal conditions without causing severe detriment to shareholder 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;
- circumstances making it impossible for the Company to repatriate funds to pay redemption orders in the sub-fund in question, or where the Board of Directors of the Company deems the transfer of funds from the sale or for the acquisition of investments, or for payments following share redemptions, to be impossible at normal exchange rates;
- political, economic, military or other circumstances outside the control of the Company prevent the disposal of the Company's assets under normal conditions without seriously harming the interests of the shareholders;
- for any other reason the value of assets held by a sub-fund cannot be promptly or accurately determined;
- the convocation of an extraordinary general shareholders' meeting for the liquidation of the Company has been published;
- such a suspension is justified for the protection of the shareholders, after the convening notice of an extraordinary general shareholders' meeting for the merger of the Company or of a sub-fund, or a notice to the shareholders on a decision by the Board of Directors of the Company to merge one or more sub-funds was published; and
- the Company can no longer settle its transactions due to restrictions on foreign exchange and capital movements; and
- the suspension by a master fund in which a sub-fund invests as a feeder fund of (i) the calculation of the net asset value per unit, or (ii) the issue, (iii) the redemption and/or (iv) the exchange of units.

Should the calculation of the net asset value, the issue and redemption of shares, or the conversion of shares between sub-funds be suspended, this will be notified without delay to all the relevant authorities in the countries where Company shares 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 share class, the Company is further obliged to request that the investors concerned:

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

In addition, the Company is entitled to:

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

### **Distributions**

The payment of distributions for a certain sub-fund or share class, as well as the amount of any such distributions, is decided by the general meeting of shareholders of this sub-fund; it shall do so acting on a proposal from the Company's Board of Directors 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 invest in accumulating (-acc) rather than distributing (-dist, -mdist) share classes. Investors may be taxed at a later point in time on income and capital arising on accumulating (-acc) share classes compared with distributing (-dist) share 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 share of the sub-fund. The payment of distributions must not result in the net assets of the Company falling below the minimum amount for company assets laid down by the law. If distributions are made, payment will be effected within four months of the end of the financial year.

The Board of Directors of the Company is entitled to determine whether interim dividends are paid and whether distribution payments are suspended.

Entitlements to distributions and allocations not claimed within five years of falling due will lapse and be paid back into the respective sub-fund or share class. If said sub-fund or share class has already been liquidated, the distributions and allocations will accrue to the remaining sub-funds of the Company or the remaining share classes of the sub-fund concerned in proportion to their respective net assets. At the proposal of the Company's Board of Directors, the general meeting may decide, in connection

with the appropriation of net investment income and capital gains, to issue bonus shares. An income equalisation amount will be calculated so that the distribution corresponds to the actual income entitlement.

## **Taxes and expenses**

### **Taxation**

The Company is subject to Luxembourg law. In accordance with current legislation in the Grand Duchy of Luxembourg, the Company is not subject to any Luxembourg withholding, income, capital gains or wealth taxes. From the total net assets of each sub-fund, however, a tax of 0.05% p.a. ("taxe d'abonnement") payable to the Grand Duchy of Luxembourg is due at the end of every quarter (reduced tax d'abonnement amounting to 0.01% p.a. for share classes F, I-A1, I-A2, I-A3, I-A4, I-B, I-X and U-X). This tax is calculated on the total net assets of each sub-fund at the end of every quarter. In the event that the conditions to benefit from the reduced 0.01% rate are no longer satisfied, all shares in classes F, I-A1, I-A2, I-A3, I-A4, I-B, I-X and U-X may be taxed at the rate of 0.05%.

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

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

Shareholders 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 shares in the Company.

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

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

As an investment undertaking established in Luxembourg, the Company 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 Company 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 Company to US withholding taxes on certain US-sourced income and, with effect from 1 January 2019, gross proceeds. In accordance with the IGA, the Company 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 Company) must report to their local tax authorities all personal and account information of investors, and where appropriate controlling persons, resident in other participating CRS jurisdictions that have concluded an agreement for the exchange of information with the jurisdiction governing the financial institution. Tax authorities in participating CRS jurisdictions will exchange such information on an annual basis. Luxembourg has enacted legislation to implement the CRS. As a result, the Company is required to comply with the CRS due diligence and reporting requirements adopted by Luxembourg. In order to enable the Company to meet its obligations under FATCA and the CRS, prospective investors are required to provide the Company 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 Company is obliged to disclose this information to the Luxembourg tax authorities. The investors accept that the Company may take any action it deems necessary regarding their stake in the Company to ensure that any withholding tax incurred by the Company 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 Company 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 Company.

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.

## People's Republic of China (PRC)

### PRC Tax Considerations

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

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

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

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

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

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

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

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

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

#### *(ii) Capital Gain*

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

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

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

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

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

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

According to Circular 36 and Circular Caishui [2016] No. 70 ("**Circular 70**"), gains derived by QFIs from the transfer of PRC securities will be exempt from VAT since 1 May 2016. Circular 36 states that VAT is exempted on gains derived by Hong Kong

and overseas investors from the transfer of China A-Shares through the Stock Connect. Interest income received by QFIs from investments in onshore PRC debt securities shall be subject to 6% VAT unless special exemption applies. According to Circular 36, deposit interest income is not subject to VAT and interest income earned on government bonds is exempted from VAT. In addition, according to Caishui [2016] No. 46 and Circular 70, interest income earned by financial institutions on bonds issued by other financial institutions is exempted from VAT. Circular 108 provides for VAT exemption on interest income on bonds earned by foreign institutional investors investing in the Chinese bond market between 7 November 2018 and 6 November 2021, which was extended up to 31 December 2025 according to PN 34. As this exemption under Circular 108 and PN 34 is only temporary, it is uncertain whether such an exemption will also apply after 31 December 2025.

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

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

#### PRC Stamp Duty

The seller will be liable for stamp duty at the rate of 0.1% of the sales consideration on the sale of PRC listed shares.

No stamp duty is expected to be imposed on non-PRC tax resident holders of government and corporate bonds, either upon issuance or upon a subsequent transfer of such bonds.

#### **Investments in Chinese A shares via Stock Connect**

On 14 November 2014 and 2 December 2016, the MOF, the SAT and the CSRC jointly released Caishui [2014] No. 81 ("Circular 81") and Caishui [2016] No. 127 ("Circular 127") in order to clarify questions concerning taxation in the PRC in relation to Stock Connect. According to Circular 81 and Circular 127, capital gains realised by foreign investors from trading in A shares through Stock Connect are temporarily exempt from CIT applicable in the PRC and from VAT. Foreign investors are obliged to pay the 10% WIT on dividends applicable in the PRC. This will be withheld by companies listed in the PRC and remitted to the competent tax authorities in the PRC. Investors resident for tax purposes in a country that has concluded a tax treaty with the PRC can apply for a refund of any excess WIT paid in the PRC, provided the relevant tax treaty stipulates a lower rate of WIT for dividends in the PRC than the one paid.

The sub-fund is subject to stamp duty applicable in the PRC of 0.1% of the sales proceeds from the disposal of A shares through Stock Connect.

#### **Taxation in the United Kingdom**

##### **Reporting sub-funds**

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

##### **Shareholders in non-reporting share classes**

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

##### **Shareholders in reporting share classes**

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

For a share class to qualify as a reporting fund, the Company must apply to the UK tax authorities for the inclusion of the sub-fund in this category. The share class must then report 100% of the income of the share class for each financial year. The corresponding report can be consulted by investors on the UBS website. Private investors resident in the United Kingdom should include the reportable income in their income tax return. They will then be assessed on the basis of the declared income, whether the income was distributed or not. In determining the income, the income for accounting purposes is adjusted for capital and other items and is based on the reportable income of the corresponding sub-fund. Shareholders are hereby informed that income from trading (but not from investment activities) is classified as reportable income. The key criteria is the business activity. Given the lack of clarity in the guidelines concerning the difference between trading and investment activities, there is no guarantee that the proposed activities are not trading activities. Should the activities of the Company be partly or wholly classified as trading activities,

then the annual reportable income for shareholders and the corresponding tax burden would probably be significantly higher than would otherwise be the case. Provided that the relevant share class fulfils the status of a reporting sub-fund, the income from this share class will be taxed as a capital gain and not as income, unless the investor is a securities trader. Such gains may therefore be exempt from capital gains tax under general or special provisions, which may lead to some UK investors bearing a comparatively lower tax burden.

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

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

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

The 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.

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

In addition to the investment restrictions set out in the sub-fund’s special investment policy, the Management Company shall take into account the provisions on partial exemption pursuant to Section 20(1) and (2) of the German Investment Tax Act of 2018 (“**InvStG**”) when managing the sub-funds listed below.

In the case of investments in target investment funds, these target investment funds are taken into account by the sub-funds when calculating their equity participation rate. Insofar as such data is available, the equity participation ratios of the target funds, which are calculated and published at least weekly, are taken into account in this calculation in accordance with Section 2(6) or (7) of the German Investment Tax Act.

For this reason, the following sub-funds will continuously invest at least 50% of their respective assets in equity investments (as defined in Section 2(8) of the German Investment Tax Act and related guidelines) in order to qualify as “**Equity funds**” within the meaning of Section 2(6) of the German Investment Tax Act for the partial exemption pursuant to Section 20(1) of the above Act.

- UBS (Lux) Equity SICAV – Asian Smaller Companies (USD)
- UBS (Lux) Equity SICAV – German High Dividend Sustainable (EUR)
- UBS (Lux) Equity SICAV – Global Emerging Markets Opportunity (USD)
- UBS (Lux) Equity SICAV – Global High Dividend Sustainable (USD)
- UBS (Lux) Equity SICAV – Global Income Sustainable (USD)
- UBS (Lux) Equity SICAV – Small Caps Europe Sustainable (EUR)
- UBS (Lux) Equity SICAV – Swiss Opportunity (CHF)
- UBS (Lux) Equity SICAV – US Income Sustainable (USD)
- UBS (Lux) Equity SICAV – Active Climate Aware (USD)
- UBS (Lux) Equity SICAV – Engage for Impact (USD)
- UBS (Lux) Equity SICAV – US Opportunity (USD)
- UBS (Lux) Equity SICAV – US Total Yield Sustainable (USD)
- UBS (Lux) Equity SICAV – USA Growth (USD)
- UBS (Lux) Equity SICAV – USA Growth Sustainable (USD)
- UBS (Lux) Equity SICAV – Euro Countries Income Sustainable (EUR)
- UBS (Lux) Equity SICAV – European Income Opportunity Sustainable (EUR)
- UBS (Lux) Equity SICAV – European High Dividend Sustainable (EUR)
- UBS (Lux) Equity SICAV – European Opportunity Unconstrained (EUR)
- UBS (Lux) Equity SICAV – Climate Action (USD)
- UBS (Lux) Equity SICAV – Global Opportunity Sustainable (USD)
- UBS (Lux) Equity SICAV – Long Term Themes (USD)
- UBS (Lux) Equity SICAV – Future Leaders Small Caps (USD)
- UBS (Lux) Equity SICAV – Healthy Living (USD)

- UBS (Lux) Equity SICAV – Mobility Leaders (USD)
- UBS (Lux) Equity SICAV – Security Leaders (USD)
- UBS (Lux) Equity SICAV – All China Sustainable (USD)
- UBS (Lux) Equity SICAV – Global Emerging Markets ex China Opportunity (USD)
- UBS (Lux) Equity SICAV – Diversity Equity and Inclusion (USD)
- UBS (Lux) Equity SICAV – China A Opportunity (USD)

The following sub-funds will continuously invest at least 25% of their respective assets in equity investments (as defined in Section 2(8) of the German Investment Tax Act and related guidelines) in order to qualify as a “**mixed fund**” within the meaning of Section 2(7) of the German Investment Tax Act for the partial exemption pursuant to Section 20(2) of the German Investment Tax Act.

- UBS (Lux) Equity SICAV – Global Opportunity Unconstrained (USD)
- UBS (Lux) Equity SICAV – All China (USD)
- UBS (Lux) Equity SICAV – China Health Care (USD)
- UBS (Lux) Equity SICAV – Innovation (USD)

All sub-funds other than those specifically mentioned above are to be considered “**other funds**” within the meaning of the German Investment Tax Act.

German investors should consult their tax advisor regarding the tax consequences of an investment in an “equity fund”, a “mixed fund” or an “other fund” under the German Investment Tax Act.

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

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

Although the commitments under DAC 6 only apply from 1 July 2020, it may be necessary to notify arrangements implemented between 25 June 2018 and 30 June 2020. The Directive requires intermediaries in the EU to provide information on reportable cross-border arrangements, including details of the arrangement and information identifying the intermediaries and relevant tax-payers involved, i.e. the persons to whom the reportable cross-border arrangement is made available, to the relevant local tax authorities. The local tax authorities then exchange this information with the tax authorities of other EU Member States. The company may therefore be required by law to provide the competent tax authorities with information known to it, in its possession or under its control about cross-border arrangements that are subject to reporting requirements. This legislation may also concern schemes which are not necessarily aggressive tax planning.

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

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

This shall be used as follows:

1. In accordance with the following provisions, a maximum flat fee based on the net asset value of the Company is paid from the Company’s assets for the management, administration, portfolio management, investment advice, and distribution of the Company (if applicable), as well as for all Depositary tasks, such as the safekeeping and supervision of the Company’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 Company’s assets on a pro rata basis upon every calculation of the net asset value and is paid on a monthly basis (maximum flat fee). The maximum flat fee for share classes with “hedged” in their name may include foreign exchange risk hedging charges. The relevant maximum flat fee will not be charged until the corresponding share 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 charged to the Company’s assets:
  - a) All additional expenses related to management of the Company’s assets for the sale and purchase of assets (bid-ask spread, brokerage fees in line with the market, 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 a dilution levy or the swinging 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 Company, 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 certification in connection with the establishment, modification, liquidation and merger of the Company, as well as any other fees paid to the audit firm for the services it provides in relation to the administration of the Fund as permitted by law; Costs charged by the Master Fund for the preparation of ad hoc reports, provided that these arise in relation to the preparation of annual or semi-annual reports for the Feeder Fund UBS (Lux) Equity SICAV – "Connor China Long/Short Alpha Strategies UCITS (USD);
  - d) Fees for legal and tax advisers, as well as notaries, in connection with the establishment, registration in distribution countries, modification, liquidation and merger of the Company, as well as for the general safeguarding of the interests of the Company and its investors, insofar as this is not expressly prohibited by law;
  - e) Costs for the publication of the Company's net asset value and all costs for notices to investors, including translation costs;
  - f) Costs for the Company's legal documents (prospectuses, KIDs, annual and semi-annual reports, as well as all other documents legally required in the countries of domiciliation and distribution);
  - g) Costs for the Company's registration with any foreign supervisory authorities, if applicable, including fees 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 Company, including fees for external advisers;
  - i) Costs and fees related to any intellectual property registered in the Company's name or to the Company'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 the Company's assets for the expenses arising in connection with third parties (e.g. legal and Depositary costs). Furthermore, the Management Company may charge for all administrative costs, provided these are verifiable, and published and/or taken into account in the disclosure of the Company's total expense ratio (TER).
  - l) Fees, costs and expenses payable to the directors of the Company (including reasonable out-of-pocket expenses, insurance coverage and reasonable travel expenses in connection with meetings of the Board and remuneration of directors);
3. The Management Company may pay retrocessions to cover the distribution activities of the Company.
4. The Management Company or its agents may pay out rebates directly to investors. Rebates serve to reduce the cost attributable to investors concerned.

Rebates are permitted provided that they:

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

The objective criterion for granting rebates is:

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

Additional criteria may be:

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

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

All taxes levied on the income and assets of the Company, particularly the *taxe d'abonnement*, will also be borne by the Company

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

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

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

Costs relating to the services to be performed for share classes “K-B” for asset management purposes are covered by the compensation to which UBS Asset Management Switzerland AG or one of its authorised distribution partners is entitled under a separate contract with the investor.

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

Costs that can be attributed to individual share classes will be charged to these share classes. If costs are incurred in connection with several or all sub-funds/share classes, however, these costs will be charged to these sub-funds/share classes in proportion to their relative net asset values.

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

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

Details of the Company’s ongoing costs (or ongoing charges) can be found in the KIDs.

## **Information for shareholders**

### **Regular reports and publications**

For the Company and each of its sub-funds, an annual report shall be published on 31 May and a semi-annual report on 30 November.

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

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 shareholders at the registered office of the Company and the Depositary.

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

Notices to shareholders 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 shareholders who have provided an email address for this purpose. Paper copies of such notices will be mailed to those shareholders who have not provided an email address at the postal address recorded in the shareholder registry. Paper copies will also be mailed to shareholders where required by Luxembourg law or supervisory authorities, or legally required in the relevant countries of distribution, and/or published in another form permitted by Luxembourg law.

### **Inspection of documents**

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

1. the Articles of Incorporation of the Company and the Articles of Association of the Management Company;
2. Depositary Agreement;
3. Portfolio Management Agreement;
4. Management Company Agreement;
5. Administrative Agent Agreement.

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

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

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

<https://www.ubs.com/global/en/assetmanagement/capabilities/white-labelling/fund-management-company-services/fml-procedures.html>



## Remuneration policy of the Management Company

The Board of Directors of the Management Company 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 Company'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. 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 <https://www.ubs.com/global/en/assetmanagement/capabilities/white-labelling/fund-management-company-services/fml-procedures.html>.

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

## Conflicts of interest

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

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

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

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

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

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

Despite the Management Company's best efforts and due care, there remains the risk that the organisational or administrative measures taken by the Management Company for the management of conflicts of interest may not be sufficient to ensure, with reasonable confidence, that all risks of damage to the interests of the Company or its shareholders are eliminated. If this should be the case, any non-mitigated conflicts of interest and any decisions taken in relation thereto will be notified to investors on the following website of the Management Company: <https://www.ubs.com/global/en/assetmanagement/capabilities/white-labelling/fund-management-company-services/fml-procedures.html>.

[labelling/fund-management-company-services/fml-procedures.html](http://labelling/fund-management-company-services/fml-procedures.html). This information is also available free of charge at registered office of the Management Company.

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

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

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

## **Benchmark Regulation**

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

(i) benchmark administrators included in the register of administrators and benchmarks kept by ESMA in accordance with Article 36 of the Benchmark Regulation. Up-to-date information on whether the benchmark is provided by an administrator included in the ESMA register of administrators and benchmarks from the EU and third countries is available at <https://registers.esma.europa.eu> ; and/or

(ii) benchmark administrators authorised under the Benchmarks (Amendment and Transitional Provision) (EU Exit) Regulations 2019 of the United Kingdom ("UK Benchmark Regulation") have the status of benchmark administrators from third countries within the meaning of the Benchmark Regulation and are included in a register of administrators and benchmarks kept by the FCA and is available at <https://register.fca.org.uk/BenchmarksRegister> ; and/or

(iii) benchmark administrators to whom the transitional arrangements under the Benchmark Regulation apply and, consequently, are not yet included in the register of administrators and benchmarks kept by the ESMA.

The transition period for benchmark administrators and the period in which they must apply for authorisation or registration as an administrator under the Benchmarks Regulation depend both on the classification of the benchmark concerned and on the domicile of the benchmark administrator.

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

## **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 Company 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 Company'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 Company (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 Company at their own discretion. However, in this case the Company is entitled to reject orders to subscribe shares.

Investors' personal data is processed when they enter into a relationship with the Company and in order to carry out the subscription of shares (i.e. to fulfil a contract), to safeguard the Company's legitimate interests and to meet the Company's legal obligations. Personal data is processed for the following purposes in particular: (i) to carry out subscriptions, redemptions and conversions of shares, 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 shareholders is also processed (v) to administer the Company's register of shareholders. 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 Company in general;
- carrying out the Company's business in accordance with appropriate market standards.

For this purpose and in accordance with the provisions of the data protection legislation, the Company may transfer personal data to its data recipients (the "recipients"), who may be affiliated or external companies that assist the Company in its activities in

relation to the above-mentioned purposes. These include in particular the management company, the administrative agent, the distributors, the depositary, the paying agent, the investment manager, the domiciliary agent, the global distributor, the auditor and the legal advisor of the Company.

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 Company 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 Company 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 Company’s address listed above.

When subscribing to shares, 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 Company’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 Company 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 Company’s address listed above, to the following:

- Access to his or her personal data (i.e. the right to obtain confirmation from the Company as to whether his or her personal data is being processed, the right to obtain certain information as to how the fund processes his or her personal data, the right of access to such data and the right to obtain a copy of the personal data processed (subject to any statutory exemptions));
- Rectification of their personal data if it is inaccurate or incomplete (i.e. the right to oblige the Company to update or correct inaccurate or incomplete personal data or factual errors accordingly);
- Restriction of the use of their personal data (i.e. the right to request that the processing of their personal data is restricted to the storage of such data in certain circumstances until they give consent);
- Objecting to the processing of their personal data, including to the processing of their personal data for marketing purposes (i.e. the right to object, on grounds relating to the specific situation of the investor, to the processing of personal data based on the performance of a task carried out in the public interest or the legitimate interests of the Company; the Company terminates such processing unless it can prove that there are compelling legitimate grounds for the processing which override the interests, rights and freedoms of the investor or that they need to process the data for the establishment, exercise or defence of legal claims);
- Deletion of their personal data (i.e. the right to request the erasure of personal data under certain conditions, including when processing of such data by the Company is no longer necessary in relation to the purposes for which it was collected or processed);
- Data portability (i.e. the right, where technically feasible, to request the transfer of data to the investor or another data controller in a structured, shared 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 of the Company and its sub-funds; merger of sub-funds**

### **Liquidation of the Company and its sub-funds**

The Company may be dissolved at any time by the general meeting of shareholders in due observance of the legal provisions governing the quorum and majority voting requirements.

If the total net assets of the Company fall below two thirds or one quarter of the prescribed minimum capital, the Board of Directors of the Company must ask for a vote by the general meeting of shareholders on whether to liquidate the Company. If the Company is liquidated, it will be wound up by one or more liquidators. These shall be designated by the general meeting of shareholders, which will also determine their remuneration and the scope of the powers granted to them. The liquidators will realise the Company's assets in the best interests of the shareholders and distribute the net proceeds from the liquidation of these sub-funds to the shareholders of these sub-funds or share classes in proportion to their respective holdings. Any liquidation proceeds which cannot be distributed to the shareholders 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.

Defined maturity sub-funds are automatically wound up and liquidated upon expiry of their respective terms.

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

The provisions of the section "General meeting of the Company or of the shareholders of the relevant sub-fund" shall apply accordingly. The Board of Directors of the Company may also dissolve and liquidate a sub-fund or share class in accordance with the provisions described in the above paragraph.

The shareholders of the respective sub-fund will be informed of the decision taken by the general meeting of shareholders or the Company's Board of Directors to redeem shares in the manner described above in the section titled "Regular reports and publications".

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

"Mergers" are transactions in which

- a) one or more UCITS or sub-funds of such UCITS (the "**absorbed UCITS**"), upon being wound up without liquidation, transfer all assets and liabilities to another existing UCITS or a sub-fund of that UCITS (the "**absorbing UCITS**"), and the shareholders of the absorbed UCITS receive in return shares in the absorbing UCITS and, if applicable, a cash payment not exceeding 10% of the net asset value of such shares;
- 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 a sub-fund of that UCITS (the "**absorbing UCITS**"), and the shareholders of the absorbed UCITS receive in return shares in the absorbing UCITS and, if applicable, a cash payment not exceeding 10% of the net asset value of such shares;
- 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 Company and its sub-funds", the Board of Directors of the Company may decide to allocate the assets of a sub-fund or of a share class to another existing sub-fund or share class of the Company, or to another Luxembourg UCI pursuant to Part I of the Law of 2010, or to a foreign UCITS pursuant to the provisions of the Law of 2010; and to redesignate the shares of the sub-fund or share class in question as shares of another sub-fund or of another share 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 shareholders). Notwithstanding the powers of the Board of Directors of the Company mentioned in the previous section, the decision to merge sub-funds, as described above, may also be taken by the general meeting of the shareholders of the sub-fund in question.

Shareholders will be informed of any such decision in the manner described above in the section entitled "Regular reports and publications". During the 30 days following the notification of such a decision, shareholders will have the right to redeem all or part of their shares at the prevailing net asset value, free of redemption charge or other administrative charges, in accordance with the established procedure outlined under "Redemption of shares". Shares not presented for redemption will be exchanged based on the net asset values of the sub-funds concerned, calculated for the same day as the one used to determine the conversion ratio. If units in an investment fund established as a "fonds commun de placement" are allocated, the decision is binding only for the investors who voted in favour of the allocation.

### **General meeting of the Company or of the shareholders of the relevant sub-fund**

For both the liquidation and merger of sub-funds, no minimum quorum is required at the General meeting of the Company or of the shareholders of the relevant sub-fund, and decisions can be approved by a simple majority of the shares present or represented at this general meeting.

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

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

Only the English version of this Sales Prospectus shall be legally binding. However, the Company may recognise translations (it itself has approved) into the languages of the countries in which shares are offered or sold to investors as binding upon themselves in matters concerning those shares.

## **Investment principles**

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

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

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

- a) Securities and money market instruments that are listed or traded on a “regulated market” as defined in Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments;
- b) Securities and money market instruments that are traded in a Member State on another market which is recognised, regulated, operates regularly and is open to the public. The term “**Member State**” designates a member country of the European Union; countries that are parties to the agreement on the European Economic Area but are not Member States of the European Union are considered equivalent to Member States of the European Union, within the limits of said agreement and its related agreements;
- c) Securities and money market instruments admitted to official listing on a stock exchange in a non-Member State or traded on another market of a European, American, Asian, African or Australasian country (hereinafter “**approved state**”) which operates regularly and is recognised and open to the public;
- d) Newly issued securities and money market instruments, provided the terms of issue stipulate that an application must be made for admission to official listing on one of the securities exchanges or regulated markets mentioned under Points 1.1(a)–(c), and that this admission must be granted within one year of the issue of the securities;
- e) Units of UCITS admitted pursuant to Directive 2009/65/EC and/or other UCIs within the meaning of Article 1(2)(a) and (b) of Directive 2009/65/EC with their registered office in a Member State as defined in the Law of 2010, or in a non-Member State, provided that:
  - such other UCIs have been approved in accordance with legislation subjecting them to prudential supervision that, in the opinion of the CSSF, is equivalent to that which applies under Community law, and that adequate provision exists for ensuring cooperation between authorities;
  - the level of protection afforded to unitholders in the other UCIs is equivalent to that afforded to shareholders in the Company and, in particular, regulations apply that are equivalent to those in Directive 2009/65/EC governing the segregation of assets, borrowing, lending and the short-selling of securities and money market instruments;
  - the business operations of the other UCIs are the subject of annual and semi-annual reports that permit an assessment to be made of the assets and liabilities, income and transactions arising during the reporting period; and
  - the UCITS or such other UCIs, the units of which are to be acquired, may invest no more than 10% of its assets in units of other UCITS or UCIs pursuant to its Management Regulations or its founding documents.

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

- f) Sight deposits or deposits at notice at credit institutions with a term of up to 12 months, provided the credit institution has its registered office in an EU Member State, or (if the credit institution’s registered office is located in a non-Member State) it is subject to supervisory regulations that the CSSF deems equivalent to those under Community law;
- g) Derivative financial instruments (“**derivatives**”), including equivalent cash-settled instruments, which are traded on one of the regulated markets listed in (a), (b) and (c) above, or derivatives that are not traded on a stock exchange (“**OTC derivatives**”), provided that:
  - the use of derivatives is in accordance with the investment purpose and investment policy of the respective sub-fund and is suited to achieving their goals;
  - the underlying securities are instruments in accordance with the definition given under points 1.1(a) and 1.1(b) or financial or macroeconomic indices, interest rates, currencies or other underlying instruments in which the Company may invest either directly or indirectly via other existing UCI or UCITS pursuant to its investment policy;
  - the sub-funds ensure, through adequate diversification of the underlying assets, that the diversification requirements applicable to them and listed in the section entitled “Risk diversification” are adhered to;
  - the counterparties in transactions involving OTC derivatives are institutions subject to prudential supervision and belonging to the categories admitted by the CSSF and expressly approved by the Company. The approval process by

the Company is based on the principles drawn up by UBS AM Credit Risk and concerning, inter alia, the creditworthiness, reputation and experience of the relevant counterparty in settling transactions of this type, as well as their willingness to provide capital. The Company maintains a list of counterparties it has approved;

- the OTC derivatives are valued daily in a reliable and verifiable manner and may be sold, liquidated or settled by means of a back-to-back transaction at any time, upon the Company's initiative and at the appropriate fair value; and
- the counterparty is not granted discretion regarding the composition of the portfolio managed by the relevant sub-fund (e.g. in the case of a total return swap or a derivative financial instrument with similar characteristics), or regarding the underlying of the relevant OTC derivative.

h) Money market instruments within the meaning of the provisions set out under "Investment Policy" which are not traded on a regulated market, provided that the issuer or issuer of these instruments is already subject to regulations on deposit and investor protection, and provided that these instruments are:

- issued or guaranteed by a central, regional or local authority or the central bank of a Member State, the European Central Bank, the European Union or European Investment Bank, a non-Member State, or, in the case of a federal state, a Member State of the federation, or by a public international institution of which at least one Member State is a member;
- issued by an undertaking whose securities are traded on the regulated markets listed under Point 1.1(a), (b) and (c);
- issued or guaranteed by an institution subject to prudential supervision in accordance with the criteria laid down in Community law, or by an institution subject to supervision that, in the opinion of the CSSF, is at least as stringent as that provided for in Community law, and that complies with Community law; or
- issued by other issuers belonging to a category approved by the CSSF, provided that regulations protecting investors that are equivalent to those in the first, second or third points above apply to investments in these instruments, and provided that the issuers constitute either a company with equity capital amounting to at least 10 million euro (EUR 10,000,000) that prepares and publishes its annual accounts in accordance with the Fourth Council Directive 78/660/EEC, or an entity within a group encompassing one or more listed companies and responsible for its financing, or an entity which is to fund the securitisation of liabilities by means of a credit line provided by a bank.

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

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

1.4 Each sub-fund may hold ancillary liquid assets.

## **2. Risk diversification**

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

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

- securities and money market instruments issued by this institution,
- deposits with that institution and/or
- OTC derivative contracts with this institution.

2.3 In derogation of the above, the following applies:

a) The maximum limit of 10% mentioned in Point 2.1 is raised to 25% for certain bonds which fall under the definition of covered bonds in point (1) of Article 3 of Directive (EU) 2019/2162 of the European Parliament and of the Council and

for bonds that were issued before 8 July 2022 by credit institutions domiciled in an EU Member State and subject, in that particular country, to special prudential supervision by public authorities designed to protect the holders of these instruments. In particular, funds originating from the issue of such bonds issued before 8 July 2022 must, in accordance with the law, be invested in assets that provide sufficient cover for the obligations arising from them during the entire term of the bonds and that provide a preferential right to payment of the capital and interest in the event of insolvency of the issuer. If a sub-fund invests more than 5% of its net assets in bonds of a single issuer, then the total value of these investments may not exceed 80% of the value of the net assets of the sub-fund.

- b) The maximum limit of 10% is raised to 35% for securities or money market instruments issued or guaranteed by an EU Member State or its local authorities, by another approved state, or by public international bodies of which one or more EU Member States are members. Securities and money market instruments that come under the special ruling referenced in Point 2.3(a) and (b) are not accounted for in calculating the aforementioned 40% maximum limit pertaining to risk diversification.
- c) The limits set out in points 2.1, 2.2, 2.3(a) and (b) may not be aggregated; therefore, the investments listed in these paragraphs made in securities or money market instruments of a single issuing institution, or in deposits with that institution or derivatives thereof, may not exceed 35% of the net assets of a given sub-fund.
- d) Companies belonging to the same group for the purposes of consolidated accounts, as defined by Council Directive 83/349/EEC or recognised international accounting rules, must be treated as a single issuer for the calculation of the investment limits set out in this section. However, investments by a sub-fund in securities and money market instruments of a single corporate group may total up to 20% of the assets of that sub-fund.
- e) **In the interest of risk diversification, the Company is authorised to invest up to 100% of a sub-fund's net assets in securities and money market instruments from various issues that are guaranteed or issued by an EU Member State or its local authorities, another authorised OECD member state, China, Russia, Brazil, Indonesia or Singapore, or by public international bodies of which one or more EU Member States are members. These securities and money market instruments must be divided into at least six different issues, with securities or money market instruments from a single issue not exceeding 30% of the total net assets of a sub-fund.**

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

- a) The Company may invest up to 20% of the net assets of a sub-fund in units of a single UCITS or other UCI. In implementing this investment limit, each sub-fund of a UCI comprising multiple sub-funds is treated as an independent issuer, provided each of these sub-funds is individually liable in respect of third parties.
- b) Investments in units of UCIs other than UCITS may not exceed 30% of the sub-fund's net assets. The assets of the UCITS or other UCI in which a sub-fund has invested are not included when calculating the maximum limits set out in Points 2.1, 2.2 and 2.3.
- c) For sub-funds that, in accordance with their investment policies, invest a significant portion of their assets in units or shares of other UCITS and/or other UCIs, the maximum management fees chargeable by the sub-fund itself and by the other UCITS and/or other UCIs in which it invests are listed in the section titled "Expenses paid by the Company".

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

- the target sub-fund does not itself invest in the sub-fund that is investing in that target sub-fund; and
- the target sub-funds to be acquired may, in accordance with their sales prospectuses or articles of incorporation, invest no more than 10% of their own assets in units of other target sub-funds of the same UCI; and
- any voting rights associated with the securities in question are suspended for the period they are held by the sub-fund in question, regardless of their appropriate valuation in financial accounts and periodic reports; and
- as long as these securities are held by the sub-fund, their value is not, in any event, included in the calculation of the sub-fund's net asset value described in the Law of 2010 to verify the minimum net assets in accordance with that law; and
- no administration/subscription or redemption fees are double charged at the level of the sub-fund and that of the target sub-fund in which it invests.

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

- the composition of the index is sufficiently diversified;
- the index is an appropriate benchmark for the market it represents;
- the index is published in an appropriate manner.

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

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

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

### **3. Investment restrictions**

The Company is prohibited from:

- 3.1 Acquiring securities, if the subsequent sale of these is restricted in any way by contractual agreements;
- 3.2 Acquiring shares with voting rights that would enable the Company, possibly in collaboration with other investment funds under its management, to exert a significant influence on the management of an issuer;
- 3.3 Acquiring more than:
  - 10% of the non-voting shares of a single issuer;
  - 10% of the debt instruments of a single issuer;
  - 25% of the units of a single UCITS or UCI;
  - 10% of the money market instruments of a single issuer.

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

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

- securities and money market instruments issued or guaranteed by an EU Member State or its local authorities, or by another approved state;
  - Securities and money market instruments issued or guaranteed by a non-Member State;
  - securities and money market instruments issued by public international bodies to which one or more Member States of the European Union belong;
  - Shares in a company in a non-Member State that primarily invests its assets in the securities of issuers domiciled in that non-Member State, where under that non-Member State's law, holding such shares is the only way to legally invest in the securities of that non-Member State's issuers. In doing so, the provisions of the Law of 2010 must be complied with; and
  - Shares in subsidiary companies that carry out certain administrative, advisory or sales activities surrounding the repurchase of units at the behest of shareholders, in the country in which they are located and exclusively on behalf of the Company.
- 3.4 Short-selling securities, money market instruments or other instruments listed in Point 1.1(e), (g) and (h);
  - 3.5 Acquiring precious metals or related certificates;
  - 3.6 Investing in real estate and buying or selling commodities or commodities contracts;
  - 3.7 Taking out loans, unless
    - the loan is a back-to-back loan to purchase foreign currency;
    - the loan is only temporary and does not exceed 10% of the net assets of the sub-fund in question;
  - 3.8 Granting loans or acting as guarantor for third parties. This restriction does not prevent the acquisition of securities, money market instruments or the other instruments listed in Point 1.1(e), (g) and (h) if these are not fully paid up.



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

#### 4. Asset pooling

The Company 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 shareholders.

##### Pools

The 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 Company can make transfers to the individual asset pools. 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 Company must specify a starting value for the notional units (in a currency that the Company 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 Company deems appropriate to cover any tax expenses, as well as for the closing charges and acquisition costs for the cash investment. If cash is withdrawn, a corresponding deduction may be made to account for any costs incurred in the disposal of securities or other assets of the asset pool.

Dividends, interest and other income-like distributions obtained from the assets of an asset pool are allocated to that asset pool, and thus increase its net assets. If the Company 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 Company 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 Company and each of its sub-funds, as well as any entities with or 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 Company 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.

Shareholders should note 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 Company or an entity commissioned by the 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 Company 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 Company, its sub-funds and its shareholders.

If a change in the structure of the Company's portfolio, or the portfolio of one or more of its sub-funds, 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 Company or one of its sub-funds), could cause a breach of the investment restrictions on the Company or those sub-funds, 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 fully capable of carrying out its functions and meeting its obligations to the Company and its sub-funds in accordance with the Law of 2010 and other legal requirements. The Depositary must always keep the assets of the Company 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 Company may decide to terminate a collective management agreement at any time without giving prior notice.

At any time, shareholders may request information from the Company's registered office on the proportion of collectively managed assets and on the entities with which a collective management agreement exists at the time of their enquiry. The composition and percentages of collectively managed assets must be stated in the annual reports.

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

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

Subject to the conditions and limits set out in the Law of 2010, the Company and its sub-funds may use repurchase agreements, reverse repurchase agreements, securities lending agreements and/or other techniques and instruments that have securities and money market instruments as underlying assets for efficient portfolio management purposes in accordance with the requirements defined by the CSSF (the "**techniques**"). If such transactions relate to the use of derivatives, the terms and limits must comply with the provisions of the Law of 2010. The techniques will be used on an ongoing basis as described in the section "Exposure to securities financing transactions", but it may be decided from time to time, depending on market conditions, to suspend or reduce exposure to securities financing transactions. The use of these techniques and instruments must be in accordance with the best interests of the investors.

Repurchase agreements are transactions in which one party sells a security to the other party with a simultaneous agreement to repurchase the security at a fixed future date at a stipulated price reflecting a market rate of interest unrelated to the coupon rate of the securities. A reverse repurchase agreement is a transaction whereby a sub-fund purchases securities from a counterparty and simultaneously commits to resell the securities to the counterparty at an agreed upon date and price. A securities lending agreement is an agreement whereby title to the "loaned" securities is transferred by a "lender" to a "borrower" with the borrower contracting to deliver "equivalent securities" to the lender at a later date ("**securities lending**").

Securities lending may be effected only via recognised clearing houses such as Clearstream International or Euroclear, or using first-class financial institutions that specialise in such activities and following the procedure specified by them.

In the case of securities lending transactions, the Company must, in principle, receive collateral, the value of which must at least correspond to the total value of the securities lent out and any accrued interest thereon. This collateral must be issued in a form of financial collateral permitted by the provisions of Luxembourg law. Such collateral is not required if the transaction is effected via Clearstream International or Euroclear, or another organisation which guarantees the Company that the value of the securities lent will be refunded.

The provisions of the section entitled "Collateral management" shall apply accordingly to the management of collateral that was left to the Company within the scope of securities lending. In derogation of the provisions of the section entitled "Collateral management", shares from the finance sector are accepted as securities within the framework of securities lending.

Service providers that provide services to the Company in the field of securities lending have the right to receive a fee in return for their services that is in line with the market standards. The amount of this fee will be reviewed and adapted, where appropriate, on an annual basis.

Currently, 60% of the gross revenue received from securities lending transactions negotiated at arm's length is credited to the relevant sub-fund, while 30% of the gross revenue are retained as fees by UBS Switzerland AG as the securities lending service provider, responsible for the ongoing securities lending activities and collateral management, and 10% of the gross revenue are retained as fees by UBS Europe SE, Luxembourg Branch as the securities lending agent, responsible for the transactions management, ongoing operational activities and collateral safekeeping. All fees for operating the securities lending program are paid from the securities lending agent's portion of the gross income. This covers all direct and indirect costs incurred through securities lending activities. UBS Europe SE, Luxembourg Branch and UBS Switzerland AG are part of the UBS Group. Furthermore, the Company has drawn up internal framework agreements regarding securities lending. These framework agreements contain, among other things, the relevant definitions, the description of the principles and standards of the contractual management of the securities lending transactions, the quality of the collateral, the approved counterparties, the risk management, the fees to be paid to third parties and fees to be received by the Company, as well as the information to be published in the annual and semi-annual reports.

The Board of Directors of the Company has approved instruments of the following asset classes as collateral from securities lending transactions and determined the following **haircuts** to be used on these instruments:

Asset class	Minimum haircut (% deduction from market value)
<b>Fixed and variable-rate interest-bearing instruments</b>	
Instruments issued by a state belonging to the G-10 (excluding the US, Japan, the UK, Germany and Switzerland, including their federal states and cantons as issuers) and with a minimum rating of A*	2%
Instruments issued by the US, Japan, the UK, Germany and Switzerland, including their federal states and cantons**	0%
Bonds with a minimum rating of A	2%
Instruments issued by supranational organisations	2%
Instruments issued by an entity and belonging to an issue with a minimum rating of A	4%
Instruments issued by a local authority and with a minimum rating of A	4%
<b>Shares</b>	8%
Shares listed on the following indexes are accepted as permissible collateral:	Bloomberg ID
Australia (S&P/ASX 50 INDEX)	AS31
Austria (AUSTRIAN TRADED ATX INDX)	ATX
Belgium (BEL 20 INDEX)	BEL20
Canada (S&P/TSX 60 INDEX)	SPTSX60
Denmark (OMX COPENHAGEN 20 INDEX)	KFX
Europe (Euro Stoxx 50 Pr)	SX5E
Finland (OMX HELSINKI 25 INDEX)	HEX25
France (CAC 40 INDEX)	CAC
Germany (DAX INDEX)	DAX
Hong Kong (HANG SENG INDEX)	HSI
Japan (NIKKEI 225)	NKY
Netherlands (AEX-Index)	AEX
New Zealand (NZX TOP 10 INDEX)	NZSE10
Norway (OBX STOCK INDEX)	OBX
Singapore (Straits Times Index STI)	FSSTI
Sweden (OMX STOCKHOLM 30 INDEX)	OMX
Switzerland (SWISS MARKET INDEX)	SMI
Switzerland (SPI SWISS PERFORMANCE IX)	SPI
UK (FTSE 100 INDEX)	UKX
U.S. (DOW JONES INDUS. AVG)	INDU
U.S. (NASDAQ 100 STOCK INDX)	NDX
U.S. (S&P 500 INDEX)	SPX
U.S. (RUSSELL 1000 INDEX)	RIY

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

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

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

- (i) Counterparties to a repurchase/reverse repurchase agreement or securities lending agreement will be entities with legal personality typically located in OECD jurisdictions. These counterparties will be subject to a credit assessment. Where the counterparty is subject to a credit rating by any agency registered and supervised by ESMA, that rating shall be taken into account in the credit assessment. Where a counterparty is downgraded to A2 or below (or comparable rating) by such a credit rating agency, a new credit assessment in respect of the counterparty will be undertaken without delay.
- (ii) The Company must be able at any time to recall any security that has been lent out or terminate any securities lending agreement into which it has entered.
- (iii) When the Company enters into a reverse repurchase agreement it must ensure that it is able at any time to recall the full amount of cash (including the interest incurred up to the time of being recalled) or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is callable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the Net Asset Value of the relevant sub-fund. Fixed-term reverse repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Company.
- (iv) When the Company enters into a repurchase agreement it must ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered. Fixed-term

- repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Company.
- (v) Repurchase/reverse repurchase agreements or securities lending do not constitute borrowing or lending for the purposes of the UCITS Directive.
  - (vi) All the revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs/fees, will be returned to the relevant sub-fund.
  - (vii) Any direct and indirect operational costs/fees arising from efficient portfolio management techniques that may be deducted from the revenue delivered to the relevant sub-fund must not include hidden revenue. Such direct and indirect operational costs/fees will be paid to the entities outlined in the respective annual or semi-annual report of the Company, which shall indicate the amounts of the respective fees and whether the entities are related to the Management Company or the Depositary.

In general, the following applies to total return swaps:

- i) One hundred percent (100%) of the gross return from total return swaps less direct and indirect operating costs/fees reverts to the sub-funds.
- (ii) All direct and indirect operating costs/fees incurred on total return swaps will be paid to the entities outlined in the annual and semi-annual report of the Fund.
- (iii) There are no fee-splitting arrangements for total return swaps.

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

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

The 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 Company, the Management Company and the Depositary is primarily carried out through reviewing the contracts and corresponding processes on a regular basis. Furthermore, the Company ensures that, despite the use of these techniques and instruments, the investors' redemption orders can be processed at any time.

Benchmark disclosure (index provider):

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

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## **Annex I – SFDR related information**

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:

UBS (Lux) Equity SICAV - Active Climate Aware (USD)

Legal entity identifier:

549300YCRKWSJWTVYD35

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☐ Yes

☐ It will make a minimum of **sustainable investments with an environmental objective**: \_\_\_\_ %

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_ %

☒ ☐ No

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 40% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

## What environmental and/or social characteristics are promoted by this financial product?

The following characteristics are promoted by the financial product:

- 1) A lower Weighted Average Carbon Intensity (WACI) than the reference benchmark.
- 2) A lower implied temperature alignment score than the reference benchmark.
- 3) A "green to brown ratio" that is higher than the green to brown ratio of the benchmark.

The benchmark is a broad market index which does not assess or include constituents according to environmental and/or social characteristics and therefore is not intended to be consistent with the characteristics promoted by the financial product. No ESG reference benchmark has been designated for the purpose of attaining the characteristics promoted by the financial product.

### • ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The above characteristics are measured using the following indicators respectively:

Characteristic 1):

Scope 1 and 2 Weighted Average Carbon Intensity (WACI):

- Scope 1 refers to direct carbon emissions and therefore includes all direct greenhouse gas emissions from owned or controlled sources of the relevant entity or issuer.
- Scope 2 refers to indirect carbon emissions and therefore includes greenhouse gas emissions from the generation of electricity, thermal energy and/or steam that is consumed by the relevant entity or issuer.

Characteristic 2):

The implied temperature alignment score is a forward-looking metric that estimates the future trajectory of given carbon emissions of an individual issuer or portfolio. This metric implies the level of warming using a relevant climate scenario resulting from the investment in a company or portfolio. On quarterly basis, the portfolio seeks to have an implied portfolio's temperature alignment metric lower than of the reference benchmark.

Characteristic 3):

The "green to brown ratio" metric is the weighted sum of the estimations of the "green" shares of revenues from underlying issuers in the portfolio divided by the weighted sum of the estimations of the "brown" shares of revenues from underlying issuers in the portfolio, relative to the benchmark.

### • ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The Portfolio Manager selects attractively valued companies that are on the forefront of the transition to a low-carbon economy, contributing to climate mitigation, adaption and transition.



Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

When assessing “do no significant harm” (DNSH), we consider selected principal adverse impact indicators based on availability and appropriateness. These indicators are combined into a signal based on individual thresholds defined per indicator. A fail on a single indicator leads to an investment failing the DNSH criteria.

***How have the indicators for adverse impacts on sustainability factors been taken into account?***

Principal adverse impacts (the “PAI”) are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters. UBS integrates PAI indicators in its decision making process.

At present, the following PAI indicators are considered by means of exclusions from the investment universe:

**1.4 “Exposure to companies active in the fossil fuel sector”:**

- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.
- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal-based power generation are excluded.

**1.10 “Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises”:**

- Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM’s Stewardship Committee are excluded

**1.14 “Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)”:**

- UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non-Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the company is involved in development, production, storage, maintenance or transport of controversial weapons, or is a majority shareholder (>50% ownership stake) of such a company.

The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.

The following PAI indicator is considered by virtue of the promoted characteristics:

**1.3 “GHG intensity of investee companies”**

- The Portfolio Manager selects investments based upon a low scope 1+2 carbon intensity, either absolute or relative to a benchmark

The following PAI indicators are additionally part of the DNSH signal:

**1.7 “Activities negatively affecting bio-diversity-sensitive areas”**

**1.13 “Board gender diversity”**

**1.15. “GHG Intensity”**

**1.16. “Investee countries subject to social violations”**



<p><i>How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?</i></p>
<p>Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM's Stewardship Committee are excluded.</p>
<p><i>The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.</i></p> <p><i>The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.</i></p> <p><i>Any other sustainable investments must also not significantly harm any environmental or social objectives.</i></p>
<p><b>Does this financial product consider principal adverse impacts on sustainability factors?</b></p>
<p><input checked="" type="checkbox"/> Yes,</p> <p>Principal adverse impacts (the "PAI") are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti - corruption, and anti - bribery matters. UBS integrates PAI indicators in its decision making process.</p> <p>At present, the following PAI indicators are considered by means of exclusions from the investment universe:</p> <p><b>1.4 "Exposure to companies active in the fossil fuel sector":</b></p> <ul style="list-style-type: none"> <li>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.</li> <li>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal-based power generation are excluded.</li> </ul> <p><b>1.10 "Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises":</b></p> <ul style="list-style-type: none"> <li>- Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM's Stewardship Committee are excluded</li> </ul> <p><b>1.14 "Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)":</b></p> <ul style="list-style-type: none"> <li>- UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non- Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the company is involved in development, production, storage, maintenance or transport of controversial weapons, or is a majority shareholder (&gt;50% ownership stake) of such a company.</li> </ul> <p>The link to the Sustainability Exclusion Policy can be found in the section headed "Sustainability Exclusion Policy" in the main body of the Sales Prospectus.</p> <p>The following PAI indicator is considered by virtue of the promoted characteristics:</p>

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.



### 1.3 “GHG intensity of investee companies”

- The Portfolio Manager selects investments based upon a low scope 1+2 carbon intensity, either absolute or relative to a benchmark

When assessing “do no significant harm” (DNSH), we consider selected principal adverse impact indicators based on availability and appropriateness. These indicators are combined into a signal based on individual thresholds defined per indicator. A fail on a single indicator leads to an investment failing the DNSH criteria. The following PAI indicators are additionally part of this signal:

#### 1.7 “Activities negatively affecting bio-diversity-sensitive areas”

#### 1.13 “Board gender diversity”

#### 1.15. “GHG Intensity”

#### 1.16. “Investee countries subject to social violations”

Information on consideration of PAIs on sustainability factors is also available in the sub-fund’s annual report.

☐ No

### **What investment strategy does this financial product follow?**

#### **ESG Integration:**

ESG Integration is driven by taking into account material ESG risks as part of the research process. ESG integration enables the Portfolio Manager to identify financially relevant sustainability factors that impact investment decisions and to incorporate ESG considerations when implementing investment decisions, and allows ESG risks to be systematically monitored and compared to risk appetite and constraints. It also assists in portfolio construction through securities selection, investment conviction and portfolio weightings.

- For corporate issuers, this process utilizes an internal UBS ESG material issues framework which identifies the financially relevant factors per sector that can impact investment decisions. This orientation toward financial materiality ensures that analysts focus on sustainability factors that can impact the financial performance of the company and therefore investment returns. ESG integration can also identify opportunities for engagement to improve the company’s ESG risk profile and thereby mitigate the potential negative impact of ESG issues on the company’s financial performance. The Portfolio Manager employs an internal UBS ESG risk dashboard that combines multiple internal and external ESG data sources in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process.

- For non-corporate issuers, the Portfolio Manager applies a qualitative or quantitative ESG risk assessment that integrates data on material ESG factors.

The analysis of material sustainability/ESG considerations can include many different aspects, such as the following among others: the carbon footprint, health and well-being, human rights, supply chain management, fair customer treatment and governance.

#### **Fund specific exclusions:**

The sub-fund excludes companies with a sustainability profile that indicates a severe ESG risk.

#### **Sustainability Exclusion Policy:**

The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

Asset allocation describes the share of investments in specific assets.



<p>The following binding element(s) of the investment strategy are used to select the investments to attain the characteristic(s) promoted by this financial product:</p> <p>Characteristic 1):</p> <p>A lower Scope 1 and 2 Weighted Average Carbon Intensity (WACI) than its benchmark.</p> <p>Characteristic 2):</p> <p>A lower implied temperature alignment score than its benchmark.</p> <p>Characteristic 3):</p> <p>A "green to brown ratio" that is higher than the green to brown ratio of the benchmark.</p> <p>The calculations do not take account of cash, derivatives and unrated investment instruments.</p> <p>The characteristic(s), the minimum proportion of sustainable investments and the minimum proportion of investments used to meet the environmental and/or social characteristics promoted by the financial product are calculated at quarter end using the average of all of business days' values in the quarter.</p> <p><b>Fund specific exclusions:</b></p> <p>The sub-fund excludes companies with a sustainability profile that indicates a severe ESG risk as described above in the section "What investment strategy does this financial product follow?".</p> <p><b>Sustainability Exclusion Policy:</b></p> <p>The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed "Sustainability Exclusion Policy" in the main body of the sales prospectus.</p>	
<ul style="list-style-type: none"> <li><b><i>What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?</i></b></li> </ul>	
	Not applicable.
<ul style="list-style-type: none"> <li><b><i>What is the policy to assess good governance practices of the investee companies?</i></b></li> </ul>	<p>Good corporate governance is a key driver of sustainable performance and is therefore embedded in the Portfolio Manager's investment strategy. The Portfolio Manager employs a proprietary ESG Risk Dashboard that combines multiple ESG data sources from internal and recognized external providers in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process. The assessment of good governance includes consideration of board structure and independence, remuneration alignment, transparency of ownership and control, and financial reporting.</p>
<p><b>What is the asset allocation planned for this financial product?</b></p>	
<p>The minimum proportion of the investments used to meet the environmental and/or social characteristics promoted by the financial product is 67%. The minimum proportion of sustainable investments of the financial product is 40%.</p>	

**Taxonomy-aligned** activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

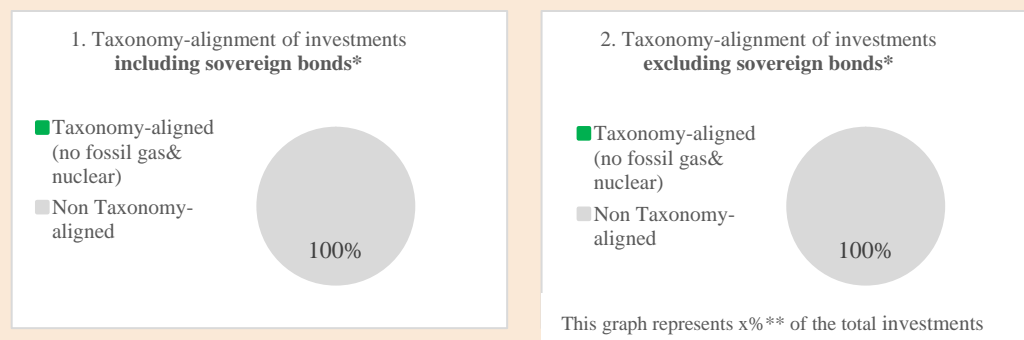
**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



<p><b>#1 Aligned with E/S characteristics</b> includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.</p> <p><b>#2 Other</b> includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.</p> <p>The category <b>#1 Aligned with E/S characteristics</b> covers:</p> <ul style="list-style-type: none"> <li>-The sub-category <b>#1A Sustainable</b> covers sustainable investments with environmental or social objectives.</li> <li>-The sub-category <b>#1B Other E/S characteristics</b> covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.</li> </ul>
<ul style="list-style-type: none"> <li>● <b>How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?</b></li> </ul>
<p>Derivatives are not used for the attainment of the characteristics promoted by this financial product. Derivatives will be primarily used for hedging and liquidity management purposes.</p>
<p><b>To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?</b></p>
<p>It has not been possible to collect data on the environmental objective(s) set out in Article 9 of the Taxonomy Regulation and on how and to what extent the investments underlying the financial product are in economic activities that qualify as environmentally sustainable under Article 3 of the Taxonomy Regulation ("Taxonomy Aligned Investments"). On that basis, the financial product has 0% Taxonomy Aligned Investments.</p>
<ul style="list-style-type: none"> <li>● <b>Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?</b></li> </ul>
<p><input type="checkbox"/> Yes:</p> <p style="padding-left: 40px;"><input type="checkbox"/> In fossil gas      <input type="checkbox"/> In nuclear energy</p> <p><input checked="" type="checkbox"/> No</p>

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

\*\* No percentage has been inserted as it is not relevant (no Taxonomy-aligned investments)

• **What is the minimum share of investments in transitional and enabling activities?**

There is no commitment to a minimum proportion of investments in transitional and enabling activities.

**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The sustainable investments made by the financial product will contribute to either environmental or social objectives or both. The financial product does not commit to a predetermined combination of environmental or social objectives, and therefore there is no minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy. Where the financial product does invest in environmentally sustainable investments that are not Taxonomy-aligned, this is due to the absence of necessary data to determine Taxonomy-alignment.

**What is the minimum share of socially sustainable investments?**

The sustainable investments made by the financial product will contribute to either environmental or social objectives or both. The financial product does not commit a predetermined combination of environmental or social objectives, and therefore there is no minimum share of socially sustainable investments.

**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

are environmentally sustainable investments that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



Included in “#2 Other” are cash and unrated instruments for the purpose of liquidity and portfolio risk management. Unrated instruments may also include securities for which data needed for the measurement of attainment of environmental or social characteristics is not available.

**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

No ESG reference benchmark has been designated for the purpose of determining whether the financial product is aligned with the characteristics that it promotes.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

Not applicable.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Not applicable.

- ***How does the designated index differ from a relevant broad market index?***

Not applicable.

- ***Where can the methodology used for the calculation of the designated index be found?***

Not applicable.

**Where can I find more product specific information online?**

More product-specific information can be found on the website: [www.ubs.com/funds](http://www.ubs.com/funds)



Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:

UBS (Lux) Equity SICAV - All China (USD)

Legal entity identifier:

549300K8461GMZNDH278

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☐ Yes

☐ It will make a minimum of **sustainable investments with an environmental objective**: \_\_\_\_ %

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_ %

☒ ☐ No

☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_\_% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☒ It promotes E/S characteristics, but **will not make any sustainable investments**





**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

## What environmental and/or social characteristics are promoted by this financial product?

The following characteristics are promoted by the financial product:

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

The benchmark is a broad market index which does not assess or include constituents according to environmental and/or social characteristics and therefore is not intended to be consistent with the characteristics promoted by the financial product. No ESG reference benchmark has been designated for the purpose of attaining the characteristics promoted by the financial product.

### • ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The characteristics are measured using the following indicators respectively:

Characteristic 1):

Scope 1 and 2 Weighted Average Carbon Intensity (WACI):

- Scope 1 refers to direct carbon emissions and therefore includes all direct greenhouse gas emissions from owned or controlled sources of the relevant entity or issuer.

- Scope 2 refers to indirect carbon emissions and therefore includes greenhouse gas emissions from the generation of electricity, thermal energy and/or steam that is consumed by the relevant entity or issuer.

Low absolute carbon profile is defined as below 100 tonnes of CO<sub>2</sub> emissions per million US dollars of revenues.

Characteristic 2):

The UBS Blended ESG Score is used to identify issuers/companies for the investment universe with strong environmental and social performance characteristics, or a strong sustainability profile. The UBS Blended ESG Score represents an average of normalized ESG assessment data from UBS and two recognized external ESG data providers, MSCI and Sustainalytics. This blended score approach enhances the quality of the derived sustainability profile by integrating multiple independent ESG assessments, rather than depending solely on one single view. The UBS Blended ESG Score represents an entity's sustainability profile assessing material environmental, social, and governance factors. These factors may include, but are not limited to, environmental footprint and operational efficiency, risk management, climate change response, natural resource utilization, pollution and waste management, employment standards, supply chain oversight, human capital development, board diversity, occupational health and safety, product safety, and anti-fraud and anti-corruption policies. Each assessed entity is assigned a UBS Blended ESG Score, which ranges from 0 to 10, with 10 indicating the best sustainability profile.

There is no minimum UBS Blended ESG Score at individual investment level.

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

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti - corruption and anti - bribery matters.



<ul style="list-style-type: none"> <li><b>What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?</b></li> </ul>
Not applicable.
<ul style="list-style-type: none"> <li><b>How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?</b></li> </ul>
Not applicable.
<i>How have the indicators for adverse impacts on sustainability factors been taken into account?</i>
Not applicable.
<i>How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?</i>
Not applicable.
<p><i>The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.</i></p> <p><i>The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.</i></p> <p><i>Any other sustainable investments must also not significantly harm any environmental or social objectives.</i></p>
<p><b>Does this financial product consider principal adverse impacts on sustainability factors?</b></p> <p><input checked="" type="checkbox"/> Yes</p> <p>Principal adverse impacts (the “PAI”) are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti - corruption, and anti - bribery matters. UBS integrates PAI indicators in its decision making process.</p> <p>At present, the following PAI indicators are considered by means of exclusions from the investment universe:</p> <p>1.4 “Exposure to companies active in the fossil fuel sector”: - Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.</p> <p>1.10 “Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises”: - Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM’s Stewardship Committee are excluded</p> <p>1.14 “Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)”:</p>

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.



-UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non- Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the company is involved in development, production, storage, maintenance or transport of controversial weapons, or is a majority shareholder (>50% ownership stake) of such a company.

The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.

The following PAI indicator is considered by virtue of the promoted characteristics:

#### 1.3 “GHG intensity of investee companies”

The Portfolio Manager selects investments based upon a low scope 1+2 carbon intensity, either absolute or relative to a benchmark

Information on consideration of PAIs on sustainability factors is also available in the sub-fund’s annual report.

☐

No

### What investment strategy does this financial product follow?

#### ESG Integration:

ESG Integration is driven by taking into account material ESG risks as part of the research process. ESG integration enables the Portfolio Manager to identify financially relevant sustainability factors that impact investment decisions and to incorporate ESG considerations when implementing investment decisions, and allows ESG risks to be systematically monitored and compared to risk appetite and constraints. It also assists in portfolio construction through securities selection, investment conviction and portfolio weightings.

- For corporate issuers, this process utilizes an internal UBS ESG material issues framework which identifies the financially relevant factors per sector that can impact investment decisions. This orientation toward financial materiality ensures that analysts focus on sustainability factors that can impact the financial performance of the company and therefore investment returns. ESG integration can also identify opportunities for engagement to improve the company’s ESG risk profile and thereby mitigate the potential negative impact of ESG issues on the company’s financial performance. The Portfolio Manager employs an internal UBS ESG risk dashboard that combines multiple internal and external ESG data sources in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process.

- For non-corporate issuers, the Portfolio Manager applies a qualitative or quantitative ESG risk assessment that integrates data on material ESG factors.

The analysis of material sustainability/ESG considerations can include many different aspects, such as the following among others: the carbon footprint, health and well-being, human rights, supply chain management, fair customer treatment and governance.

#### Sustainability Exclusion Policy:

The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The following binding element(s) of the investment strategy are used to select the investments to attain the characteristic(s) promoted by this financial product:

Characteristic 1):

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

**Asset allocation** describes the share of investments in specific assets.

**Taxonomy-aligned** activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



<p>A lower Scope 1 and 2 Weighted Average Carbon Intensity (WACI) than its benchmark or a low absolute carbon profile.</p> <p>Characteristic 2):</p> <p>A sustainability profile that is higher than its benchmark's sustainability profile or a minimum of 51% of assets invested in companies with a sustainability profile in the top half of the benchmark.</p> <p>The calculations do not take account of cash, derivatives and unrated investment instruments.</p> <p>The characteristic(s) and the minimum proportion of investments used to meet the environmental and/or social characteristics promoted by the financial product are calculated at quarter end using the average of all business days' values in the quarter.</p> <p><b><u>Sustainability Exclusion Policy:</u></b></p> <p>The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed "Sustainability Exclusion Policy" in the main body of the Sales Prospectus.</p>	<ul style="list-style-type: none"> <li><b><i>What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?</i></b></li> </ul>
<p>Not applicable.</p>	<ul style="list-style-type: none"> <li><b><i>What is the policy to assess good governance practices of the investee companies?</i></b></li> </ul>
<p>Good corporate governance is a key driver of sustainable performance and is therefore embedded in the Portfolio Manager's investment strategy. The Portfolio Manager employs a proprietary ESG Risk Dashboard that combines multiple ESG data sources from internal and recognized external providers in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process. The assessment of good governance includes consideration of board structure and independence, remuneration alignment, transparency of ownership and control, and financial reporting.</p>	
<p><b>What is the asset allocation planned for this financial product?</b></p>	
<p>The minimum proportion of the investments used to meet the environmental and/or social characteristics promoted by the financial product is 51%.</p>	
<pre> graph LR     Investments --&gt; Aligned["#1 Aligned with E/S characteristics: 51%"]     Investments --&gt; Other["#2 Other"] </pre>	

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

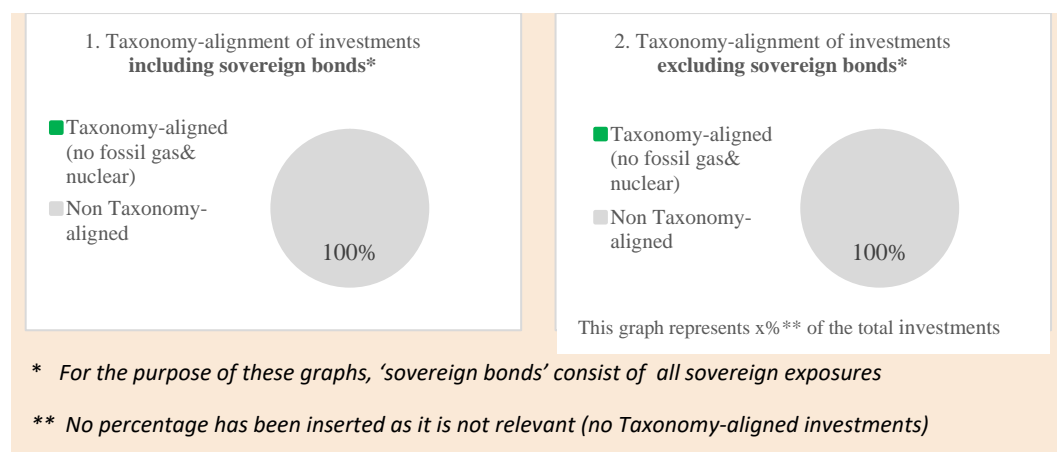
**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.











<p><b>#1 Aligned with E/S characteristics</b> includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.</p> <p><b>#2 Other</b> includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.</p>
<ul style="list-style-type: none"> <li><b>How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?</b></li> </ul>
<p>Derivatives are not used for the attainment of the characteristics promoted by this financial product. Derivatives are primarily used for hedging and liquidity management purposes.</p>
<p><b>To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?</b></p>
<p>Not applicable.</p>
<ul style="list-style-type: none"> <li><b>Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>2</sup>?</b></li> </ul>
<p> <input type="checkbox"/> Yes:             <input type="checkbox"/> In fossil gas    <input type="checkbox"/> In nuclear energy  <input checked="" type="checkbox"/> No         </p>

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*

<sup>2</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



 are environmentally sustainable investments <b>that do not take into account the criteria</b> for environmentally sustainable economic activities under the EU Taxonomy.	<ul style="list-style-type: none"> <li><b>What is the minimum share of investments in transitional and enabling activities?</b></li> </ul>
	Not applicable.
	 <b>What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?</b>
	Not applicable.
	 <b>What is the minimum share of socially sustainable investments?</b>
 <b>What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?</b>	Not applicable.
	 <b>What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?</b>
	Included in “#2 Other” are cash and unrated instruments for the purpose of liquidity and portfolio risk management. Unrated instruments may also include securities for which data needed for the measurement of attainment of environmental or social characteristics is not available.
	 <b>Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?</b>
	No ESG reference benchmark has been designated for the purpose of determining whether the financial product is aligned with the characteristics that it promotes.
 <b>How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?</b>	<ul style="list-style-type: none"> <li><b>How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?</b></li> </ul>
	Not applicable.
 <b>How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?</b>	<ul style="list-style-type: none"> <li><b>How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?</b></li> </ul>



Not applicable.
<ul style="list-style-type: none"><li>• <b><i>How does the designated index differ from a relevant broad market index?</i></b></li></ul>
Not applicable.
<ul style="list-style-type: none"><li>• <b><i>Where can the methodology used for the calculation of the designated index be found?</i></b></li></ul>
Not applicable.
<b>Where can I find more product specific information online?</b> More product-specific information can be found on the website: <a href="http://www.ubs.com/funds">www.ubs.com/funds</a>

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:**

UBS (Lux) Equity SICAV - All China Sustainable (USD)

**Legal entity identifier:**

tbd

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

☒ ☐ **Yes**

☐ It will make a minimum of **sustainable investments with an environmental objective**: \_\_\_\_ %

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**:

\_\_\_\_\_ %

☐ ☒ **No**

☒ It promotes **Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 30% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**





**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

## What environmental and/or social characteristics are promoted by this financial product?

The following characteristics are promoted by the financial product:

- 1) A sustainability profile that is higher than its benchmark's sustainability profile or a UBS Blended ESG Score between 7 and 10 (indicating a strong sustainability profile).
- 2) A lower Weighted Average Carbon Intensity (WACI) than the reference benchmark or a low absolute carbon profile.

The benchmark is a broad market index which does not assess or include constituents according to environmental and/or social characteristics and therefore is not intended to be consistent with the characteristics promoted by the financial product. No ESG reference benchmark has been designated for the purpose of attaining the characteristics promoted by the financial product.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The above characteristics are measured using the following indicators respectively:

For characteristic 1):

The UBS Blended ESG Score is used to identify issuers/companies for the investment universe with strong environmental and social performance characteristics, or a strong sustainability profile. The UBS Blended ESG Score represents an average of normalized ESG assessment data from UBS and two recognized external ESG data providers, MSCI and Sustainalytics. This blended score approach enhances the quality of the derived sustainability profile by integrating multiple independent ESG assessments, rather than depending solely on one single view. The UBS Blended ESG Score represents an entity's sustainability profile assessing material environmental, social, and governance factors. These factors may include, but are not limited to, environmental footprint and operational efficiency, risk management, climate change response, natural resource utilization, pollution and waste management, employment standards, supply chain oversight, human capital development, board diversity, occupational health and safety, product safety, and anti-fraud and anti-corruption policies. Each assessed entity is assigned a UBS Blended ESG Score, which ranges from 0 to 10, with 10 indicating the best sustainability profile.

There is no minimum UBS Blended ESG Score at individual investment level.

Characteristic 2)

Scope 1 and 2 Weighted Average Carbon Intensity (WACI):

- Scope 1 refers to direct carbon emissions and therefore includes all direct greenhouse gas emissions from owned or controlled sources of the relevant entity or issuer.

- Scope 2 refers to indirect carbon emissions and therefore includes greenhouse gas emissions from the generation of electricity, thermal energy and/or steam that is consumed by the relevant entity or issuer.

Low absolute carbon profile is defined as below 100 tonnes of CO<sub>2</sub> emissions per million US dollars of revenues.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objectives of the sustainable investments that the financial product partially intends to make is to contribute to the environmental and/or social characteristic(s) promoted by the financial product.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti - corruption and anti - bribery matters.

<ul style="list-style-type: none"> <li>● <b><i>How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?</i></b></li> </ul>	
	<p>When assessing “do no significant harm” (DNSH), we consider selected principal adverse impact indicators based on availability and appropriateness. These indicators are combined into a signal based on individual thresholds defined per indicator. A fail on a single indicator leads to an investment failing the DNSH criteria.</p>
	<p><b><i>How have the indicators for adverse impacts on sustainability factors been taken into account?</i></b></p>
	<p>Principal adverse impacts (the “PAI”) are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters. UBS integrates PAI indicators in its decision making process.</p> <p>At present, the following PAI indicators are considered by means of exclusions from the investment universe:</p> <p><u>1.4 “Exposure to companies active in the fossil fuel sector”:</u></p> <ul style="list-style-type: none"> <li>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.</li> <li>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal-based power generation are excluded.</li> </ul> <p><u>1.10 “Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises”:</u></p> <ul style="list-style-type: none"> <li>- Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM’s Stewardship Committee are excluded</li> </ul> <p><u>1.14 “Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)”:</u></p> <ul style="list-style-type: none"> <li>- UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non- Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the company is involved in development, production, storage, maintenance or transport of controversial weapons, or is a majority shareholder (&gt;50% ownership stake) of such a company.</li> </ul> <p>The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.</p> <p>The following PAI indicator is considered by virtue of the promoted characteristics:</p> <p><u>1.3 “GHG intensity of investee companies”</u></p> <ul style="list-style-type: none"> <li>- The Portfolio Manager selects investments based upon a low scope 1+2 carbon intensity, either absolute or relative to a benchmark</li> </ul> <p>The following PAI indicators are additionally part of the DNSH signal:</p> <p><u>1.7 “Activities negatively affecting bio-diversity-sensitive areas”</u></p> <p><u>1.13 “Board gender diversity”</u></p> <p><u>1.15. “GHG Intensity”</u></p> <p><u>1.16. “Investee countries subject to social violations”</u></p>
	<p><b><i>How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?</i></b></p>

Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM's Stewardship Committee are excluded.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



#### **Does this financial product consider principal adverse impacts on sustainability factors?**

☒ Yes, Principal adverse impacts (the "PAI") are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters. UBS integrates PAI indicators in its decision making process.

At present, the following PAI indicators are considered by means of exclusions from the investment universe:

##### 1.4 "Exposure to companies active in the fossil fuel sector":

- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.
- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal-based power generation are excluded.

##### 1.10 "Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises":

- Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM's Stewardship Committee are excluded

##### 1.14 "Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)":

- UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non- Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the company is involved in development, production, storage, maintenance or transport of controversial weapons, or is a majority shareholder (>50% ownership stake) of such a company.

The link to the Sustainability Exclusion Policy can be found in the section headed "Sustainability Exclusion Policy" in the main body of the Sales Prospectus.

The following PAI indicator is considered by virtue of the promoted characteristics:

##### 1.3 "GHG intensity of investee companies"

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.



- The Portfolio Manager selects investments based upon a low scope 1+2 carbon intensity, either absolute or relative to a benchmark

When assessing “do no significant harm” (DNSH), we consider selected principal adverse impact indicators based on availability and appropriateness. These indicators are combined into a signal based on individual thresholds defined per indicator. A fail on a single indicator leads to an investment failing the DNSH criteria. The following PAI indicators are additionally part of this signal:

1.7 “Activities negatively affecting bio-diversity-sensitive areas”

1.13 “Board gender diversity”

1.15. “GHG Intensity”

1.16. “Investee countries subject to social violations”

Information on consideration of PAIs on sustainability factors is also available in the sub-fund’s annual report.

☐

No

## What investment strategy does this financial product follow?

### ESG Integration:

ESG Integration is driven by taking into account material ESG risks as part of the research process. ESG integration enables the Portfolio Manager to identify financially relevant sustainability factors that impact investment decisions and to incorporate ESG considerations when implementing investment decisions, and allows ESG risks to be systematically monitored and compared to risk appetite and constraints. It also assists in portfolio construction through securities selection, investment conviction and portfolio weightings.

- For corporate issuers, this process utilizes an internal UBS ESG material issues framework which identifies the financially relevant factors per sector that can impact investment decisions. This orientation toward financial materiality ensures that analysts focus on sustainability factors that can impact the financial performance of the company and therefore investment returns. ESG integration can also identify opportunities for engagement to improve the company’s ESG risk profile and thereby mitigate the potential negative impact of ESG issues on the company’s financial performance. The Portfolio Manager employs an internal UBS ESG risk dashboard that combines multiple internal and external ESG data sources in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process.

- For non-corporate issuers, the Portfolio Manager applies a qualitative or quantitative ESG risk assessment that integrates data on material ESG factors.

The analysis of material sustainability/ESG considerations can include many different aspects, such as the following among others: the carbon footprint, health and well-being, human rights, supply chain management, fair customer treatment and governance.

### Fund specific exclusions:

The sub-fund excludes companies with a sustainability profile that indicates a high or severe ESG risk.

### Sustainability Exclusion Policy:

The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The following binding element(s) of the investment strategy are used to select the investments to attain the characteristic(s) promoted by this financial product:

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

**Asset allocation** describes the share of investments in specific assets.



<p>Characteristic 1):</p> <p>A sustainability profile that is higher than its benchmark's sustainability profile or a UBS Blended ESG Score between 7 and 10 (indicating a strong sustainability profile).</p> <p>Characteristic 2):</p> <p>A lower Scope 1 and 2 Weighted Average Carbon Intensity (WACI) than its benchmark or a low absolute carbon profile.</p> <p>The calculations do not take account of cash, derivatives and unrated investment instruments.</p> <p>The characteristic(s), the minimum proportion of sustainable investments and the minimum proportion of investments used to meet the environmental and/or social characteristics promoted by the financial product, are calculated at quarter end using the average of all business days' values in the quarter.</p> <p><b><u>Fund specific exclusions:</u></b></p> <p>The sub-fund excludes companies with a sustainability profile that indicates a high or severe ESG risk.</p> <p><b><u>Sustainability Exclusion Policy:</u></b></p> <p>The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed "Sustainability Exclusion Policy" in the main body of the Sales Prospectus.</p>
<ul style="list-style-type: none"> <li><b><i>What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?</i></b></li> </ul>
<p>Not applicable.</p>
<ul style="list-style-type: none"> <li><b><i>What is the policy to assess good governance practices of the investee companies?</i></b></li> </ul> <p>Good corporate governance is a key driver of sustainable performance and is therefore embedded in the Portfolio Manager's investment strategy. The Portfolio Manager employs a proprietary ESG Risk Dashboard that combines multiple ESG data sources from internal and recognized external providers in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process. The assessment of good governance includes consideration of board structure and independence, remuneration alignment, transparency of ownership and control, and financial reporting.</p>
<p><b>What is the asset allocation planned for this financial product?</b></p> <p>The minimum proportion of the investments used to meet the environmental and/or social characteristics promoted by the financial product is 67%. The minimum proportion of sustainable investments of the financial product is 30%.</p>

**Taxonomy-aligned** activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies

- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

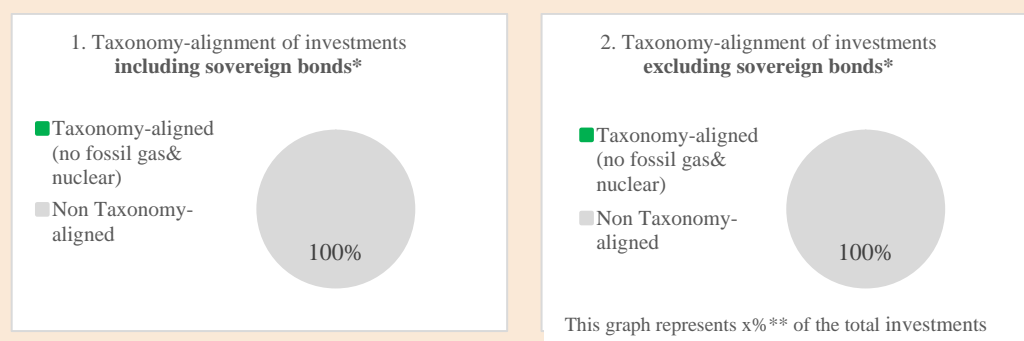
**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



<p><b>#1 Aligned with E/S characteristics</b> includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.</p> <p><b>#2 Other</b> includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.</p> <p>The category <b>#1 Aligned with E/S characteristics</b> covers:</p> <ul style="list-style-type: none"> <li>-The sub-category <b>#1A Sustainable</b> covers sustainable investments with environmental or social objectives.</li> <li>-The sub-category <b>#1B Other E/S characteristics</b> covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.</li> </ul>
<p>● <b>How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?</b></p>
<p>Derivatives are not used for the attainment of the characteristics promoted by this financial product. Derivatives are primarily used for hedging and liquidity management purposes.</p>
<p><b>To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?</b></p>
<p>It has not been possible to collect data on the environmental objective(s) set out in Article 9 of the Taxonomy Regulation and on how and to what extent the investments underlying the financial product are in economic activities that qualify as environmentally sustainable under Article 3 of the Taxonomy Regulation ("Taxonomy Aligned Investments"). On that basis, the financial product has 0% Taxonomy Aligned Investments.</p>
<p>● <b>Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>3</sup>?</b></p>
<p><input type="checkbox"/> Yes:</p> <p style="margin-left: 40px;"><input type="checkbox"/> In fossil gas      <input type="checkbox"/> In nuclear energy</p> <p><input checked="" type="checkbox"/> No</p>

<sup>3</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

\*\* No percentage has been inserted as it is not relevant (no Taxonomy-aligned investments)

- What is the minimum share of investments in transitional and enabling activities?**

There is no commitment to a minimum proportion of investments in transitional and enabling activities.

**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The sustainable investments made by the financial product will contribute to either environmental or social objectives or both. The financial product does not commit to a predetermined combination of environmental or social objectives, and therefore there is no minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy. Where the financial product does invest in environmentally sustainable investments that are not Taxonomy-aligned, this is due to the absence of necessary data to determine Taxonomy-alignment.

**What is the minimum share of socially sustainable investments?**

The sustainable investments made by the financial product will contribute to either environmental or social objectives or both. The financial product does not commit a predetermined combination of environmental or social objectives, and therefore there is no minimum share of socially sustainable investments.

**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Included in “#2 Other” are cash and unrated instruments for the purpose of liquidity and portfolio risk management. Unrated instruments may also include securities for which data needed for the measurement of attainment of environmental or social characteristics is not available.

are environmentally sustainable investments that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

No ESG reference benchmark has been designated for the purpose of determining whether the financial product is aligned with the characteristics that it promotes.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

Not applicable.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Not applicable.

- ***How does the designated index differ from a relevant broad market index?***

Not applicable.

- ***Where can the methodology used for the calculation of the designated index be found?***

Not applicable.

**Where can I find more product specific information online?**

More product-specific information can be found on the website: [www.ubs.com/funds](http://www.ubs.com/funds)





Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:

UBS (Lux) Equity SICAV - Asian Smaller Companies (USD)

Legal entity identifier:

549300M0IP62SQUNTK09

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☐ Yes

☐ It will make a minimum of **sustainable investments with an environmental objective**: \_\_\_\_ %

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_ %

☒ ☐ No

☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_\_% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☒ It promotes E/S characteristics, but **will not make any sustainable investments**

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

## What environmental and/or social characteristics are promoted by this financial product?

The following characteristics are promoted by the financial product:

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

The benchmark is a broad market index which does not assess or include constituents according to environmental and/or social characteristics and therefore is not intended to be consistent with the characteristics promoted by the financial product. No ESG reference benchmark has been designated for the purpose of attaining the characteristics promoted by the financial product.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The characteristics are measured using the following indicators respectively:

Characteristic 1):

Scope 1 and 2 Weighted Average Carbon Intensity (WACI):

- Scope 1 refers to direct carbon emissions and therefore includes all direct greenhouse gas emissions from owned or controlled sources of the relevant entity or issuer.

- Scope 2 refers to indirect carbon emissions and therefore includes greenhouse gas emissions from the generation of electricity, thermal energy and/or steam that is consumed by the relevant entity or issuer.

Low absolute carbon profile is defined as below 100 tonnes of CO<sub>2</sub> emissions per million US dollars of revenues.

Characteristic 2):

The UBS Blended ESG Score is used to identify issuers/companies for the investment universe with strong environmental and social performance characteristics, or a strong sustainability profile. The UBS Blended ESG Score represents an average of normalized ESG assessment data from UBS and two recognized external ESG data providers, MSCI and Sustainalytics. This blended score approach enhances the quality of the derived sustainability profile by integrating multiple independent ESG assessments, rather than depending solely on one single view. The UBS Blended ESG Score represents an entity's sustainability profile assessing material environmental, social, and governance factors. These factors may include, but are not limited to, environmental footprint and operational efficiency, risk management, climate change response, natural resource utilization, pollution and waste management, employment standards, supply chain oversight, human capital development, board diversity, occupational health and safety, product safety, and anti-fraud and anti-corruption policies. Each assessed entity is assigned a UBS Blended ESG Score, which ranges from 0 to 10, with 10 indicating the best sustainability profile.

There is no minimum UBS Blended ESG Score at individual investment level.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Not applicable.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti - corruption and anti - bribery matters.



Not applicable.
<i>How have the indicators for adverse impacts on sustainability factors been taken into account?</i>
Not applicable.
<i>How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?</i>
Not applicable.
<p><i>The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.</i></p> <p><i>The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.</i></p> <p><i>Any other sustainable investments must also not significantly harm any environmental or social objectives.</i></p>
<b>Does this financial product consider principal adverse impacts on sustainability factors?</b>
<p><input checked="" type="checkbox"/> Yes</p> <p>Principal adverse impacts (the “PAI”) are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti - corruption, and anti - bribery matters. UBS integrates PAI indicators in its decision making process.</p> <p>At present, the following PAI indicators are considered by means of exclusions from the investment universe:</p> <p>1.4 “Exposure to companies active in the fossil fuel sector”: - Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.</p> <p>1.10 “Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises”: - Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM’s Stewardship Committee are excluded</p> <p>1.14 “Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)”: -UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non- Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the company is involved in development, production, storage, maintenance or transport of controversial weapons, or is a majority shareholder (&gt;50% ownership stake) of such a company.</p> <p>The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.</p> <p>The following PAI indicator is considered by virtue of the promoted characteristics: 1.3 “GHG intensity of investee companies” The Portfolio Manager selects investments based upon a low scope 1+2 carbon intensity, either absolute or relative to a benchmark</p> <p>Information on consideration of PAIs on sustainability factors is also available in the sub-fund’s annual report.</p>



**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

☐ No

## What investment strategy does this financial product follow?

### ESG Integration:

ESG Integration is driven by taking into account material ESG risks as part of the research process. ESG integration enables the Portfolio Manager to identify financially relevant sustainability factors that impact investment decisions and to incorporate ESG considerations when implementing investment decisions, and allows ESG risks to be systematically monitored and compared to risk appetite and constraints. It also assists in portfolio construction through securities selection, investment conviction and portfolio weightings.

- For corporate issuers, this process utilizes an internal UBS ESG material issues framework which identifies the financially relevant factors per sector that can impact investment decisions. This orientation toward financial materiality ensures that analysts focus on sustainability factors that can impact the financial performance of the company and therefore investment returns. ESG integration can also identify opportunities for engagement to improve the company's ESG risk profile and thereby mitigate the potential negative impact of ESG issues on the company's financial performance. The Portfolio Manager employs an internal UBS ESG risk dashboard that combines multiple internal and external ESG data sources in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process.

- For non-corporate issuers, the Portfolio Manager applies a qualitative or quantitative ESG risk assessment that integrates data on material ESG factors.

The analysis of material sustainability/ESG considerations can include many different aspects, such as the following among others: the carbon footprint, health and well-being, human rights, supply chain management, fair customer treatment and governance.

### Sustainability Exclusion Policy:

The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed "Sustainability Exclusion Policy" in the main body of the Sales Prospectus.

### • ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The following binding element(s) of the investment strategy are used to select the investments to attain the characteristic(s) promoted by this financial product:

Characteristic 1):

A lower Scope 1 and 2 Weighted Average Carbon Intensity (WACI) than its benchmark or a low absolute carbon profile.

Characteristic 2):

A sustainability profile that is higher than its benchmark's sustainability profile or a minimum of 51% of assets invested in companies with a sustainability profile in the top half of the benchmark.

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

The characteristic(s) and the minimum proportion of investments used to meet the environmental and/or social characteristics promoted by the financial product are calculated at quarter end using the average of all business days' values in the quarter.

### Sustainability Exclusion Policy:

The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed "Sustainability Exclusion Policy" in the main body of the Sales Prospectus.

### • ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

**Asset allocation** describes the share of investments in specific assets.

**Taxonomy-aligned** activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



Not applicable.
<ul style="list-style-type: none"> <li><b>What is the policy to assess good governance practices of the investee companies?</b></li> </ul>
<p>Good corporate governance is a key driver of sustainable performance and is therefore embedded in the Portfolio Manager's investment strategy. The Portfolio Manager employs a proprietary ESG Risk Dashboard that combines multiple ESG data sources from internal and recognized external providers in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process. The assessment of good governance includes consideration of board structure and independence, remuneration alignment, transparency of ownership and control, and financial reporting.</p>
<b>What is the asset allocation planned for this financial product?</b>
<p>The minimum proportion of the investments used to meet the environmental and/or social characteristics promoted by the financial product is 51%.</p> <div> <pre> graph LR     A[Investments] --&gt; B[#1 Aligned with E/S characteristics: 51%]     A --&gt; C[#2 Other]             </pre> <p><b>#1 Aligned with E/S characteristics</b> includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.</p> <p><b>#2 Other</b> includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.</p> </div>
<ul style="list-style-type: none"> <li><b>How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?</b></li> </ul>
<p>Derivatives are not used for the attainment of the characteristics promoted by this financial product. Derivatives are primarily used for hedging and liquidity management purposes.</p>
<b>To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?</b>
Not applicable.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

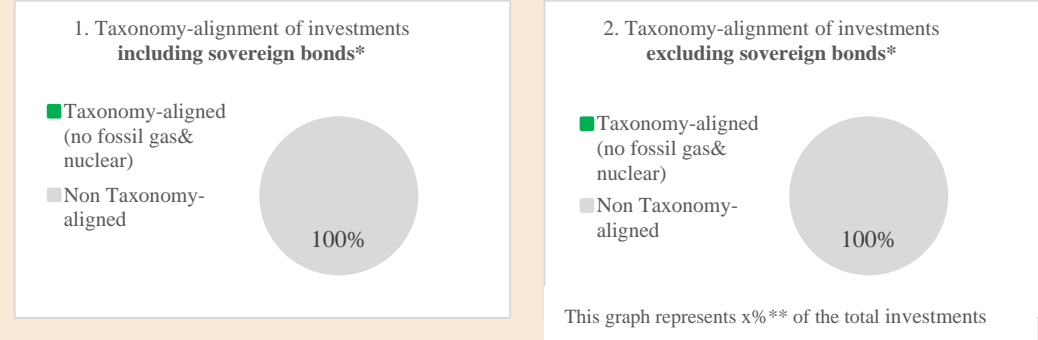
- Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>4</sup>?

☐ Yes:
 

☐ In fossil gas
 ☐ In nuclear energy

☒ No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

\*\* No percentage has been inserted as it is not relevant (no Taxonomy-aligned investments)



- What is the minimum share of investments in transitional and enabling activities?

Not applicable.

- What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable.

- What is the minimum share of socially sustainable investments?

Not applicable.

- What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

Included in “#2 Other” are cash and unrated instruments for the purpose of liquidity and portfolio risk management. Unrated instruments may also include securities for which data needed for the measurement of attainment of environmental or social characteristics is not available.

<sup>4</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



are environmentally sustainable investments **that do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

No ESG reference benchmark has been designated for the purpose of determining whether the financial product is aligned with the characteristics that it promotes.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

Not applicable.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Not applicable.

- ***How does the designated index differ from a relevant broad market index?***

Not applicable.

- ***Where can the methodology used for the calculation of the designated index be found?***

Not applicable.

**Where can I find more product specific information online?**

More product-specific information can be found on the website: [www.ubs.com/funds](http://www.ubs.com/funds)



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:

UBS (Lux) Equity SICAV - China A Opportunity (USD)

Legal entity identifier:

xxx

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☐ Yes

☐ It will make a minimum of **sustainable investments with an environmental objective**: \_\_\_\_ %

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_ %

☐ ☒ No

☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_\_% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☒ It promotes E/S characteristics, but **will not make any sustainable investments**





**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

## What environmental and/or social characteristics are promoted by this financial product?

The following characteristics are promoted by the financial product:

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

The benchmark is a broad market index which does not assess or include constituents according to environmental and/or social characteristics and therefore is not intended to be consistent with the characteristics promoted by the financial product. No ESG reference benchmark has been designated for the purpose of attaining the characteristics promoted by the financial product.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The characteristics are measured using the following indicators respectively:

Characteristic 1):

Scope 1 and 2 Weighted Average Carbon Intensity (WACI):

- Scope 1 refers to direct carbon emissions and therefore includes all direct greenhouse gas emissions from owned or controlled sources of the relevant entity or issuer.

- Scope 2 refers to indirect carbon emissions and therefore includes greenhouse gas emissions from the generation of electricity, thermal energy and/or steam that is consumed by the relevant entity or issuer.

Low absolute carbon profile is defined as below 100 tonnes of CO<sub>2</sub> emissions per US million dollars of revenues.

Characteristic 2):

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

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

The individual investments in the sub-fund have a UBS Blended ESG Score (on a scale of 0-10, with 10 having the best sustainability profile). There is no minimum UBS Blended ESG Score at individual investment level.

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

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti - corruption and anti - bribery matters.

	<ul style="list-style-type: none"> <li><b>What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?</b></li> </ul>
	Not applicable.
	<ul style="list-style-type: none"> <li><b>How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?</b></li> </ul>
	Not applicable.
	<i>How have the indicators for adverse impacts on sustainability factors been taken into account?</i>
	Not applicable.
	<i>How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:</i>
	Not applicable.
<p><i>The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.</i></p> <p><i>The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.</i></p> <p><i>Any other sustainable investments must also not significantly harm any environmental or social objectives.</i></p>	



#### Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes

Principal adverse impacts (the “PAI”) are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti - corruption, and anti - bribery matters. UBS integrates PAI indicators in its decision making process.


At present, the following PAI indicators are considered by means of exclusions from the investment universe:

1.4 “Exposure to companies active in the fossil fuel sector”:

- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.

1.10 “Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises”:

- Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM’s Stewardship Committee are excluded

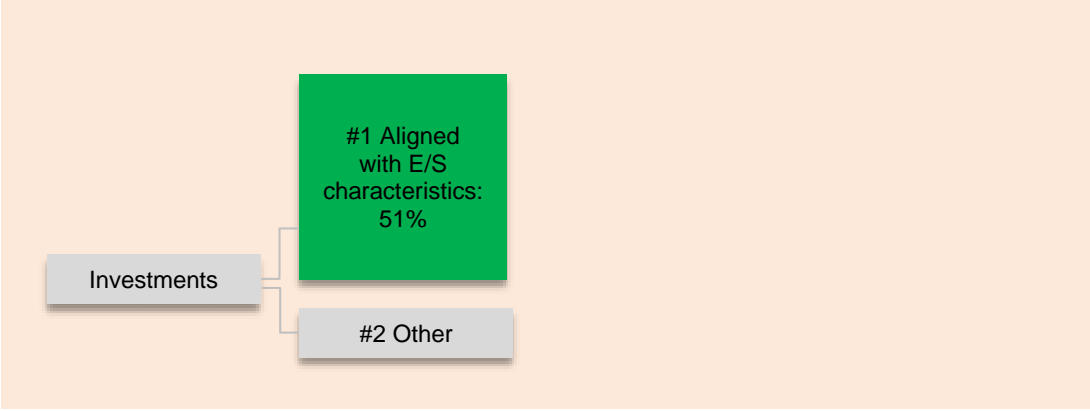
	<p>1.14 “Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)”:</p> <p>-UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non- Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the company is involved in development, production, storage, maintenance or transport of controversial weapons, or is a majority shareholder (&gt;50% ownership stake) of such a company.</p> <p>The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.</p> <p>The following PAI indicator is considered by virtue of the promoted characteristics:</p> <p>1.3 “GHG intensity of investee companies”</p> <p>The Portfolio Manager selects investments based upon a low scope 1+2 carbon intensity, either absolute or relative to a benchmark</p> <p>Information on consideration of PAIs on sustainability factors is also available in the sub-fund’s annual report.</p>
	<p><input type="checkbox"/> No</p>
<p></p> <p><b>The investment strategy</b> guides investment decisions based on factors such as investment objectives and risk tolerance.</p>	<p><b>What investment strategy does this financial product follow?</b></p> <p><b><u>ESG Integration:</u></b></p> <p>ESG Integration is driven by taking into account material ESG risks as part of the research process. ESG integration enables the Portfolio Manager to identify financially relevant sustainability factors that impact investment decisions and to incorporate ESG considerations when implementing investment decisions, and allows ESG risks to be systematically monitored and compared to risk appetite and constraints. It also assists in portfolio construction through securities selection, investment conviction and portfolio weightings.</p> <ul style="list-style-type: none"> <li>• For corporate issuers, this process utilizes an internal UBS ESG material issues framework which identifies the financially relevant factors per sector that can impact investment decisions. This orientation toward financial materiality ensures that analysts focus on sustainability factors that can impact the financial performance of the company and therefore investment returns. ESG integration can also identify opportunities for engagement to improve the company’s ESG risk profile and thereby mitigate the potential negative impact of ESG issues on the company’s financial performance. The Portfolio Manager employs an internal UBS ESG risk dashboard that combines multiple internal and external ESG data sources in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process.</li> <li>• For non-corporate issuers, the Portfolio Manager applies a qualitative or quantitative ESG risk assessment that integrates data on material ESG factors.</li> </ul> <p>The analysis of material sustainability/ESG considerations can include many different aspects, such as the following among others: the carbon footprint, health and well-being, human rights, supply chain management, fair customer treatment and governance.</p> <p><b><u>Sustainability Exclusion Policy:</u></b></p> <p>The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.</p>
	<ul style="list-style-type: none"> <li>• <b><i>What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?</i></b></li> </ul>
	<p>The following binding element(s) of the investment strategy are used to select the investments to attain the characteristic(s) promoted by this financial product:</p>

	<p>Characteristic 1):</p> <p>A lower Scope 1 and 2 Weighted Average Carbon Intensity (WACI) than its benchmark or a low absolute carbon profile.</p> <p>Characteristic 2):</p> <p>A sustainability profile that is higher than its benchmark's sustainability profile or a minimum of 51% of assets invested in companies with a sustainability profile in the top half of the benchmark.</p> <p>The calculations do not take account of cash, derivatives and unrated investment instruments.</p> <p>The characteristic(s) and the minimum proportion of investments used to meet the environmental and/or social characteristics promoted by the financial product are calculated at quarter end using the average of all business days' values in the quarter</p> <p><b><u>Sustainability Exclusion Policy:</u></b></p> <p>The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed "Sustainability Exclusion Policy" in the main body of the Sales Prospectus.</p>
	<ul style="list-style-type: none"> <li><b><i>What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?</i></b></li> </ul>
	Not applicable.
	<ul style="list-style-type: none"> <li><b><i>What is the policy to assess good governance practices of the investee companies?</i></b></li> </ul>
	<p>Good corporate governance is a key driver of sustainable performance and is therefore embedded in the Portfolio Manager's investment strategy. The Portfolio Manager employs a proprietary ESG Risk Dashboard that combines multiple ESG data sources from internal and recognized external providers in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process. The assessment of good governance includes consideration of board structure and independence, remuneration alignment, transparency of ownership and control, and financial reporting.</p>
	<p><b>What is the asset allocation planned for this financial product?</b></p> <p>The minimum proportion of the investments used to meet the environmental and/or social characteristics promoted by the financial product is 51%.</p>



**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

**Asset allocation** describes the share of investments in specific assets.



**Taxonomy-aligned** activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.


To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

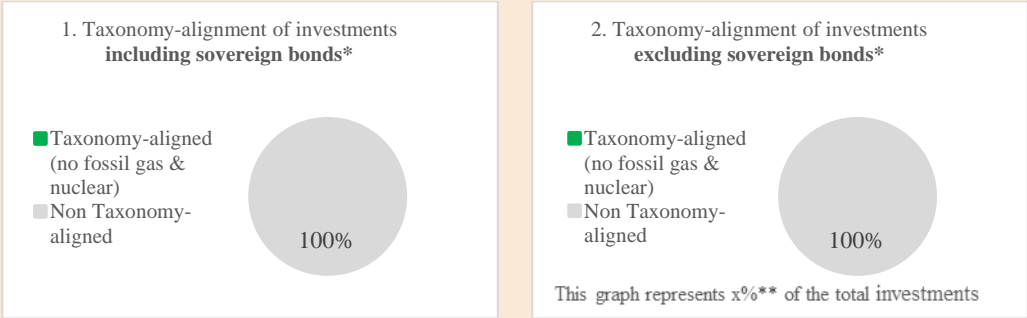
**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

	<ul style="list-style-type: none"> <li><b>How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?</b></li> </ul>
	<p>Derivatives are not used for the attainment of the characteristics promoted by this financial product. Derivatives are primarily used for hedging and liquidity management purposes.</p>
	<p><b>To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?</b></p>
	<p>Not applicable.</p>
	<p><b>Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?<sup>5</sup></b></p>
	<p><input type="checkbox"/> Yes:</p> <p><input type="checkbox"/> In fossil gas    <input type="checkbox"/> In nuclear energy</p> <p><input checked="" type="checkbox"/> No</p>

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.








\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

\*\* No percentage has been inserted as it is not relevant (no Taxonomy-aligned investments)

<sup>5</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

 are environmentally sustainable investments **that do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

	<ul style="list-style-type: none"> <li><b>What is the minimum share of investments in transitional and enabling activities?</b></li> </ul>
	Not applicable.
	<b>What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?</b>
	Not applicable.
	<b>What is the minimum share of socially sustainable investments?</b>
	Not applicable.
	<b>What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?</b>
	Included in “#2 Other” are cash and unrated instruments for the purpose of liquidity and portfolio risk management. Unrated instruments may also include securities for which data needed for the measurement of attainment of environmental or social characteristics is not available.
	<b>Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?</b>
	No ESG reference benchmark has been designated for the purpose of determining whether the financial product is aligned with the characteristics that it promotes.
	<ul style="list-style-type: none"> <li><b>How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?</b></li> </ul>
	Not applicable.
	<ul style="list-style-type: none"> <li><b>How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?</b></li> </ul>
	Not applicable.
	<ul style="list-style-type: none"> <li><b>How does the designated index differ from a relevant broad market index?</b></li> </ul>
	Not applicable.
	<ul style="list-style-type: none"> <li><b>Where can the methodology used for the calculation of the designated index be found?</b></li> </ul>
	Not applicable.
	<b>Where can I find more product specific information online?</b>
	More product-specific information can be found on the website: <a href="http://www.ubs.com/funds">www.ubs.com/funds</a>

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name:**

UBS (Lux) Equity SICAV - China Health Care (USD)

**Legal entity identifier:**

549300KF53GCL4FGW264

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☐ **Yes**

☐ It will make a minimum of **sustainable investments with an environmental objective**: \_\_\_\_ %

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_ %

☒ ☐ **No**

☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_\_% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☒ It promotes E/S characteristics, but **will not make any sustainable investments**



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

## What environmental and/or social characteristics are promoted by this financial product?

The following characteristics are promoted by the financial product:

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

The benchmark is a broad market index which does not assess or include constituents according to environmental and/or social characteristics and therefore is not intended to be consistent with the characteristics promoted by the financial product. No ESG reference benchmark has been designated for the purpose of attaining the characteristics promoted by the financial product.

### • ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The characteristics are measured using the following indicators respectively:

Characteristic 1):

Scope 1 and 2 Weighted Average Carbon Intensity (WACI):

- Scope 1 refers to direct carbon emissions and therefore includes all direct greenhouse gas emissions from owned or controlled sources of the relevant entity or issuer.

- Scope 2 refers to indirect carbon emissions and therefore includes greenhouse gas emissions from the generation of electricity, thermal energy and/or steam that is consumed by the relevant entity or issuer.

Low absolute carbon profile is defined as below 100 tonnes of CO<sub>2</sub> emissions per million US dollars of revenues.

Characteristic 2):

The UBS Blended ESG Score is used to identify issuers/companies for the investment universe with strong environmental and social performance characteristics, or a strong sustainability profile. The UBS Blended ESG Score represents an average of normalized ESG assessment data from UBS and two recognized external ESG data providers, MSCI and Sustainalytics. This blended score approach enhances the quality of the derived sustainability profile by integrating multiple independent ESG assessments, rather than depending solely on one single view. The UBS Blended ESG Score represents an entity's sustainability profile assessing material environmental, social, and governance factors. These factors may include, but are not limited to, environmental footprint and operational efficiency, risk management, climate change response, natural resource utilization, pollution and waste management, employment standards, supply chain oversight, human capital development, board diversity, occupational health and safety, product safety, and anti-fraud and anti-corruption policies. Each assessed entity is assigned a UBS Blended ESG Score, which ranges from 0 to 10, with 10 indicating the best sustainability profile.

There is no minimum UBS Blended ESG Score at individual investment level.

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



**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti - corruption and anti - bribery matters.



<ul style="list-style-type: none"> <li><b>What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?</b></li> </ul>
Not applicable.
<ul style="list-style-type: none"> <li><b>How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?</b></li> </ul>
Not applicable.
<i>How have the indicators for adverse impacts on sustainability factors been taken into account?</i>
Not applicable.
<i>How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?</i>
Not applicable.
<p><i>The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.</i></p> <p><i>The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.</i></p> <p><i>Any other sustainable investments must also not significantly harm any environmental or social objectives.</i></p>
<b>Does this financial product consider principal adverse impacts on sustainability factors?</b>
<input checked="" type="checkbox"/> Yes
<p>Principal adverse impacts (the “PAI”) are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti - corruption, and anti - bribery matters. UBS integrates PAI indicators in its decision making process.</p> <p>At present, the following PAI indicators are considered by means of exclusions from the investment universe:</p> <p>1.4 “Exposure to companies active in the fossil fuel sector”:</p> <p>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.</p> <p>1.10 “Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises”:</p> <p>- Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM’s Stewardship Committee are excluded</p>



**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

<p>1.14 “Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)”:</p> <p>-UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non- Prolifera- tion of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the company is involved in development, production, storage, maintenance or transport of controversial weapons, or is a majority shareholder (&gt;50% ownership stake) of such a company.</p> <p>The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclu- sion Policy” in the main body of the Sales Prospectus.</p> <p>The following PAI indicator is considered by virtue of the promoted characteristics:</p> <p>1.3 “GHG intensity of investee companies”</p> <p>The Portfolio Manager selects investments based upon a low scope 1+2 carbon intensity, either abso- lute or relative to a benchmark</p> <p>Information on consideration of PAIs on sustainability factors is also available in the sub-fund’s annual report.</p>
<p><input type="checkbox"/> No</p>
<p><b>What investment strategy does this financial product follow?</b></p>
<p><b><u>ESG Integration:</u></b></p> <p>ESG Integration is driven by taking into account material ESG risks as part of the research process. ESG integra- tion enables the Portfolio Manager to identify financially relevant sustainability factors that impact investment decisions and to incorporate ESG considerations when implementing investment decisions, and allows ESG risks to be systematically monitored and compared to risk appetite and constraints. It also assists in portfolio con- struction through securities selection, investment conviction and portfolio weightings.</p> <ul style="list-style-type: none"> <li>• For corporate issuers, this process utilizes an internal UBS ESG material issues framework which identifies the financially relevant factors per sector that can impact investment decisions. This orientation toward financial materiality ensures that analysts focus on sustainability factors that can impact the financial performance of the company and therefore investment returns. ESG integration can also identify opportunities for engagement to improve the company’s ESG risk profile and thereby mitigate the potential negative impact of ESG issues on the company’s financial performance. The Portfolio Manager employs an internal UBS ESG risk dashboard that com- bines multiple internal and external ESG data sources in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process.</li> <li>• For non-corporate issuers, the Portfolio Manager applies a qualitative or quantitative ESG risk assessment that integrates data on material ESG factors.</li> </ul> <p>The analysis of material sustainability/ESG considerations can include many different aspects, such as the fol- lowing among others: the carbon footprint, health and well-being, human rights, supply chain management, fair customer treatment and governance.</p> <p><b><u>Sustainability Exclusion Policy:</u></b></p> <p>The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.</p>
<ul style="list-style-type: none"> <li>• <b><i>What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics pro- moted by this financial product?</i></b></li> </ul>
<p>The following binding element(s) of the investment strategy are used to select the investments to attain the characteristic(s) promoted by this financial product:</p>

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.



**Asset allocation** describes the share of investments in specific assets.

<p>Characteristic 1):</p> <p>A lower Scope 1 and 2 Weighted Average Carbon Intensity (WACI) than its benchmark or a low absolute carbon profile.</p> <p>Characteristic 2):</p> <p>A sustainability profile that is higher than its benchmark's sustainability profile or a minimum of 51% of assets invested in companies with a sustainability profile in the top half of the benchmark.</p> <p>The calculations do not take account of cash, derivatives and unrated investment instruments.</p> <p>The characteristic(s) and the minimum proportion of investments used to meet the environmental and/or social characteristics promoted by the financial product are calculated at quarter end using the average of all business days' values in the quarter.</p> <p><b><u>Sustainability Exclusion Policy:</u></b></p> <p>The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed "Sustainability Exclusion Policy" in the main body of the Sales Prospectus.</p>	<ul style="list-style-type: none"> <li><b><i>What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?</i></b></li> </ul>
<p>Not applicable.</p>	<ul style="list-style-type: none"> <li><b><i>What is the policy to assess good governance practices of the investee companies?</i></b></li> </ul>
<p>Good corporate governance is a key driver of sustainable performance and is therefore embedded in the Portfolio Manager's investment strategy. The Portfolio Manager employs a proprietary ESG Risk Dashboard that combines multiple ESG data sources from internal and recognized external providers in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process. The assessment of good governance includes consideration of board structure and independence, remuneration alignment, transparency of ownership and control, and financial reporting.</p>	
<p><b>What is the asset allocation planned for this financial product?</b></p> <p>The minimum proportion of the investments used to meet the environmental and/or social characteristics promoted by the financial product is 51%.</p>	
<pre> graph LR     A[Investments] --&gt; B[#1 Aligned with E/S characteristics: 51%]     A --&gt; C[#2 Other]             </pre>	

**Taxonomy-aligned** activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies

- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

-The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

-The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives are not used for the attainment of the characteristics promoted by this financial product. Derivatives are primarily used for hedging and liquidity management purposes.

**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

Not applicable.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>6</sup>?**

☐ Yes:

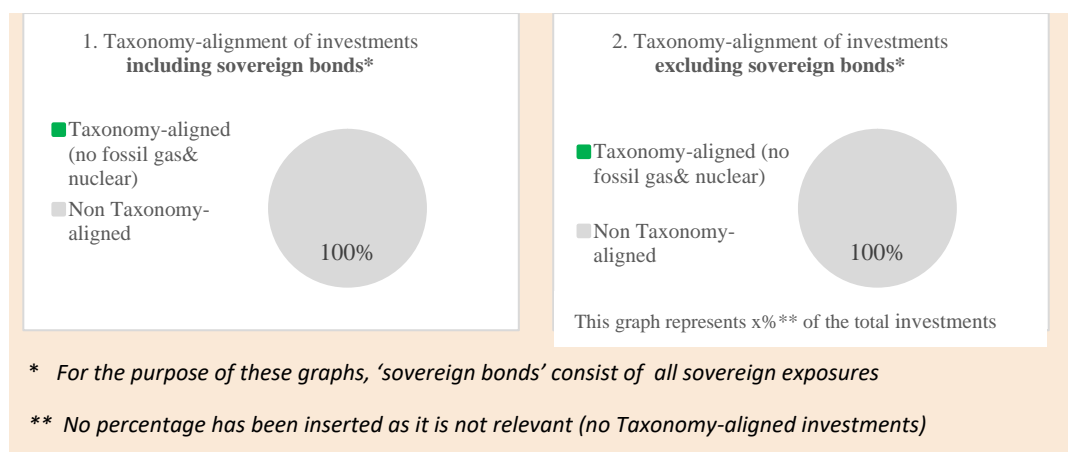
☐ In fossil gas

☐ In nuclear energy

☒ No

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*

<sup>6</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



<div>  are environmentally sustainable investments that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy. </div> <div> </div> <div> </div> <div> </div> <div> </div>	<ul style="list-style-type: none"> <li><b>What is the minimum share of investments in transitional and enabling activities?</b></li> </ul>
	Not applicable.
	<b>What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?</b>
	Not applicable.
	<b>What is the minimum share of socially sustainable investments?</b>
	Not applicable.
	<b>What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?</b>
	Included in “#2 Other” are cash and unrated instruments for the purpose of liquidity and portfolio risk management. Unrated instruments may also include securities for which data needed for the measurement of attainment of environmental or social characteristics is not available.
	<b>Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?</b>
	No ESG reference benchmark has been designated for the purpose of determining whether the financial product is aligned with the characteristics that it promotes.
	<ul style="list-style-type: none"> <li><b>How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?</b></li> </ul>
	Not applicable.
	<ul style="list-style-type: none"> <li><b>How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?</b></li> </ul>

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



Not applicable.
<ul style="list-style-type: none"> <li>• <b><i>How does the designated index differ from a relevant broad market index?</i></b></li> </ul>
Not applicable.
<ul style="list-style-type: none"> <li>• <b><i>Where can the methodology used for the calculation of the designated index be found?</i></b></li> </ul>
Not applicable.
<b>Where can I find more product specific information online?</b> More product-specific information can be found on the website: <a href="http://www.ubs.com/funds">www.ubs.com/funds</a>

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name:**

UBS (Lux) Equity SICAV - Climate Action (USD)

**Legal entity identifier:**

39120061T95NG470SK30

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

☒ ☐ **Yes**

☐ It will make a minimum of **sustainable investments with an environmental objective**: \_\_\_\_ %

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_ %

☒ ☐ **No**

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti - corruption and anti - bribery matters.

## What environmental and/or social characteristics are promoted by this financial product?

The following characteristic is promoted by the financial product:

Invests in at least 90% of its net assets in equities and other equity interests of attractively valued companies of emission-intense industries in developed and emerging markets worldwide that the Portfolio Manager expects will reduce their carbon emissions over time. The Portfolio Manager will engage with these companies on accelerating climate efforts.

The benchmark is a broad market index which does not assess or include constituents according to environmental and/or social characteristics and therefore is not intended to be consistent with the characteristics promoted by the financial product. No ESG reference benchmark has been designated for the purpose of attaining the characteristics promoted by the financial product.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The above characteristic is measured using the following indicators respectively:

Companies need to reduce their individual emissions as measured by carbon intensity at a rate of at least 5% annually, calculated as a portfolio weighted average across a rolling market cycle of 5 years. The year-on-year change in carbon intensity is based on scope 1 and 2 emissions at year end, weighted by the average holding of a company across a calendar year. Active engagement is essential to tracking and supporting the decarbonization efforts of invested companies.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objectives of the sustainable investments that the financial product partially intends to make is to contribute to the environmental and/or social characteristic(s) promoted by the financial product.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

When assessing “do no significant harm” (DNSH), we consider selected principal adverse impact indicators based on availability and appropriateness. These indicators are combined into a signal based on individual thresholds defined per indicator. A fail on a single indicator leads to an investment failing the DNSH criteria.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

Principal adverse impacts (the “PAI”) are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters. UBS integrates PAI indicators in its decision making process.

At present, the following PAI indicators are considered by means of exclusions from the investment universe:

1.4 “Exposure to companies active in the fossil fuel sector”:



- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.

- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal-based power generation are excluded.

1.10 “Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises”:

- Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM’s Stewardship Committee are excluded

1.14 “Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)”:

- UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non- Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the company is involved in development, production, storage, maintenance or transport of controversial weapons, or is a majority shareholder (>50% ownership stake) of such a company.

The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.

The following PAI indicators are additionally part of the DNSH signal:

1.3 “GHG intensity of investee companies”

- The Portfolio Manager selects investments based upon a low scope 1+2 carbon intensity, either absolute or relative to a benchmark

1.7 “Activities negatively affecting bio-diversity-sensitive areas”

1.13 “Board gender diversity”

1.15. “GHG Intensity”

1.16. “Investee countries subject to social violations”

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM’s Stewardship Committee are excluded.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

**Does this financial product consider principal adverse impacts on sustainability factors?**



<input checked="" type="checkbox"/> Yes
<p>Principal adverse impacts (the “PAI”) are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters. UBS integrates PAI indicators in its decision making process.</p> <p>At present, the following PAI indicators are considered by means of exclusions from the investment universe:</p> <p><u>1.4 “Exposure to companies active in the fossil fuel sector”:</u></p> <ul style="list-style-type: none"> <li>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.</li> <li>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal-based power generation are excluded.</li> </ul> <p><u>1.10 “Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises”:</u></p> <ul style="list-style-type: none"> <li>- Companies violating the United Nations Global Compact UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM’s Stewardship Committee are excluded</li> </ul> <p><u>1.14 “Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)”:</u></p> <ul style="list-style-type: none"> <li>- UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non- Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the company is involved in development, production, storage, maintenance or transport of controversial weapons, or is a majority shareholder (&gt;50% ownership stake) of such a company.</li> </ul> <p>The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.</p> <p>When assessing “do no significant harm” (DNSH), we consider selected principal adverse impact indicators based on availability and appropriateness. These indicators are combined into a signal based on individual thresholds defined per indicator. A fail on a single indicator leads to an investment failing the DNSH criteria. The following PAI indicators are additionally part of this signal:</p> <p><u>1.3 “GHG intensity of investee companies”</u></p> <ul style="list-style-type: none"> <li>- The Portfolio Manager selects investments based upon a low scope 1+2 carbon intensity, either absolute or relative to a benchmark</li> </ul> <p><u>1.7 “Activities negatively affecting bio-diversity-sensitive areas”</u></p> <p><u>1.13 “Board gender diversity”</u></p> <p><u>1.15. “GHG Intensity”</u></p> <p><u>1.16. “Investee countries subject to social violations”</u></p> <p>Information on consideration of PAIs on sustainability factors is also available in the sub-fund’s annual report.</p>
<input type="checkbox"/> No
<p><b>What investment strategy does this financial product follow?</b></p>



**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

#### **ESG Integration:**

ESG Integration is driven by taking into account material ESG risks as part of the research process. ESG integration enables the Portfolio Manager to identify financially relevant sustainability factors that impact investment decisions and to incorporate ESG considerations when implementing investment decisions, and allows ESG risks to be systematically monitored and compared to risk appetite and constraints. It also assists in portfolio construction through securities selection, investment conviction and portfolio weightings.

- For corporate issuers, this process utilizes an internal UBS ESG material issues framework which identifies the financially relevant factors per sector that can impact investment decisions. This orientation toward financial materiality ensures that analysts focus on sustainability factors that can impact the financial performance of the company and therefore investment returns. ESG integration can also identify opportunities for engagement to improve the company's ESG risk profile and thereby mitigate the potential negative impact of ESG issues on the company's financial performance. The Portfolio Manager employs an internal UBS ESG risk dashboard that combines multiple internal and external ESG data sources in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process.

- For non-corporate issuers, the Portfolio Manager applies a qualitative or quantitative ESG risk assessment that integrates data on material ESG factors.

The analysis of material sustainability/ESG considerations can include many different aspects, such as the following among others: the carbon footprint, health and well-being, human rights, supply chain management, fair customer treatment and governance.

#### **Fund specific exclusions:**

The sub-fund excludes companies with a sustainability profile that indicates a severe ESG risk.

#### **Sustainability Exclusion Policy:**

The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed "Sustainability Exclusion Policy" in the main body of the Sales Prospectus.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The following binding element(s) of the investment strategy are used to select the investments to attain the characteristic(s) promoted by this financial product:

Invests in at least 90% of its net assets in equities and other equity interests of attractively valued companies of emission-intense industries that the Portfolio Manager expects will reduce their carbon emissions over time.

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

The characteristics(s), the minimum proportion of sustainable investments and the minimum proportion of investments used to meet the environmental and/or social characteristics promoted by the financial product are calculated at quarter end using the average of all of business days' values in the quarter.

#### **Fund specific exclusions:**

The sub-fund excludes companies with a sustainability profile that indicates a severe ESG risk as described above in the section "What investment strategy does this financial product follow?".

#### **Sustainability Exclusion Policy:**

The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

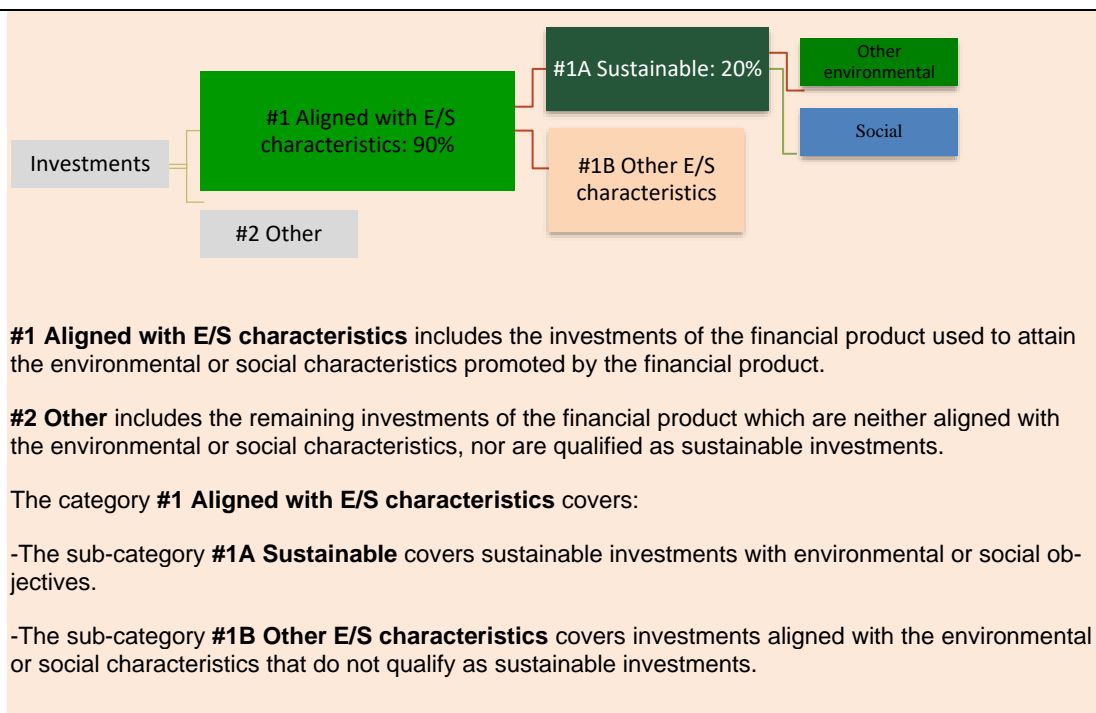
Not applicable.

- ***What is the policy to assess good governance practices of the investee companies?***

Good corporate governance is a key driver of sustainable performance and is therefore embedded in the Portfolio Manager’s investment strategy. The Portfolio Manager employs a proprietary ESG Risk Dashboard that combines multiple ESG data sources from internal and recognized external providers in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process. The assessment of good governance includes consideration of board structure and independence, remuneration alignment, transparency of ownership and control, and financial reporting.

#### **What is the asset allocation planned for this financial product?**

The minimum proportion of the investments used to meet the environmental and/or social characteristics promoted by the financial product is 90%. The minimum proportion of sustainable investments of the financial product is 20%.



**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

**Asset allocation** describes the share of investments in specific assets.

**Taxonomy-aligned** activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



<ul style="list-style-type: none"> <li>● <b>How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?</b></li> </ul>
<p>Derivatives are not used for the attainment of the characteristics promoted by this financial product. Derivatives are primarily used for hedging and liquidity management purposes.</p>
<p><b>To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?</b></p>
<p>It has not been possible to collect data on the environmental objective(s) set out in Article 9 of the Taxonomy Regulation and on how and to what extent the investments underlying the financial product are in economic activities that qualify as environmentally sustainable under Article 3 of the Taxonomy Regulation ("Taxonomy Aligned Investments"). On that basis, the financial product has 0% Taxonomy Aligned Investments.</p>
<ul style="list-style-type: none"> <li>● <b>Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?</b></li> </ul>
<p> <input type="checkbox"/> Yes:              <input type="checkbox"/> In fossil gas      <input type="checkbox"/> In nuclear energy  <input checked="" type="checkbox"/> No       </p>

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*

<sup>7</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

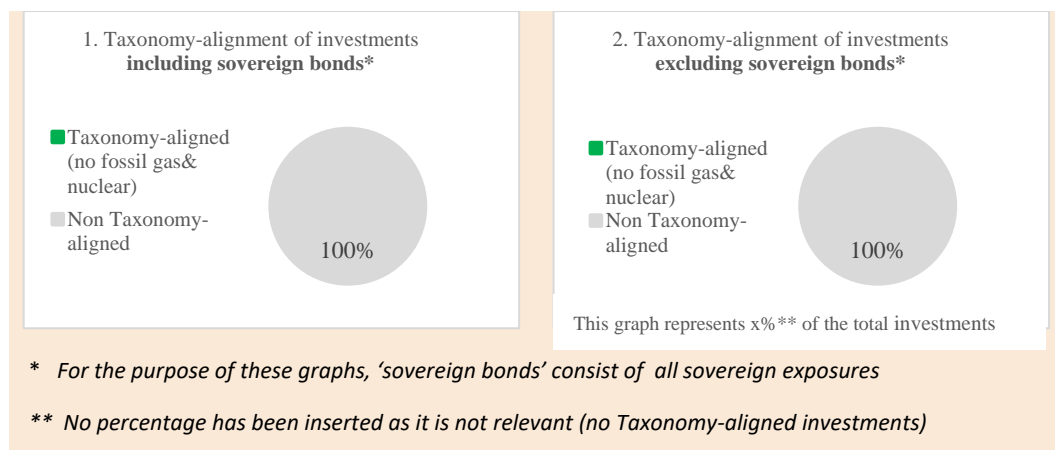
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

 are environmentally sustainable investments **that do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



<ul style="list-style-type: none"> <li><b>What is the minimum share of investments in transitional and enabling activities?</b></li> </ul>
There is no commitment to a minimum proportion of investments in transitional and enabling activities.
<p><b>What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?</b></p>
The sustainable investments made by the financial product will contribute to either environmental or social objectives or both. The financial product does not commit to a predetermined combination of environmental or social objectives, and therefore there is no minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy. Where the financial product does invest in environmentally sustainable investments that are not Taxonomy-aligned, this is due to the absence of necessary data to determine Taxonomy-alignment.
<p><b>What is the minimum share of socially sustainable investments?</b></p>
The sustainable investments made by the financial product will contribute to either environmental or social objectives or both. The financial product does not commit a predetermined combination of environmental or social objectives, and therefore there is no minimum share of socially sustainable investments.
<p><b>What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?</b></p>
Included in “#2 Other” are cash and unrated instruments for the purpose of liquidity and portfolio risk management. Unrated instruments may also include securities for which data needed for the measurement of attainment of environmental or social characteristics is not available.
<p><b>Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?</b></p>
No ESG reference benchmark has been designated for the purpose of determining whether the financial product is aligned with the characteristics that it promotes.



<ul style="list-style-type: none"> <li>• <b><i>How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?</i></b></li> </ul>
Not applicable.
<ul style="list-style-type: none"> <li>• <b><i>How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?</i></b></li> </ul>
Not applicable.
<ul style="list-style-type: none"> <li>• <b><i>How does the designated index differ from a relevant broad market index?</i></b></li> </ul>
Not applicable.
<ul style="list-style-type: none"> <li>• <b><i>Where can the methodology used for the calculation of the designated index be found?</i></b></li> </ul>
Not applicable.
<b>Where can I find more product specific information online?</b> More product-specific information can be found on the website: <a href="http://www.ubs.com/funds">www.ubs.com/funds</a>

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:**

UBS (Lux) Equity SICAV – Diversity Equity and Inclusion (USD)

**Legal entity identifier:**

(Add LEI)

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☐ Yes

☐ It will make a minimum of **sustainable investments with an environmental objective**: \_\_\_\_ %

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_ %

☒ ☐ No

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 30% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**





**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

## What environmental and/or social characteristics are promoted by this financial product?

The following characteristic is promoted by the financial product:

The financial product aims to have minimum 90% of the investments covered by the UBS DEI Score and a sustainability profile that is higher than the weighted average UBS DEI Score of the benchmark, after reducing the universe by at least 20%, whereby issuers with the lowest UBS DEI score are excluded.

The benchmark is a broad market index which does not assess or include constituents according to environmental and/or social characteristics and therefore is not intended to be consistent with the characteristics promoted by the financial product. No ESG reference benchmark has been designated for the purpose of attaining the characteristics promoted by the financial product.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The characteristic is measured using the following indicators respectively:

UBS DEI Score is a normalized weighted average of DEI score data from several internal and recognized external providers. Rather than relying on limited number of social factors from a single provider, this approach increases conviction in the validity of the social characteristics.

UBS DEI Score assesses social factors, such as the performance of the relevant issuers/companies in terms of Diversity, Equity and Inclusion (DEI) aspects. These DEI aspects relate to the main areas in which the issuers/companies operate and their effectiveness in managing DEI risks and opportunities. These social factors can include (amongst other but are not limited to) the following: employment standards and labour rights, human capital, diversity within the board of directors, percentage of women in directors and executive management, etc.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objectives of the sustainable investments that the financial product partially intends to make is to contribute to the environmental and/or social characteristic(s) promoted by the financial product.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

When assessing "do no significant harm" (DNSH), we consider selected principal adverse impact indicators based on availability and appropriateness. These indicators are combined into a signal based on individual thresholds defined per indicator. A fail on a single indicator leads to an investment failing the DNSH criteria.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

Principal adverse impacts (the "PAI") are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters. UBS integrates PAI indicators in its decision making process.

At present, the following PAI indicators are considered by means of exclusions from the investment universe:

**1.4 "Exposure to companies active in the fossil fuel sector":**

- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.
- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal-based power generation are excluded.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti - corruption and anti - bribery matters.

	<p><u>1.10 “Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises”:</u></p> <p>- Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM’s Stewardship Committee are excluded</p> <p><u>1.14 “Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)”:</u></p> <p>- UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non- Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the company is involved in development, production, storage, maintenance or transport of controversial weapons, or is a majority shareholder (&gt;50% ownership stake) of such a company.</p> <p>The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.</p> <p>The following PAI indicators are additionally part of the DNSH signal:</p> <p><u>1.3 “GHG intensity of investee companies”</u></p> <p>- The Portfolio Manager selects investments based upon a low scope 1+2 carbon intensity, either absolute or relative to a benchmark</p> <p><u>1.7 “Activities negatively affecting bio-diversity-sensitive areas”</u></p> <p><u>1.13 “Board gender diversity”</u></p> <p><u>1.15. “GHG Intensity”</u></p> <p><u>1.16. “Investee countries subject to social violations”</u></p>
	<p><i>How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?</i></p>
	<p>Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM’s Stewardship Committee are excluded.</p>

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*


*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Does this financial product consider principal adverse impacts on sustainability factors?**

☒ Yes

Principal adverse impacts (the “PAI”) are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters. UBS integrates PAI indicators in its decision-making process.

	<p>At present, the following PAI indicators are considered by means of exclusions from the investment universe:</p> <p>1.4 “Exposure to companies active in the fossil fuel sector”:</p> <ul style="list-style-type: none"> <li>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.</li> <li>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal-based power generation are excluded.</li> </ul> <p>1.10 “Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises”:</p> <ul style="list-style-type: none"> <li>- Companies violating the United Nations Global Compact UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM’s Stewardship Committee are excluded</li> </ul> <p>1.14 “Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)”:</p> <ul style="list-style-type: none"> <li>- UBS-AM does not invest in companies involved in cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non- Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the company is involved in development, production, storage, maintenance, or transport of controversial weapons, or is a majority shareholder (&gt;50% ownership stake) of such a company.</li> </ul> <p>The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.</p> <p>When assessing “do no significant harm” (DNSH), we consider selected principal adverse impact indicators based on availability and appropriateness. These indicators are combined into a signal based on individual thresholds defined per indicator. A fail on a single indicator leads to an investment failing the DNSH criteria. The following PAI indicators are additionally part of this signal:</p> <p><u>1.3 “GHG intensity of investee companies”</u></p> <ul style="list-style-type: none"> <li>- The Portfolio Manager selects investments based upon a low scope 1+2 carbon intensity, either absolute or relative to a benchmark</li> </ul> <p>1.7 “Activities negatively affecting bio-diversity-sensitive areas”</p> <p>1.13 “Board gender diversity”</p> <p>1.15. “GHG Intensity”</p> <p>1.16. “Investee countries subject to social violations”</p> <p>Information on consideration of PAIs on sustainability factors is also available in the sub-fund’s annual report.</p>
	<input type="checkbox"/> No
 <p><b>The investment strategy</b> guides investment decisions based on factors such as investment objectives and risk tolerance.</p>	<p><b>What investment strategy does this financial product follow?</b></p> <p><u><b>ESG Integration:</b></u></p> <p>ESG Integration is driven by taking into account material ESG risks as part of the research process. ESG integration enables the Portfolio Manager to identify financially relevant sustainability factors that impact investment decisions and to incorporate ESG considerations when implementing investment decisions, and allows ESG risks to be systematically monitored and compared to risk appetite and constraints. It also assists in portfolio construction through securities selection, investment conviction and portfolio weightings.</p>

	<ul style="list-style-type: none"> <li>• For corporate issuers, this process utilizes an internal UBS ESG material issues framework which identifies the financially relevant factors per sector that can impact investment decisions. This orientation toward financial materiality ensures that analysts focus on sustainability factors that can impact the financial performance of the company and therefore investment returns. ESG integration can also identify opportunities for engagement to improve the company's ESG risk profile and thereby mitigate the potential negative impact of ESG issues on the company's financial performance. The Portfolio Manager employs an internal UBS ESG risk dashboard that combines multiple internal and external ESG data sources in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process.</li> <li>• For non-corporate issuers, the Portfolio Manager applies a qualitative or quantitative ESG risk assessment that integrates data on material ESG factors.</li> </ul> <p>The analysis of material sustainability/ESG considerations can include many different aspects, such as the following among others: the carbon footprint, health and well-being, human rights, supply chain management, fair customer treatment and governance.</p> <p><b><u>Fund specific exclusions:</u></b></p> <p>The sub-fund excludes companies with a sustainability profile that indicates a high or severe ESG risk.</p> <p><b><u>Sustainability Exclusion Policy:</u></b></p> <p>The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed "Sustainability Exclusion Policy" in the main body of the Sales Prospectus.</p>
	<ul style="list-style-type: none"> <li>• <b><i>What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?</i></b></li> </ul>
	<p>The following binding element(s) of the investment strategy are used to select the investments to attain the characteristic(s) promoted by this financial product:</p> <p>Minimum 90% of the investments covered by the UBS DEI Score.</p> <p>A sustainability profile that is higher than the weighted average UBS DEI Score of the benchmark, after reducing the universe by at least 20% whereby issuers with the lowest UBS DEI score are excluded.</p> <p>The calculations do not take account of cash, derivatives and unrated investment instruments.</p> <p>The characteristic(s), the minimum proportion of sustainable investments and the minimum proportion of investments used to meet the environmental and/or social characteristics promoted by the financial product are calculated at quarter end using the average of all of business days' values in the quarter.</p> <p><b><u>Fund specific exclusions:</u></b></p> <p>The sub-fund excludes companies with a sustainability profile that indicates a high or severe ESG risk.</p> <p><b><u>Sustainability Exclusion Policy:</u></b></p> <p>The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed "Sustainability Exclusion Policy" in the main body of the Sales Prospectus.</p>
	<ul style="list-style-type: none"> <li>• <b><i>What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?</i></b></li> </ul>
	<p>The investment universe is reduced by at least 20% whereby issuers with the lowest UBS DEI score are excluded.</p>
	<ul style="list-style-type: none"> <li>• <b><i>What is the policy to assess good governance practices of the investee companies?</i></b></li> </ul>

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

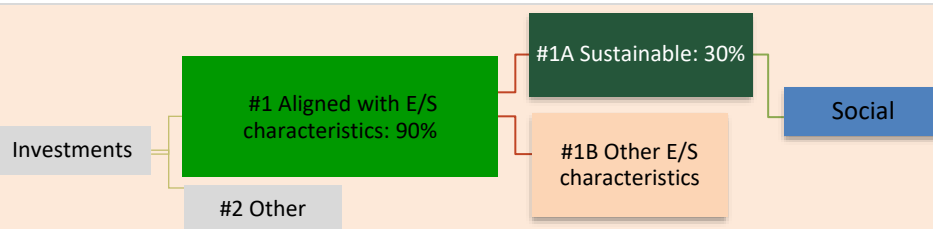
Good corporate governance is a key driver of sustainable performance and is therefore embedded in the Portfolio Manager's investment strategy. The Portfolio Manager employs a proprietary ESG Risk Dashboard that combines multiple ESG data sources from internal and recognized external providers in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process. The assessment of good governance includes consideration of board structure and independence, remuneration alignment, transparency of ownership and control, and financial reporting.



**Asset allocation** describes the share of investments in specific assets.

### What is the asset allocation planned for this financial product?

The minimum proportion of the investments used to meet the environmental and/or social characteristics promoted by the financial product is 90%. The minimum proportion of sustainable investments of the financial product is 30%.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

-The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

-The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

**Taxonomy-aligned activities** are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used for the attainment of the characteristics promoted by this financial product. Derivatives are primarily used for hedging and liquidity management purposes.

### To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

It has not been possible to collect data on the environmental objective(s) set out in Article 9 of the Taxonomy Regulation and on how and to what extent the investments underlying the financial product are in economic activities that qualify as environmentally sustainable under Article 3 of the Taxonomy Regulation ("Taxonomy Aligned Investments"). On that basis, the financial product has 0% Taxonomy Aligned Investments.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>8</sup>?**

☐ Yes:

☐ In fossil gas

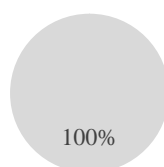
☐ In nuclear energy

☒ No

**The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**

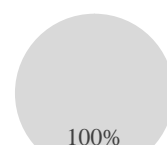
1. Taxonomy-alignment of investments including sovereign bonds\*

■ Taxonomy-aligned (no fossil gas & nuclear)  
■ Non Taxonomy-aligned



2. Taxonomy-alignment of investments excluding sovereign bonds\*

■ Taxonomy-aligned (no fossil gas & nuclear)  
■ Non Taxonomy-aligned



This graph represents x%\*\* of the total investments

\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

\*\* No percentage has been inserted as it is not relevant (no Taxonomy-aligned investments)

- **What is the minimum share of investments in transitional and enabling activities?**

There is no commitment to a minimum proportion of investments in transitional and enabling activities.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The financial product does not commit to a minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



**What is the minimum share of socially sustainable investments?**



The financial product targets a minimum share of 30% of sustainable investments with a social objective.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

<sup>8</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

	Included in “#2 Other” are cash and unrated instruments for the purpose of liquidity and portfolio risk management. Unrated instruments may also include securities for which data needed for the measurement of attainment of environmental or social characteristics is not available.
	<p><b>Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?</b></p> <p>No ESG reference benchmark has been designated for the purpose of determining whether the financial product is aligned with the characteristics that it promotes.</p>
	<ul style="list-style-type: none"> <li><b><i>How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?</i></b></li> </ul>
	Not applicable.
	<ul style="list-style-type: none"> <li><b><i>How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?</i></b></li> </ul>
	Not applicable.
	<ul style="list-style-type: none"> <li><b><i>How does the designated index differ from a relevant broad market index?</i></b></li> </ul>
	Not applicable.
	<ul style="list-style-type: none"> <li><b><i>Where can the methodology used for the calculation of the designated index be found?</i></b></li> </ul>
	Not applicable.
	<p><b>Where can I find more product specific information online?</b></p> <p>More product-specific information can be found on the website: <a href="http://www.ubs.com/funds">www.ubs.com/funds</a></p>

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name:**

UBS (Lux) Equity SICAV - Engage for Impact (USD)

**Legal entity identifier:**

549300ZSXZYFYENYQ609

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

# Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

☒ ☐ **Yes**

☐ It will make a minimum of **sustainable investments with an environmental objective**: \_\_\_\_ %

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_ %

☒ ☐ **No**

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 40% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**





**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

What environmental and/or social characteristics are promoted by this financial product?
<p>The following characteristic is promoted by the financial product:</p> <p>A 90% overlap to the proprietary impact Universe of companies which are aligned with the United Nations Sustainable Investment Goals. The product aims to provide capital appreciation and a positive environmental and/or social impact by investing in and engaging with attractively valued companies that offer products or services that are aligned to specific UN SDGs and present the potential for further impact by active engagement.</p> <p>The benchmark is a broad market index which does not assess or include constituents according to environmental and/or social characteristics and therefore is not intended to be consistent with the characteristics promoted by the financial product. No ESG reference benchmark has been designated for the purpose of attaining the characteristics promoted by the financial product.</p>
<ul style="list-style-type: none"> <li><b><i>What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?</i></b></li> </ul>
<p>The above characteristic is measured using the following indicators respectively:</p> <p>The proprietary impact universe is comprised of individual companies' that have been identified as having e.g. revenue alignment with specific impact categories, such as, but not limited to, climate, health, water, food and empowerment that are aligned with the United Nations Sustainable Development Goals (UN SDGs). The Portfolio Manager may also include companies whose impact potential, indicated by metrics such as research and development (R&amp;D) spend are aligned with the impact categories described above.</p> <p>The Portfolio Manager uses the UN SDGs to guide and frame engagement activities with invested companies.</p>
<ul style="list-style-type: none"> <li><b><i>What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?</i></b></li> </ul>
<p>The objectives of the sustainable investments that the financial product partially intends to make is to contribute to the environmental and/or social characteristic(s) promoted by the financial product.</p>
<ul style="list-style-type: none"> <li><b><i>How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?</i></b></li> </ul>
<p>When assessing "do no significant harm" (DNSH), we consider selected principal adverse impact indicators based on availability and appropriateness. These indicators are combined into a signal based on individual thresholds defined per indicator. A fail on a single indicator leads to an investment failing the DNSH criteria.</p>
<p><b><i>How have the indicators for adverse impacts on sustainability factors been taken into account?</i></b></p>
<p>Principal adverse impacts (the "PAI") are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters. UBS integrates PAI indicators in its decision making process.</p> <p>At present, the following PAI indicators are considered by means of exclusions from the investment universe:</p>

1.4 “Exposure to companies active in the fossil fuel sector”:

- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.
- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal-based power generation are excluded.

1.10 “Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises”:

- Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM’s Stewardship Committee are excluded

1.14 “Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)”:

- UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non-Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the company is involved in development, production, storage, maintenance or transport of controversial weapons, or is a majority shareholder (>50% ownership stake) of such a company.

The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.

The following PAI indicators are additionally part of the DNSH signal:

1.3 “GHG intensity of investee companies”

- The Portfolio Manager selects investments based upon a low scope 1+2 carbon intensity, either absolute or relative to a benchmark

1.7 “Activities negatively affecting bio-diversity-sensitive areas”

1.13 “Board gender diversity”

1.15. “GHG Intensity”

1.16. “Investee countries subject to social violations”

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM’s Stewardship Committee are excluded.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

**Does this financial product consider principal adverse impacts on sustainability factors?**



☒ Yes

Principal adverse impacts (the “PAI”) are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters. UBS integrates PAI indicators in its decision making process.

At present, the following PAI indicators are considered by means of exclusions from the investment universe:

**1.4 “Exposure to companies active in the fossil fuel sector”:**

- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.
- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal-based power generation are excluded.

**1.10 “Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises”:**

- Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM’s Stewardship Committee are excluded

**1.14 “Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)”:**

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The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.

When assessing “do no significant harm” (DNSH), we consider selected principal adverse impact indicators based on availability and appropriateness. These indicators are combined into a signal based on individual thresholds defined per indicator. A fail on a single indicator leads to an investment failing the DNSH criteria. The following PAI indicators are additionally part of this signal:

**1.3 “GHG intensity of investee companies”**

- The Portfolio Manager selects investments based upon a low scope 1+2 carbon intensity, either absolute or relative to a benchmark

**1.7 “Activities negatively affecting bio-diversity-sensitive areas”**

**1.13 “Board gender diversity”**

**1.15. “GHG Intensity”**

**1.16. “Investee countries subject to social violations”**

Information on consideration of PAIs on sustainability factors is also available in the sub-fund’s annual report.

☐

No

**What investment strategy does this financial product follow?**

**ESG Integration:**

ESG Integration is driven by taking into account material ESG risks as part of the research process. ESG integration enables the Portfolio Manager to identify financially relevant sustainability factors that impact investment



**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

decisions and to incorporate ESG considerations when implementing investment decisions, and allows ESG risks to be systematically monitored and compared to risk appetite and constraints. It also assists in portfolio construction through securities selection, investment conviction and portfolio weightings.

- For corporate issuers, this process utilizes an internal UBS ESG material issues framework which identifies the financially relevant factors per sector that can impact investment decisions. This orientation toward financial materiality ensures that analysts focus on sustainability factors that can impact the financial performance of the company and therefore investment returns. ESG integration can also identify opportunities for engagement to improve the company's ESG risk profile and thereby mitigate the potential negative impact of ESG issues on the company's financial performance. The Portfolio Manager employs an internal UBS ESG risk dashboard that combines multiple internal and external ESG data sources in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process.

- For non-corporate issuers, the Portfolio Manager applies a qualitative or quantitative ESG risk assessment that integrates data on material ESG factors.

The analysis of material sustainability/ESG considerations can include many different aspects, such as the following among others: the carbon footprint, health and well-being, human rights, supply chain management, fair customer treatment and governance.

**Fund specific exclusions:**

The sub-fund excludes companies with a sustainability profile that indicates a severe ESG risk.

**Sustainability Exclusion Policy:**

The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed "Sustainability Exclusion Policy" in the main body of the Sales Prospectus.

• ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The following binding element(s) of the investment strategy are used to select the investments to attain the characteristic(s) promoted by this financial product:

A 90% overlap to the proprietary impact universe of companies.

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

The characteristics(s), the minimum proportion of sustainable investments and the minimum proportion of investments used to meet the environmental and/or social characteristics promoted by the financial product are calculated at quarter end using the average of all of business days' values in the quarter.

**Fund specific exclusions:**

The sub-fund excludes companies with a sustainability profile that indicates a severe ESG risk as described above in the section "What investment strategy does this financial product follow?".

**Sustainability Exclusion Policy:**

The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed "Sustainability Exclusion Policy" in the main body of the sales prospectus.

• ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

**Asset allocation** describes the share of investments in specific assets.

**Taxonomy-aligned** activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies

- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



Not applicable.
<ul style="list-style-type: none"> <li><b>What is the policy to assess good governance practices of the investee companies?</b></li> </ul>
<p>Good corporate governance is a key driver of sustainable performance and is therefore embedded in the Portfolio Manager's investment strategy. The Portfolio Manager employs a proprietary ESG Risk Dashboard that combines multiple ESG data sources from internal and recognized external providers in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process. The assessment of good governance includes consideration of board structure and independence, remuneration alignment, transparency of ownership and control, and financial reporting.</p>
<b>What is the asset allocation planned for this financial product?</b>
<p>The minimum proportion of the investments used to meet the environmental and/or social characteristics promoted by the financial product is 90%. The minimum proportion of sustainable investments of the financial product is 40%.</p>
<pre> graph LR     Investments --&gt; N1["#1 Aligned with E/S characteristics: 90%"]     Investments --&gt; N2["#2 Other"]     N1 --&gt; N1A["#1A Sustainable: 40%"]     N1 --&gt; N1B["#1B Other E/S characteristics"]     N1A --&gt; N1A1["Other environmental"]     N1A --&gt; N1A2["Social"]     </pre> <p><b>#1 Aligned with E/S characteristics</b> includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.</p> <p><b>#2 Other</b> includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.</p> <p>The category <b>#1 Aligned with E/S characteristics</b> covers:</p> <p>-The sub-category <b>#1A Sustainable</b> covers sustainable investments with environmental or social objectives.</p> <p>-The sub-category <b>#1B Other E/S characteristics</b> covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.</p>
<ul style="list-style-type: none"> <li><b>How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?</b></li> </ul>
<p>Derivatives are not used for the attainment of the characteristics promoted by this financial product. Derivatives are primarily used for hedging and liquidity management purposes.</p>



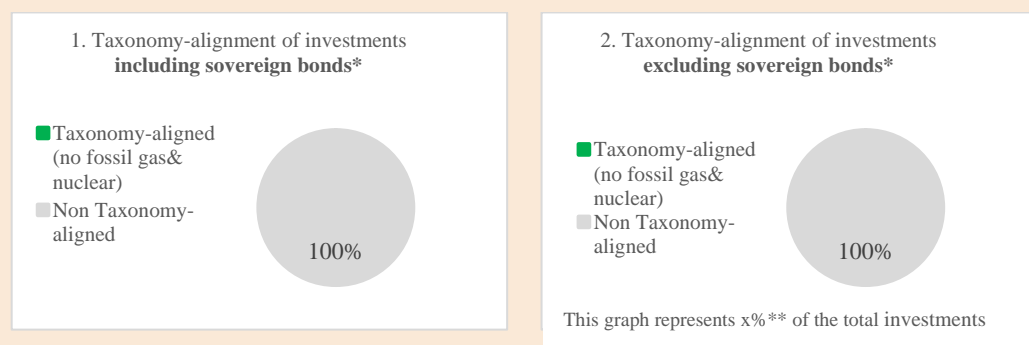
**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

It has not been possible to collect data on the environmental objective(s) set out in Article 9 of the Taxonomy Regulation and on how and to what extent the investments underlying the financial product are in economic activities that qualify as environmentally sustainable under Article 3 of the Taxonomy Regulation ("Taxonomy Aligned Investments"). On that basis, the financial product has 0% Taxonomy Aligned Investments.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>9</sup>?**

- ☐ Yes:  
☐ In fossil gas      ☐ In nuclear energy  
☒ No

**The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**



<sup>9</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

 are environmentally sustainable investments **that do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

\*\* No percentage has been inserted as it is not relevant (no Taxonomy-aligned investments)

<ul style="list-style-type: none"> <li><b>What is the minimum share of investments in transitional and enabling activities?</b></li> </ul>	There is no commitment to a minimum proportion of investments in transitional and enabling activities.
<b>What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?</b>	<p>The sustainable investments made by the financial product will contribute to either environmental or social objectives or both. The financial product does not commit to a predetermined combination of environmental or social objectives, and therefore there is no minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy. Where the financial product does invest in environmentally sustainable investments that are not Taxonomy-aligned, this is due to the absence of necessary data to determine Taxonomy-alignment.</p>
<b>What is the minimum share of socially sustainable investments?</b>	<p>The sustainable investments made by the financial product will contribute to either environmental or social objectives or both. The financial product does not commit a predetermined combination of environmental or social objectives, and therefore there is no minimum share of socially sustainable investments.</p>
<b>What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?</b>	<p>Included in “#2 Other” are cash and unrated instruments for the purpose of liquidity and portfolio risk management. Unrated instruments may also include securities for which data needed for the measurement of attainment of environmental or social characteristics is not available.</p>
<b>Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?</b>	<p>No ESG reference benchmark has been designated for the purpose of determining whether the financial product is aligned with the characteristics that it promotes.</p>
<ul style="list-style-type: none"> <li><b>How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?</b></li> </ul>	Not applicable.
<ul style="list-style-type: none"> <li><b>How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?</b></li> </ul>	Not applicable.



<ul style="list-style-type: none"><li>• <b><i>How does the designated index differ from a relevant broad market index?</i></b></li></ul>
Not applicable.
<ul style="list-style-type: none"><li>• <b><i>Where can the methodology used for the calculation of the designated index be found?</i></b></li></ul>
Not applicable.
<b>Where can I find more product specific information online?</b> More product-specific information can be found on the website: <a href="http://www.ubs.com/funds">www.ubs.com/funds</a>



**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name:**

UBS (Lux) Equity SICAV - Euro Countries Income Sustainable (EUR)

**Legal entity identifier:**

5493001A568JOJRRRV62

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

☒ ☐ **Yes**

☐ It will make a minimum of **sustainable investments with an environmental objective**: \_\_\_\_ %

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_ %

☒ ☐ **No**

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 50% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti - corruption and anti - bribery matters.

What environmental and/or social characteristics are promoted by this financial product?	
<p>The following characteristics are promoted by the financial product:</p> <ol style="list-style-type: none"> <li>1) A sustainability profile that is higher than its benchmark's sustainability profile.</li> <li>2) A lower Weighted Average Carbon Intensity (WACI) than the reference benchmark.</li> </ol> <p>The benchmark is a broad market index which does not assess or include constituents according to environmental and/or social characteristics and therefore is not intended to be consistent with the characteristics promoted by the financial product. No ESG reference benchmark has been designated for the purpose of attaining the characteristics promoted by the financial product.</p>	
<ul style="list-style-type: none"> <li>• <b><i>What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?</i></b></li> </ul>	
<p>The above characteristics are measured using the following indicators respectively:</p> <p>Characteristic 1):</p> <p>The sustainability profile is measured using the weighted average ESG score. The ESG score is used to identify companies for the investment universe with strong environmental and social performance characteristics, or a strong sustainability profile. The ESG score assesses sustainability factors, such as the performance of the relevant companies with reference to environmental, social and governance (ESG) aspects. These ESG aspects relate to the main areas in which the companies operate and their effectiveness in managing ESG risks. Environmental and social factors can include the following elements: Environmental risk management, climate change, natural resource usage, pollution and waste management, human capital and corporate governance.</p> <p>The individual investments in the sub-fund have a ESG score (on a scale of 0-10, with 10 having the best sustainability profile).</p> <p>Characteristic 2):</p> <p>Scope 1 and 2 Weighted Average Carbon Intensity (WACI):</p> <ul style="list-style-type: none"> <li>- Scope 1 refers to direct carbon emissions and therefore includes all direct greenhouse gas emissions from owned or controlled sources of the relevant entity or issuer.</li> <li>- Scope 2 refers to indirect carbon emissions and therefore includes greenhouse gas emissions from the generation of electricity, thermal energy and/or steam that is consumed by the relevant entity or issuer.</li> </ul>	
<ul style="list-style-type: none"> <li>• <b><i>What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?</i></b></li> </ul>	
<p>The objectives of the sustainable investments that the financial product partially intends to make is to contribute to the environmental and/or social characteristic(s) promoted by the financial product.</p>	
<ul style="list-style-type: none"> <li>• <b><i>How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?</i></b></li> </ul>	
<p>When assessing "do no significant harm" (DNSH), we consider selected principal adverse impact indicators based on availability and appropriateness. These indicators are combined into a signal based</p>	

on individual thresholds defined per indicator. A fail on a single indicator leads to an investment failing the DNSH criteria.
<i>How have the indicators for adverse impacts on sustainability factors been taken into account?</i>
<p>Principal adverse impacts (the “PAI”) are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters. UBS integrates PAI indicators in its decision making process.</p> <p>At present, the following PAI indicators are considered by means of exclusions from the investment universe:</p> <p><u>1.4 “Exposure to companies active in the fossil fuel sector”:</u></p> <ul style="list-style-type: none"> <li>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.</li> <li>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal-based power generation are excluded.</li> </ul> <p><u>1.10 “Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises”:</u></p> <ul style="list-style-type: none"> <li>- Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM’s Stewardship Committee are excluded</li> </ul> <p><u>1.14 “Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)”:</u></p> <ul style="list-style-type: none"> <li>- UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non- Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the company is involved in development, production, storage, maintenance or transport of controversial weapons, or is a majority shareholder (&gt;50% ownership stake) of such a company.</li> </ul> <p>The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.</p> <p>The following PAI indicator is considered by virtue of the promoted characteristics:</p> <p><u>1.3 “GHG intensity of investee companies”</u></p> <ul style="list-style-type: none"> <li>- The Portfolio Manager selects investments based upon a low scope 1+2 carbon intensity, either absolute or relative to a benchmark</li> </ul> <p>The following PAI indicators are additionally part of the DNSH signal:</p> <p><u>1.7 “Activities negatively affecting bio-diversity-sensitive areas”</u></p> <p><u>1.13 “Board gender diversity”</u></p> <p><u>1.15. “GHG Intensity”</u></p> <p><u>1.16. “Investee countries subject to social violations”</u></p>
<i>How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?</i>

Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM's Stewardship Committee are excluded.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



#### **Does this financial product consider principal adverse impacts on sustainability factors?**

☒ Yes

Principal adverse impacts (the “PAI”) are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters. UBS integrates PAI indicators in its decision making process.

At present, the following PAI indicators are considered by means of exclusions from the investment universe:

##### 1.4 “Exposure to companies active in the fossil fuel sector”:

- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.
- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal-based power generation are excluded.

##### 1.10 “Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises”:

- Companies violating the United Nations Global Compact UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM's Stewardship Committee are excluded

##### 1.14 “Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)”:

- UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non- Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the company is involved in development, production, storage, maintenance or transport of controversial weapons, or is a majority shareholder (>50% ownership stake) of such a company.

The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.

The following PAI indicator is considered by virtue of the promoted characteristics:

##### 1.3 “GHG intensity of investee companies”



**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

- The Portfolio Manager selects investments based upon a low scope 1+2 carbon intensity, either absolute or relative to a benchmark

When assessing “do no significant harm” (DNSH), we consider selected principal adverse impact indicators based on availability and appropriateness. These indicators are combined into a signal based on individual thresholds defined per indicator. A fail on a single indicator leads to an investment failing the DNSH criteria. The following PAI indicators are additionally part of this signal:

1.7 “Activities negatively affecting bio-diversity-sensitive areas”

1.13 “Board gender diversity”

1.15. “GHG Intensity”

1.16. “Investee countries subject to social violations”

Information on consideration of PAIs on sustainability factors is also available in the sub-fund’s annual report.

☐

No

## What investment strategy does this financial product follow?

### ESG Integration:

ESG Integration is driven by taking into account material ESG risks as part of the research process. ESG integration enables the Portfolio Manager to identify financially relevant sustainability factors that impact investment decisions and to incorporate ESG considerations when implementing investment decisions, and allows ESG risks to be systematically monitored and compared to risk appetite and constraints. It also assists in portfolio construction through securities selection, investment conviction and portfolio weightings.

- For corporate issuers, this process utilizes an internal UBS ESG material issues framework which identifies the financially relevant factors per sector that can impact investment decisions. This orientation toward financial materiality ensures that analysts focus on sustainability factors that can impact the financial performance of the company and therefore investment returns. ESG integration can also identify opportunities for engagement to improve the company’s ESG risk profile and thereby mitigate the potential negative impact of ESG issues on the company’s financial performance. The Portfolio Manager employs an internal UBS ESG risk dashboard that combines multiple internal and external ESG data sources in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process.

- For non-corporate issuers, the Portfolio Manager applies a qualitative or quantitative ESG risk assessment that integrates data on material ESG factors.

The analysis of material sustainability/ESG considerations can include many different aspects, such as the following among others: the carbon footprint, health and well-being, human rights, supply chain management, fair customer treatment and governance.

### Fund specific exclusions:

The sub-fund excludes companies with a sustainability profile that indicates a high or severe ESG risk.

### Sustainability Exclusion Policy:

The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The following binding element(s) of the investment strategy are used to select the investments to attain the characteristic(s) promoted by this financial product:

Characteristic 1):

A sustainability profile that is higher than its benchmark's sustainability profile.

Characteristic 2):

A lower Scope 1 and 2 Weighted Average Carbon Intensity (WACI) than its benchmark.

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

The characteristic(s), the minimum proportion of sustainable investments and the minimum proportion of investments used to meet the environmental and/or social characteristics promoted by the financial product are calculated at quarter end using the average of all business days' values in the quarter.

**Fund specific exclusions:**

The sub-fund excludes companies with a sustainability profile that indicates a high or severe ESG risk as described above in the section "What investment strategy does this financial product follow?".

**Sustainability Exclusion Policy:**

The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed "Sustainability Exclusion Policy" in the main body of the sales prospectus.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

Not applicable.

- ***What is the policy to assess good governance practices of the investee companies?***

Good corporate governance is a key driver of sustainable performance and is therefore embedded in the Portfolio Manager's investment strategy. The Portfolio Manager employs a proprietary ESG Risk Dashboard that combines multiple ESG data sources from internal and recognized external providers in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process. The assessment of good governance includes consideration of board structure and independence, remuneration alignment, transparency of ownership and control, and financial reporting.

**What is the asset allocation planned for this financial product?**

The minimum proportion of the investments used to meet the environmental and/or social characteristics promoted by the financial product is 67%. The minimum proportion of sustainable investments of the financial product is 50%.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

**Asset allocation** describes the share of investments in specific assets.



**Taxonomy-aligned** activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

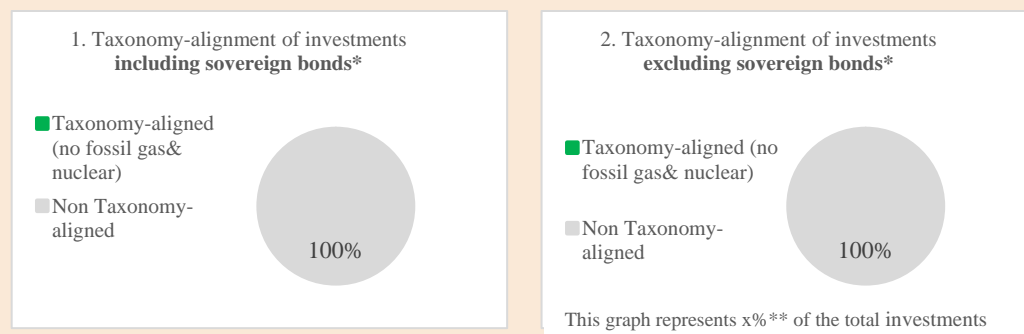
**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



<div data-bbox="438 208 1377 439"> </div> <p><b>#1 Aligned with E/S characteristics</b> includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.</p> <p><b>#2 Other</b> includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.</p> <p>The category <b>#1 Aligned with E/S characteristics</b> covers:</p> <ul style="list-style-type: none"> <li>-The sub-category <b>#1A Sustainable</b> covers sustainable investments with environmental or social objectives.</li> <li>-The sub-category <b>#1B Other E/S characteristics</b> covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.</li> </ul>
<ul style="list-style-type: none"> <li>• <b>How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?</b></li> </ul>
<p>Derivatives are not used for the attainment of the characteristics promoted by this financial product.</p>
<p><b>To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?</b></p>
<p>It has not been possible to collect data on the environmental objective(s) set out in Article 9 of the Taxonomy Regulation and on how and to what extent the investments underlying the financial product are in economic activities that qualify as environmentally sustainable under Article 3 of the Taxonomy Regulation ("Taxonomy Aligned Investments"). On that basis, the financial product has 0% Taxonomy Aligned Investments.</p>
<ul style="list-style-type: none"> <li>• <b>Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>10</sup>?</b></li> </ul>
<div data-bbox="657 1673 1147 1798"> <input type="checkbox"/> Yes:         <div data-bbox="705 1706 1147 1738"> <input type="checkbox"/> In fossil gas    <input type="checkbox"/> In nuclear energy         </div> <input checked="" type="checkbox"/> No       </div>

<sup>10</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

\*\* No percentage has been inserted as it is not relevant (no Taxonomy-aligned investments)

• **What is the minimum share of investments in transitional and enabling activities?**

There is no commitment to a minimum proportion of investments in transitional and enabling activities.

**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The sustainable investments made by the financial product will contribute to either environmental or social objectives or both. The financial product does not commit to a predetermined combination of environmental or social objectives, and therefore there is no minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy. Where the financial product does invest in environmentally sustainable investments that are not Taxonomy-aligned, this is due to the absence of necessary data to determine Taxonomy-alignment.

**What is the minimum share of socially sustainable investments?**

The sustainable investments made by the financial product will contribute to either environmental or social objectives or both. The financial product does not commit a predetermined combination of environmental or social objectives, and therefore there is no minimum share of socially sustainable investments.

**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Included in “#2 Other” are cash and unrated instruments for the purpose of liquidity and portfolio risk management. Unrated instruments may also include securities for which data needed for the measurement of attainment of environmental or social characteristics is not available.



are environmentally sustainable investments that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.





**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

No ESG reference benchmark has been designated for the purpose of determining whether the financial product is aligned with the characteristics that it promotes.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

Not applicable.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Not applicable.

- ***How does the designated index differ from a relevant broad market index?***

Not applicable.

- ***Where can the methodology used for the calculation of the designated index be found?***

**Where can I find more product specific information online?**

More product-specific information can be found on the website: [www.ubs.com/funds](http://www.ubs.com/funds)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name:**

UBS (Lux) Equity SICAV - European High Dividend Sustainable (EUR)

**Legal entity identifier:**

549300Z413WVPVLU3014

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Environmental and/or social characteristics**

**Does this financial product have a sustainable investment objective?**

☒ ☐ **Yes**

☐ It will make a minimum of **sustainable investments with an environmental objective**: \_\_\_\_ %

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_ %

☒ ☐ **No**

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 50% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti - corruption and anti - bribery matters.

What environmental and/or social characteristics are promoted by this financial product?	
<p>The following characteristics are promoted by the financial product:</p> <ol style="list-style-type: none"> <li>1) A sustainability profile that is higher than its benchmark's sustainability profile.</li> <li>2) A lower Weighted Average Carbon Intensity (WACI) than the reference benchmark.</li> </ol> <p>The benchmark is a broad market index which does not assess or include constituents according to environmental and/or social characteristics and therefore is not intended to be consistent with the characteristics promoted by the financial product. No ESG reference benchmark has been designated for the purpose of attaining the characteristics promoted by the financial product.</p>	
<ul style="list-style-type: none"> <li>• <b>What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?</b></li> </ul>	
<p>Characteristic 1):</p> <p>The sustainability profile is measured using the weighted average ESG score. The ESG score is used to identify companies for the investment universe with strong environmental and social performance characteristics, or a strong sustainability profile. The ESG score assesses sustainability factors, such as the performance of the relevant companies with reference to environmental, social and governance (ESG) aspects. These ESG aspects relate to the main areas in which the companies operate and their effectiveness in managing ESG risks. Environmental and social factors can include the following elements: Environmental risk management, climate change, natural resource usage, pollution and waste management, human capital and corporate governance.</p> <p>The individual investments in the sub-fund have a ESG score (on a scale of 0-10, with 10 having the best sustainability profile).</p> <p>Characteristic 2):</p> <p>Scope 1 and 2 Weighted Average Carbon Intensity (WACI):</p> <ul style="list-style-type: none"> <li>- Scope 1 refers to direct carbon emissions and therefore includes all direct greenhouse gas emissions from owned or controlled sources of the relevant entity or issuer.</li> <li>- Scope 2 refers to indirect carbon emissions and therefore includes greenhouse gas emissions from the generation of electricity, thermal energy and/or steam that is consumed by the relevant entity or issuer.</li> </ul>	
<ul style="list-style-type: none"> <li>• <b>What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?</b></li> </ul>	
<p>The objectives of the sustainable investments that the financial product partially intends to make is to contribute to the environmental and/or social characteristic(s) promoted by the financial product.</p>	
<ul style="list-style-type: none"> <li>• <b>How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?</b></li> </ul>	
<p>When assessing "do no significant harm" (DNSH), we consider selected principal adverse impact indicators based on availability and appropriateness. These indicators are combined into a signal based on individual thresholds defined per indicator. A fail on a single indicator leads to an investment failing the DNSH criteria.</p>	

<p><i>How have the indicators for adverse impacts on sustainability factors been taken into account?</i></p>
<p>Principal adverse impacts (the “PAI”) are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters. UBS integrates PAI indicators in its decision making process.</p> <p>At present, the following PAI indicators are considered by means of exclusions from the investment universe:</p> <p><u>1.4 “Exposure to companies active in the fossil fuel sector”:</u></p> <ul style="list-style-type: none"> <li>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.</li> <li>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal-based power generation are excluded.</li> </ul> <p><u>1.10 “Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises”:</u></p> <ul style="list-style-type: none"> <li>- Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM’s Stewardship Committee are excluded</li> </ul> <p><u>1.14 “Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)”:</u></p> <ul style="list-style-type: none"> <li>- UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non- Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the company is involved in development, production, storage, maintenance or transport of controversial weapons, or is a majority shareholder (&gt;50% ownership stake) of such a company.</li> </ul> <p>The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.</p> <p>The following PAI indicator is considered by virtue of the promoted characteristics:</p> <p><u>1.3 “GHG intensity of investee companies”</u></p> <ul style="list-style-type: none"> <li>- The Portfolio Manager selects investments based upon a low scope 1+2 carbon intensity, either absolute or relative to a benchmark</li> </ul> <p>The following PAI indicators are additionally part of the DNSH signal:</p> <p><u>1.7 “Activities negatively affecting bio-diversity-sensitive areas”</u></p> <p><u>1.13 “Board gender diversity”</u></p> <p><u>1.15. “GHG Intensity”</u></p> <p><u>1.16. “Investee countries subject to social violations”</u></p>
<p><i>How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?</i></p>
<p>Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM’s Stewardship Committee are excluded.</p>



*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

#### **Does this financial product consider principal adverse impacts on sustainability factors?**

☒ Yes

Principal adverse impacts (the “PAI”) are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters. UBS integrates PAI indicators in its decision making process.

At present, the following PAI indicators are considered by means of exclusions from the investment universe:

##### 1.4 “Exposure to companies active in the fossil fuel sector”:

- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.
- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal-based power generation are excluded.

##### 1.10 “Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises”:

- Companies violating the United Nations Global Compact UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM’s Stewardship Committee are excluded

##### 1.14 “Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)”:

- UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non- Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the company is involved in development, production, storage, maintenance or transport of controversial weapons, or is a majority shareholder (>50% ownership stake) of such a company.

The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.

The following PAI indicator is considered by virtue of the promoted characteristics:

##### 1.3 “GHG intensity of investee companies”

- The Portfolio Manager selects investments based upon a low scope 1+2 carbon intensity, either absolute or relative to a benchmark

When assessing “do no significant harm” (DNSH), we consider selected principal adverse impact indicators based on availability and appropriateness. These indicators are combined into a signal based



**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

on individual thresholds defined per indicator. A fail on a single indicator leads to an investment failing the DNSH criteria. The following PAI indicators are additionally part of this signal:

1.7 “Activities negatively affecting bio-diversity-sensitive areas”

1.13 “Board gender diversity”

1.15. “GHG Intensity”

1.16. “Investee countries subject to social violations”

Information on consideration of PAIs on sustainability factors is also available in the sub-fund’s annual report.

☐

No

## What investment strategy does this financial product follow?

### ESG Integration:

ESG Integration is driven by taking into account material ESG risks as part of the research process. ESG integration enables the Portfolio Manager to identify financially relevant sustainability factors that impact investment decisions and to incorporate ESG considerations when implementing investment decisions, and allows ESG risks to be systematically monitored and compared to risk appetite and constraints. It also assists in portfolio construction through securities selection, investment conviction and portfolio weightings.

- For corporate issuers, this process utilizes an internal UBS ESG material issues framework which identifies the financially relevant factors per sector that can impact investment decisions. This orientation toward financial materiality ensures that analysts focus on sustainability factors that can impact the financial performance of the company and therefore investment returns. ESG integration can also identify opportunities for engagement to improve the company’s ESG risk profile and thereby mitigate the potential negative impact of ESG issues on the company’s financial performance. The Portfolio Manager employs an internal UBS ESG risk dashboard that combines multiple internal and external ESG data sources in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process.

- For non-corporate issuers, the Portfolio Manager applies a qualitative or quantitative ESG risk assessment that integrates data on material ESG factors.

The analysis of material sustainability/ESG considerations can include many different aspects, such as the following among others: the carbon footprint, health and well-being, human rights, supply chain management, fair customer treatment and governance.

### Fund specific exclusions:

The sub-fund excludes companies with a sustainability profile that indicates a high or severe ESG risk.

### Sustainability Exclusion Policy:

The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

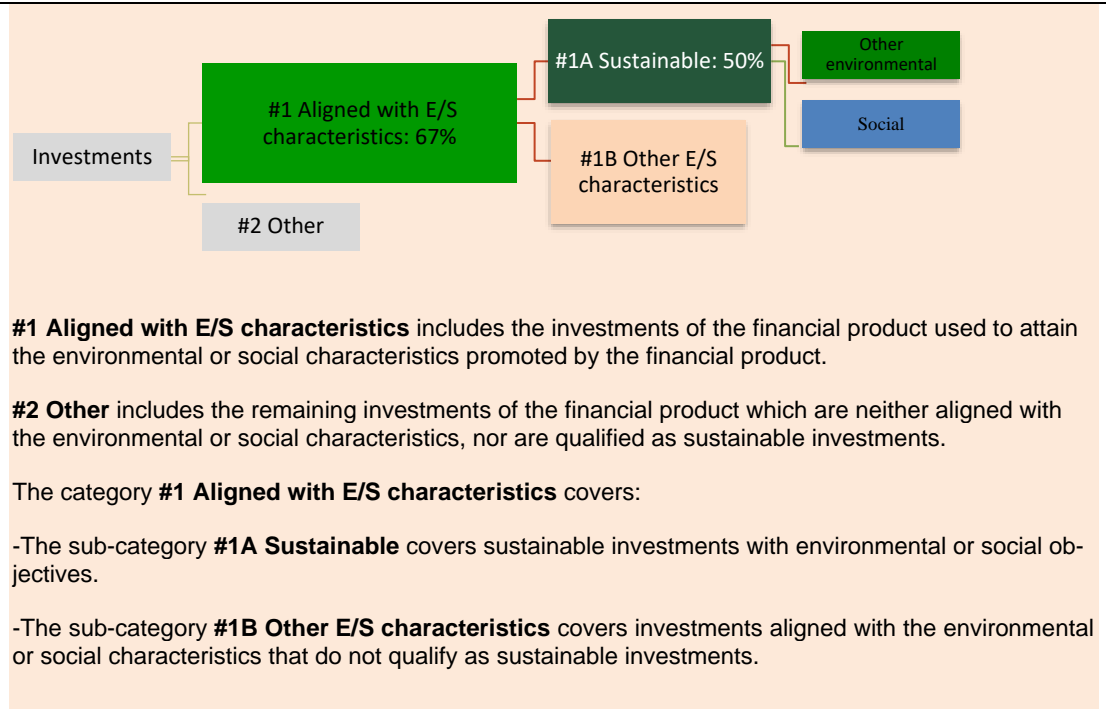


<ul style="list-style-type: none"> <li>• <b><i>What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?</i></b></li> </ul>	<p>The following binding element(s) of the investment strategy are used to select the investments to attain the characteristic(s) promoted by this financial product:</p> <p>Characteristic 1):</p> <p>A sustainability profile that is higher than its benchmark's sustainability profile.</p> <p>Characteristic 2):</p> <p>A lower Scope 1 and 2 Weighted Average Carbon Intensity (WACI) than its benchmark</p> <p>The calculations do not take account of cash, derivatives and unrated investment instruments.</p> <p>The characteristic(s), the minimum proportion of sustainable investments and the minimum proportion of investments used to meet the environmental and/or social characteristics promoted by the financial product are calculated at quarter end using the average of all business days' values in the quarter.</p> <p><b><u>Fund specific exclusions:</u></b></p> <p>The sub-fund excludes companies with a sustainability profile that indicates a high or severe ESG risk as described above in the section "What investment strategy does this financial product follow?".</p> <p><b><u>Sustainability Exclusion Policy:</u></b></p> <p>The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed "Sustainability Exclusion Policy" in the main body of the sales prospectus.</p>
<ul style="list-style-type: none"> <li>• <b><i>What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?</i></b></li> </ul>	<p>Not applicable.</p>
<ul style="list-style-type: none"> <li>• <b><i>What is the policy to assess good governance practices of the investee companies?</i></b></li> </ul>	<p>Good corporate governance is a key driver of sustainable performance and is therefore embedded in the Portfolio Manager's investment strategy. The Portfolio Manager employs a proprietary ESG Risk Dashboard that combines multiple ESG data sources from internal and recognized external providers in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process. The assessment of good governance includes consideration of board structure and independence, remuneration alignment, transparency of ownership and control, and financial reporting.</p>
<p><b>What is the asset allocation planned for this financial product?</b></p>	<p>The minimum proportion of the investments used to meet the environmental and/or social characteristics promoted by the financial product is 67%. The minimum proportion of sustainable investments of the financial product is 50%.</p>

**Asset allocation**  
describes the share of investments in specific assets.

**Taxonomy-aligned** activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.



<ul style="list-style-type: none"><li>• <b>How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?</b></li></ul>
Derivatives are not used for the attainment of the characteristics promoted by this financial product.
<b>To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?</b>
It has not been possible to collect data on the environmental objective(s) set out in Article 9 of the Taxonomy Regulation and on how and to what extent the investments underlying the financial product are in economic activities that qualify as environmentally sustainable under Article 3 of the Taxonomy Regulation ("Taxonomy Aligned Investments"). On that basis, the financial product has 0% Taxonomy Aligned Investments.
<ul style="list-style-type: none"><li>• <b>Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>11</sup>?</b></li></ul>
<div><input type="checkbox"/> Yes:<div><input type="checkbox"/> In fossil gas    <input type="checkbox"/> In nuclear energy</div></div> <div><input checked="" type="checkbox"/> No</div>

<sup>11</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

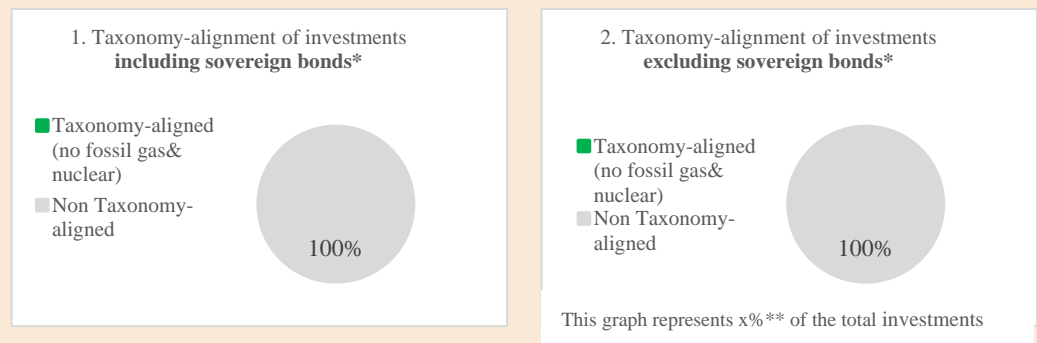
**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

 are environmentally sustainable investments **that do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



**The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**



\* For the purpose of these graphs, ‘sovereign bonds’ consist of all sovereign exposures

\*\* No percentage has been inserted as it is not relevant (no Taxonomy-aligned investments)

● **What is the minimum share of investments in transitional and enabling activities?**

There is no commitment to a minimum proportion of investments in transitional and enabling activities.

**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The sustainable investments made by the financial product will contribute to either environmental or social objectives or both. The financial product does not commit to a predetermined combination of environmental or social objectives, and therefore there is no minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy. Where the financial product does invest in environmentally sustainable investments that are not Taxonomy-aligned, this is due to the absence of necessary data to determine Taxonomy-alignment.

**What is the minimum share of socially sustainable investments?**

The sustainable investments made by the financial product will contribute to either environmental or social objectives or both. The financial product does not commit a predetermined combination of environmental or social objectives, and therefore there is no minimum share of socially sustainable investments.

**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Included in “#2 Other” are cash and unrated instruments for the purpose of liquidity and portfolio risk management. Unrated instruments may also include securities for which data needed for the measurement of attainment of environmental or social characteristics is not available.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

No ESG reference benchmark has been designated for the purpose of determining whether the financial product is aligned with the characteristics that it promotes.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

Not applicable.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Not applicable.

- ***How does the designated index differ from a relevant broad market index?***

Not applicable.

- ***Where can the methodology used for the calculation of the designated index be found?***

Not applicable.

**Where can I find more product specific information online?**

More product-specific information can be found on the website: [www.ubs.com/funds](http://www.ubs.com/funds)



**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name:**

UBS (Lux) Equity SICAV - European Income Opportunity Sustainable (EUR)

**Legal entity identifier:**

549300E2NDJYIB4ZTH56

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

☒ ☐ **Yes**

☐ It will make a minimum of **sustainable investments with an environmental objective**: \_\_\_\_ %

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_ %

☒ ☐ **No**

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 40% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

## What environmental and/or social characteristics are promoted by this financial product?

The following characteristics are promoted by the financial product:

- 1) A sustainability profile that is higher than its benchmark's sustainability profile or a UBS Blended ESG Score between 7 and 10 (indicating a strong sustainability profile).
- 2) A lower Weighted Average Carbon Intensity (WACI) than the reference benchmark or a low absolute carbon profile.

The benchmark is a broad market index which does not assess or include constituents according to environmental and/or social characteristics and therefore is not intended to be consistent with the characteristics promoted by the financial product. No ESG reference benchmark has been designated for the purpose of attaining the characteristics promoted by the financial product.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The above characteristics are measured using the following indicators respectively:

Characteristic 1):

The UBS Blended ESG Score is used to identify issuers/companies for the investment universe with strong environmental and social performance characteristics, or a strong sustainability profile. The UBS Blended ESG Score represents an average of normalized ESG assessment data from UBS and two recognized external ESG data providers, MSCI and Sustainalytics. This blended score approach enhances the quality of the derived sustainability profile by integrating multiple independent ESG assessments, rather than depending solely on one single view. The UBS Blended ESG Score represents an entity's sustainability profile assessing material environmental, social, and governance factors. These factors may include, but are not limited to, environmental footprint and operational efficiency, risk management, climate change response, natural resource utilization, pollution and waste management, employment standards, supply chain oversight, human capital development, board diversity, occupational health and safety, product safety, and anti-fraud and anti-corruption policies. Each assessed entity is assigned a UBS Blended ESG Score, which ranges from 0 to 10, with 10 indicating the best sustainability profile.

There is no minimum UBS Blended ESG Score at individual investment level.

Characteristic 2):

Scope 1 and 2 Weighted Average Carbon Intensity (WACI):

- Scope 1 refers to direct carbon emissions and therefore includes all direct greenhouse gas emissions from owned or controlled sources of the relevant entity or issuer.

- Scope 2 refers to indirect carbon emissions and therefore includes greenhouse gas emissions from the generation of electricity, thermal energy and/or steam that is consumed by the relevant entity or issuer.

Low absolute carbon profile is defined as below 100 tonnes of CO<sub>2</sub> emissions per million US dollars of revenues.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objectives of the sustainable investments that the financial product partially intends to make is to contribute to the environmental and/or social characteristic(s) promoted by the financial product.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti - corruption and anti - bribery matters.

<ul style="list-style-type: none"> <li>● <b><i>How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?</i></b></li> </ul>	
	<p>When assessing “do no significant harm” (DNSH), we consider selected principal adverse impact indicators based on availability and appropriateness. These indicators are combined into a signal based on individual thresholds defined per indicator. A fail on a single indicator leads to an investment failing the DNSH criteria.</p>
	<p><b><i>How have the indicators for adverse impacts on sustainability factors been taken into account?</i></b></p>
	<p>Principal adverse impacts (the “PAI”) are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters. UBS integrates PAI indicators in its decision making process.</p> <p>At present, the following PAI indicators are considered by means of exclusions from the investment universe:</p> <p><u>1.4 “Exposure to companies active in the fossil fuel sector”:</u></p> <ul style="list-style-type: none"> <li>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.</li> <li>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal-based power generation are excluded.</li> </ul> <p><u>1.10 “Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises”:</u></p> <ul style="list-style-type: none"> <li>- Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM’s Stewardship Committee are excluded</li> </ul> <p><u>1.14 “Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)”:</u></p> <ul style="list-style-type: none"> <li>- UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non- Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the company is involved in development, production, storage, maintenance or transport of controversial weapons, or is a majority shareholder (&gt;50% ownership stake) of such a company.</li> </ul> <p>The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.</p> <p>The following PAI indicator is considered by virtue of the promoted characteristics:</p> <p><u>1.3 “GHG intensity of investee companies”</u></p> <ul style="list-style-type: none"> <li>- The Portfolio Manager selects investments based upon a low scope 1+2 carbon intensity, either absolute or relative to a benchmark</li> </ul> <p>The following PAI indicators are additionally part of the DNSH signal:</p> <p><u>1.7 “Activities negatively affecting bio-diversity-sensitive areas”</u></p> <p><u>1.13 “Board gender diversity”</u></p> <p><u>1.15. “GHG Intensity”</u></p>



1.16. "Investee countries subject to social violations"
<i>How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?</i>
Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM's Stewardship Committee are excluded.
<p><i>The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.</i></p> <p><i>The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.</i></p> <p><i>Any other sustainable investments must also not significantly harm any environmental or social objectives.</i></p>
<b>Does this financial product consider principal adverse impacts on sustainability factors?</b>
<input checked="" type="checkbox"/> Yes
<p>Principal adverse impacts (the "PAI") are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters. UBS integrates PAI indicators in its decision making process.</p> <p>At present, the following PAI indicators are considered by means of exclusions from the investment universe:</p> <p><u>1.4 "Exposure to companies active in the fossil fuel sector":</u></p> <ul style="list-style-type: none"> <li>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.</li> <li>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal-based power generation are excluded.</li> </ul> <p><u>1.10 "Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises":</u></p> <ul style="list-style-type: none"> <li>- Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM's Stewardship Committee are excluded</li> </ul> <p><u>1.14 "Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)":</u></p> <ul style="list-style-type: none"> <li>- UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non- Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the company is involved in development, production, storage,</li> </ul>

maintenance or transport of controversial weapons, or is a majority shareholder (>50% ownership stake) of such a company.

The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.

The following PAI indicator is considered by virtue of the promoted characteristics:

1.3 “GHG intensity of investee companies”

- The Portfolio Manager selects investments based upon a low scope 1+2 carbon intensity, either absolute or relative to a benchmark

When assessing “do no significant harm” (DNSH), we consider selected principal adverse impact indicators based on availability and appropriateness. These indicators are combined into a signal based on individual thresholds defined per indicator. A fail on a single indicator leads to an investment failing the DNSH criteria. The following PAI indicators are additionally part of this signal:

1.7 “Activities negatively affecting bio-diversity-sensitive areas”

1.13 “Board gender diversity”

1.15. “GHG Intensity”

1.16. “Investee countries subject to social violations”

Information on consideration of PAIs on sustainability factors is also available in the sub-fund’s annual report.

☐

No

**What investment strategy does this financial product follow?**

**ESG Integration:**

ESG Integration is driven by taking into account material ESG risks as part of the research process. ESG integration enables the Portfolio Manager to identify financially relevant sustainability factors that impact investment decisions and to incorporate ESG considerations when implementing investment decisions, and allows ESG risks to be systematically monitored and compared to risk appetite and constraints. It also assists in portfolio construction through securities selection, investment conviction and portfolio weightings.

- For corporate issuers, this process utilizes an internal UBS ESG material issues framework which identifies the financially relevant factors per sector that can impact investment decisions. This orientation toward financial materiality ensures that analysts focus on sustainability factors that can impact the financial performance of the company and therefore investment returns. ESG integration can also identify opportunities for engagement to improve the company’s ESG risk profile and thereby mitigate the potential negative impact of ESG issues on the company’s financial performance. The Portfolio Manager employs an internal UBS ESG risk dashboard that combines multiple internal and external ESG data sources in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process.

- For non-corporate issuers, the Portfolio Manager applies a qualitative or quantitative ESG risk assessment that integrates data on material ESG factors.

The analysis of material sustainability/ESG considerations can include many different aspects, such as the following among others: the carbon footprint, health and well-being, human rights, supply chain management, fair customer treatment and governance.

**Fund specific exclusions:**

The sub-fund excludes companies with a sustainability profile that indicates a high or severe ESG risk.

**Sustainability Exclusion Policy:**

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.



The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The following binding element(s) of the investment strategy are used to select the investments to attain the characteristic(s) promoted by this financial product:

Characteristic 1):

A sustainability profile that is higher than its benchmark’s sustainability profile or a UBS Blended ESG Score between 7 and 10 (indicating a strong sustainability profile).

Characteristic 2):

A lower Scope 1 and 2 Weighted Average Carbon Intensity (WACI) than its benchmark or a low absolute carbon profile.

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

The characteristic(s), the minimum proportion of sustainable investments and the minimum proportion of investments used to meet the environmental and/or social characteristics promoted by the financial product are calculated at quarter end using the average of all business days’ values in the quarter.

**Fund specific exclusions:**

The sub-fund excludes companies with a sustainability profile that indicates a high or severe ESG risk as described above in the section “What investment strategy does this financial product follow?”.

**Sustainability Exclusion Policy:**

The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the sales prospectus.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

Not applicable.

- ***What is the policy to assess good governance practices of the investee companies?***

Good corporate governance is a key driver of sustainable performance and is therefore embedded in the Portfolio Manager’s investment strategy. The Portfolio Manager employs a proprietary ESG Risk Dashboard that combines multiple ESG data sources from internal and recognized external providers in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process. The assessment of good governance includes consideration of board structure and independence, remuneration alignment, transparency of ownership and control, and financial reporting.

**What is the asset allocation planned for this financial product?**

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.



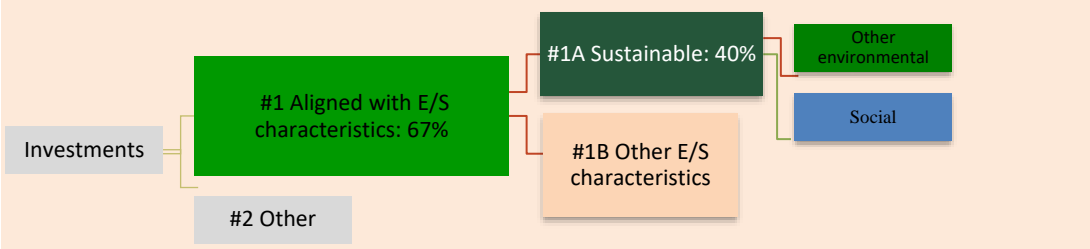


**Asset allocation** describes the share of investments in specific assets.

**Taxonomy-aligned** activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The minimum proportion of the investments used to meet the environmental and/or social characteristics promoted by the financial product is 67%. The minimum proportion of sustainable investments of the financial product is 40%.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.




<ul style="list-style-type: none"> <li>● <b>How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?</b></li> </ul>
<p>Derivatives are not used for the attainment of the characteristics promoted by this financial product. Derivatives are primarily used for hedging and liquidity management purposes. .</p>
<p><b>To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?</b></p>
<p>It has not been possible to collect data on the environmental objective(s) set out in Article 9 of the Taxonomy Regulation and on how and to what extent the investments underlying the financial product are in economic activities that qualify as environmentally sustainable under Article 3 of the Taxonomy Regulation ("Taxonomy Aligned Investments"). On that basis, the financial product has 0% Taxonomy Aligned Investments.</p>
<ul style="list-style-type: none"> <li>● <b>Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>12</sup>?</b></li> </ul>
<p> <input type="checkbox"/> Yes:         <input type="checkbox"/> In fossil gas    <input type="checkbox"/> In nuclear energy       </p> <p><input checked="" type="checkbox"/> No</p>

<sup>12</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

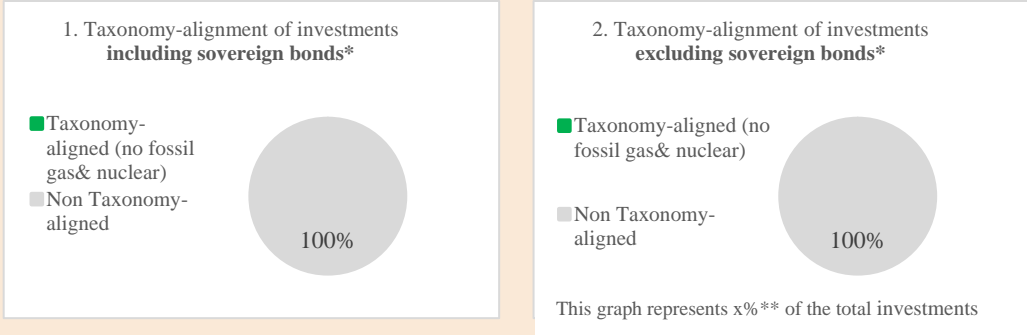
**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

 are environmentally sustainable investments **that do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\* For the purpose of these graphs, ‘sovereign bonds’ consist of all sovereign exposures

\*\* No percentage has been inserted as it is not relevant (no Taxonomy-aligned investments)

● **What is the minimum share of investments in transitional and enabling activities?**

There is no commitment to a minimum proportion of investments in transitional and enabling activities.

**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The sustainable investments made by the financial product will contribute to either environmental or social objectives or both. The financial product does not commit to a predetermined combination of environmental or social objectives, and therefore there is no minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy. Where the financial product does invest in environmentally sustainable investments that are not Taxonomy-aligned, this is due to the absence of necessary data to determine Taxonomy-alignment.

**What is the minimum share of socially sustainable investments?**

The sustainable investments made by the financial product will contribute to either environmental or social objectives or both. The financial product does not commit a predetermined combination of environmental or social objectives, and therefore there is no minimum share of socially sustainable investments.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Included in “#2 Other” are cash and unrated instruments for the purpose of liquidity and portfolio risk management. Unrated instruments may also include securities for which data needed for the measurement of attainment of environmental or social characteristics is not available.

**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

No ESG reference benchmark has been designated for the purpose of determining whether the financial product is aligned with the characteristics that it promotes.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

Not applicable.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Not applicable.

- ***How does the designated index differ from a relevant broad market index?***

Not applicable.

- ***Where can the methodology used for the calculation of the designated index be found?***

Not applicable.

**Where can I find more product specific information online?**

More product-specific information can be found on the website: [www.ubs.com/funds](http://www.ubs.com/funds)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name:**

UBS (Lux) Equity SICAV - European Opportunity Unconstrained (EUR)

**Legal entity identifier:**

5493001RFAVUQCXZ1F72

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

# **Environmental and/or social characteristics**

**Does this financial product have a sustainable investment objective?**

☒ ☐ **Yes**

☐ It will make a minimum of **sustainable investments with an environmental objective**: \_\_\_\_ %

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_ %

☒ ☐ **No**

☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_\_% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☒ It promotes E/S characteristics, but **will not make any sustainable investments**



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

## What environmental and/or social characteristics are promoted by this financial product?

The following characteristics are promoted by the financial product:

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

The benchmark is a broad market index which does not assess or include constituents according to environmental and/or social characteristics and therefore is not intended to be consistent with the characteristics promoted by the financial product. No ESG reference benchmark has been designated for the purpose of attaining the characteristics promoted by the financial product.

### • ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

Characteristic 1):

Scope 1 and 2 Weighted Average Carbon Intensity (WACI):

- Scope 1 refers to direct carbon emissions and therefore includes all direct greenhouse gas emissions from owned or controlled sources of the relevant entity or issuer.
- Scope 2 refers to indirect carbon emissions and therefore includes greenhouse gas emissions from the generation of electricity, thermal energy and/or steam that is consumed by the relevant entity or issuer.

Low absolute carbon profile is defined as below 100 tonnes of CO<sub>2</sub> emissions per million US dollars of revenues.

Characteristic 2):

The UBS Blended ESG Score is used to identify issuers/companies for the investment universe with strong environmental and social performance characteristics, or a strong sustainability profile. The UBS Blended ESG Score represents an average of normalized ESG assessment data from UBS and two recognized external ESG data providers, MSCI and Sustainalytics. This blended score approach enhances the quality of the derived sustainability profile by integrating multiple independent ESG assessments, rather than depending solely on one single view. The UBS Blended ESG Score represents an entity's sustainability profile assessing material environmental, social, and governance factors. These factors may include, but are not limited to, environmental footprint and operational efficiency, risk management, climate change response, natural resource utilization, pollution and waste management, employment standards, supply chain oversight, human capital development, board diversity, occupational health and safety, product safety, and anti-fraud and anti-corruption policies. Each assessed entity is assigned a UBS Blended ESG Score, which ranges from 0 to 10, with 10 indicating the best sustainability profile.

There is no minimum UBS Blended ESG Score at individual investment level.

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

### • ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti - corruption and anti - bribery matters.



Not applicable.
<ul style="list-style-type: none"> <li><b>How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?</b></li> </ul>
Not applicable.
<i>How have the indicators for adverse impacts on sustainability factors been taken into account?</i>
Not applicable.
<i>How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?</i>
Not applicable.
<p><i>The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.</i></p> <p><i>The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.</i></p> <p><i>Any other sustainable investments must also not significantly harm any environmental or social objectives.</i></p>
<b>Does this financial product consider principal adverse impacts on sustainability factors?</b>
<p><input checked="" type="checkbox"/> Yes</p> <p>Principal adverse impacts (the “PAI”) are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti - corruption, and anti - bribery matters. UBS integrates PAI indicators in its decision making process.</p> <p>At present, the following PAI indicators are considered by means of exclusions from the investment universe:</p> <p>1.4 “Exposure to companies active in the fossil fuel sector”:</p> <p>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.</p> <p>1.10 “Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises”:</p> <p>- Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM’s Stewardship Committee are excluded</p> <p>1.14 “Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)”:</p> <p>-UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non- Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the company is involved in development, production, storage, maintenance or transport of controversial weapons, or is a majority shareholder (&gt;50% ownership stake) of such a company.</p>



**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.

The following PAI indicator is considered by virtue of the promoted characteristics:

**1.3 “GHG intensity of investee companies”**

The Portfolio Manager selects investments based upon a low scope 1+2 carbon intensity, either absolute or relative to a benchmark

Information on consideration of PAIs on sustainability factors is also available in the sub-fund’s annual report.

☐ No

## What investment strategy does this financial product follow?

### ESG Integration:

ESG Integration is driven by taking into account material ESG risks as part of the research process. ESG integration enables the Portfolio Manager to identify financially relevant sustainability factors that impact investment decisions and to incorporate ESG considerations when implementing investment decisions, and allows ESG risks to be systematically monitored and compared to risk appetite and constraints. It also assists in portfolio construction through securities selection, investment conviction and portfolio weightings.

- For corporate issuers, this process utilizes an internal UBS ESG material issues framework which identifies the financially relevant factors per sector that can impact investment decisions. This orientation toward financial materiality ensures that analysts focus on sustainability factors that can impact the financial performance of the company and therefore investment returns. ESG integration can also identify opportunities for engagement to improve the company’s ESG risk profile and thereby mitigate the potential negative impact of ESG issues on the company’s financial performance. The Portfolio Manager employs an internal UBS ESG risk dashboard that combines multiple internal and external ESG data sources in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process.

- For non-corporate issuers, the Portfolio Manager applies a qualitative or quantitative ESG risk assessment that integrates data on material ESG factors.

The analysis of material sustainability/ESG considerations can include many different aspects, such as the following among others: the carbon footprint, health and well-being, human rights, supply chain management, fair customer treatment and governance.

### Sustainability Exclusion Policy:

The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The following binding element(s) of the investment strategy are used to select the investments to attain the characteristic(s) promoted by this financial product:

Characteristic 1):

A lower Scope 1 and 2 Weighted Average Carbon Intensity (WACI) than its benchmark or a low absolute carbon profile.

Characteristic 2):

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

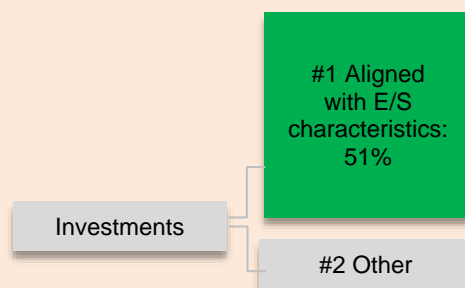


**Asset allocation** describes the share of investments in specific assets.

ing the share of revenue from green activities of investee companies

- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

<p>A sustainability profile that is higher than its benchmark's sustainability profile or a minimum of 51% of assets invested in companies with a sustainability profile in the top half of the benchmark.</p> <p>The calculations do not take account of cash, derivatives and unrated investment instruments.</p> <p>The characteristic(s) and the minimum proportion of investments used to meet the environmental and/or social characteristics promoted by the financial product are calculated at quarter end using the average of all business days' values in the quarter.</p> <p><b><u>Sustainability Exclusion Policy:</u></b></p> <p>The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed "Sustainability Exclusion Policy" in the main body of the sales prospectus.</p>	<ul style="list-style-type: none"> <li>• <b><i>What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?</i></b></li> </ul>
<p>Not applicable.</p>	
<ul style="list-style-type: none"> <li>• <b><i>What is the policy to assess good governance practices of the investee companies?</i></b></li> </ul> <p>Good corporate governance is a key driver of sustainable performance and is therefore embedded in the Portfolio Manager's investment strategy. The Portfolio Manager employs a proprietary ESG Risk Dashboard that combines multiple ESG data sources from internal and recognized external providers in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process. The assessment of good governance includes consideration of board structure and independence, remuneration alignment, transparency of ownership and control, and financial reporting.</p>	<p><b>What is the asset allocation planned for this financial product?</b></p> <p>The minimum proportion of the investments used to meet the environmental and/or social characteristics promoted by the financial product is 51%.</p>



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.



To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035.

For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

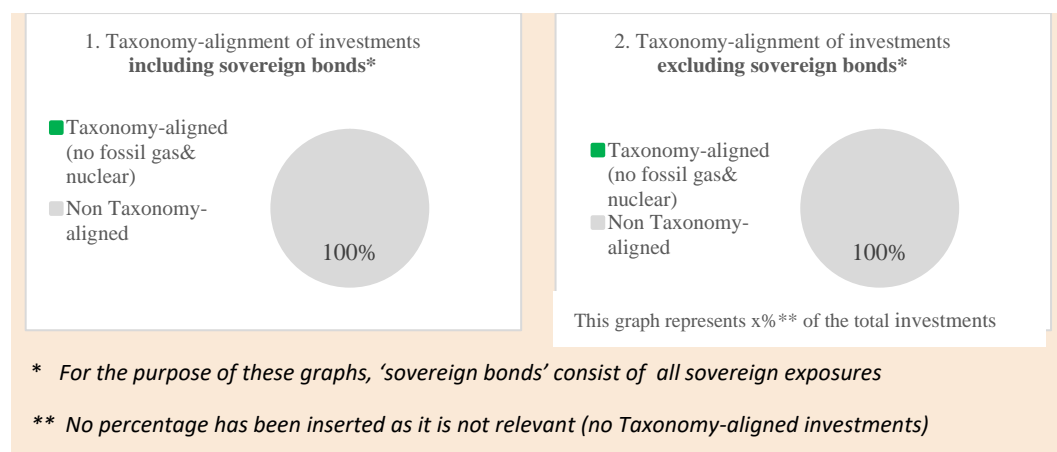
**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.








<ul style="list-style-type: none"> <li>● <b>How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?</b></li> </ul>
<p>Derivatives are not used for the attainment of the characteristics promoted by this financial product. Derivatives are primarily used for hedging and liquidity management purposes.</p>
<p><b>To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?</b></p>
<p>Not applicable.</p>
<ul style="list-style-type: none"> <li>● <b>Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>13</sup>?</b></li> </ul>
<p> <input type="checkbox"/> Yes:             <input type="checkbox"/> In fossil gas    <input type="checkbox"/> In nuclear energy           </p> <p> <input checked="" type="checkbox"/> No           </p>

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*

<sup>13</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



<div>  <p>are environmentally sustainable investments that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.</p> </div> <div>     </div>	<ul style="list-style-type: none"> <li><b>What is the minimum share of investments in transitional and enabling activities?</b></li> </ul>
	Not applicable.
	<b>What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?</b>
	Not applicable.
	<b>What is the minimum share of socially sustainable investments?</b>
	Not applicable.
	<b>What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?</b>
	Included in “#2 Other” are cash and unrated instruments for the purpose of liquidity and portfolio risk management. Unrated instruments may also include securities for which data needed for the measurement of attainment of environmental or social characteristics is not available.
	<b>Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?</b>
	No ESG reference benchmark has been designated for the purpose of determining whether the financial product is aligned with the characteristics that it promotes.
	<ul style="list-style-type: none"> <li><b>How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?</b></li> </ul>
	Not applicable.
	<ul style="list-style-type: none"> <li><b>How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?</b></li> </ul>

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



Not applicable.
<ul style="list-style-type: none"> <li>• <b><i>How does the designated index differ from a relevant broad market index?</i></b></li> </ul>
Not applicable.
<ul style="list-style-type: none"> <li>• <b><i>Where can the methodology used for the calculation of the designated index be found?</i></b></li> </ul>
Not applicable.
<b>Where can I find more product specific information online?</b> More product-specific information can be found on the website: <a href="http://www.ubs.com/funds">www.ubs.com/funds</a>

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:**

UBS (Lux) Equity SICAV - Future Leaders Small Caps (USD)

**Legal entity identifier:**

549300YN60JE17NOV533

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☐ Yes

☐ It will make a minimum of **sustainable investments with an environmental objective**: \_\_\_\_ %

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_ %

☒ ☐ No

☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_\_% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☒ It promotes E/S characteristics, but **will not make any sustainable investments**



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

## What environmental and/or social characteristics are promoted by this financial product?

The following characteristics are promoted by the financial product:

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

The benchmark is a broad market index which does not assess or include constituents according to environmental and/or social characteristics and therefore is not intended to be consistent with the characteristics promoted by the financial product. No ESG reference benchmark has been designated for the purpose of attaining the characteristics promoted by the financial product.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The characteristics are measured using the following indicators respectively:

Characteristic 1):

Scope 1 and 2 Weighted Average Carbon Intensity (WACI):

- Scope 1 refers to direct carbon emissions and therefore includes all direct greenhouse gas emissions from owned or controlled sources of the relevant entity or issuer.

- Scope 2 refers to indirect carbon emissions and therefore includes greenhouse gas emissions from the generation of electricity, thermal energy and/or steam that is consumed by the relevant entity or issuer.

Low absolute carbon profile is defined as below 100 tonnes of CO<sub>2</sub> emissions per million US dollars of revenues.

Characteristic 2):

The UBS Blended ESG Score is used to identify issuers/companies for the investment universe with strong environmental and social performance characteristics, or a strong sustainability profile. The UBS Blended ESG Score represents an average of normalized ESG assessment data from UBS and two recognized external ESG data providers, MSCI and Sustainalytics. This blended score approach enhances the quality of the derived sustainability profile by integrating multiple independent ESG assessments, rather than depending solely on one single view. The UBS Blended ESG Score represents an entity's sustainability profile assessing material environmental, social, and governance factors. These factors may include, but are not limited to, environmental footprint and operational efficiency, risk management, climate change response, natural resource utilization, pollution and waste management, employment standards, supply chain oversight, human capital development, board diversity, occupational health and safety, product safety, and anti-fraud and anti-corruption policies. Each assessed entity is assigned a UBS Blended ESG Score, which ranges from 0 to 10, with 10 indicating the best sustainability profile.

There is no minimum UBS Blended ESG Score at individual investment level.

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

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti - corruption and anti - bribery matters.



Not applicable.
<ul style="list-style-type: none"> <li><b>How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?</b></li> </ul>
Not applicable.
<i>How have the indicators for adverse impacts on sustainability factors been taken into account?</i>
Not applicable.
<i>How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?</i>
Not applicable.
<p><i>The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.</i></p> <p><i>The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.</i></p> <p><i>Any other sustainable investments must also not significantly harm any environmental or social objectives.</i></p>
<b>Does this financial product consider principal adverse impacts on sustainability factors?</b>
<input checked="" type="checkbox"/> Yes
<p>Principal adverse impacts (the “PAI”) are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti - corruption, and anti - bribery matters. UBS integrates PAI indicators in its decision making process.</p> <p>At present, the following PAI indicators are considered by means of exclusions from the investment universe:</p> <p>1.4 “Exposure to companies active in the fossil fuel sector”:</p> <p>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.</p> <p>1.10 “Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises”:</p> <p>- Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM’s Stewardship Committee are excluded</p> <p>1.14 “Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)”:</p> <p>-UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non- Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the</p>



**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

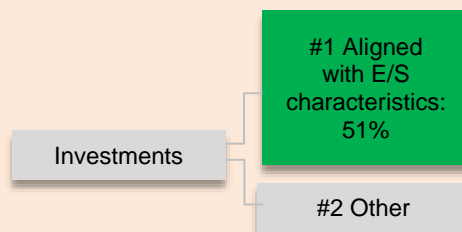
<p>company is involved in development, production, storage, maintenance or transport of controversial weapons, or is a majority shareholder (&gt;50% ownership stake) of such a company.</p> <p>The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.</p> <p>The following PAI indicator is considered by virtue of the promoted characteristics:</p> <p>1.3 “GHG intensity of investee companies”</p> <p>The Portfolio Manager selects investments based upon a low scope 1+2 carbon intensity, either absolute or relative to a benchmark</p> <p>Information on consideration of PAIs on sustainability factors is also available in the sub-fund’s annual report.</p>
<p><input type="checkbox"/> No</p>
<p><b>What investment strategy does this financial product follow?</b></p>
<p><b><u>ESG Integration:</u></b></p> <p>ESG Integration is driven by taking into account material ESG risks as part of the research process. ESG integration enables the Portfolio Manager to identify financially relevant sustainability factors that impact investment decisions and to incorporate ESG considerations when implementing investment decisions, and allows ESG risks to be systematically monitored and compared to risk appetite and constraints. It also assists in portfolio construction through securities selection, investment conviction and portfolio weightings.</p> <ul style="list-style-type: none"> <li>• For corporate issuers, this process utilizes an internal UBS ESG material issues framework which identifies the financially relevant factors per sector that can impact investment decisions. This orientation toward financial materiality ensures that analysts focus on sustainability factors that can impact the financial performance of the company and therefore investment returns. ESG integration can also identify opportunities for engagement to improve the company’s ESG risk profile and thereby mitigate the potential negative impact of ESG issues on the company’s financial performance. The Portfolio Manager employs an internal UBS ESG risk dashboard that combines multiple internal and external ESG data sources in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process.</li> <li>• For non-corporate issuers, the Portfolio Manager applies a qualitative or quantitative ESG risk assessment that integrates data on material ESG factors.</li> </ul> <p>The analysis of material sustainability/ESG considerations can include many different aspects, such as the following among others: the carbon footprint, health and well-being, human rights, supply chain management, fair customer treatment and governance.</p> <p><b><u>Sustainability Exclusion Policy:</u></b></p> <p>The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.</p>
<ul style="list-style-type: none"> <li>• <b><i>What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?</i></b></li> </ul>
<p>The following binding element(s) of the investment strategy are used to select the investments to attain the characteristic(s) promoted by this financial product:</p> <p>Characteristic 1):</p> <p>A lower Scope 1 and 2 Weighted Average Carbon Intensity (WACI) than its benchmark or a low absolute carbon profile.</p>

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

**Asset allocation** describes the share of investments in specific assets.



<p>Characteristic 2):</p> <p>A sustainability profile that is higher than its benchmark's sustainability profile or a minimum of 51% of assets invested in companies with a sustainability profile in the top half of the benchmark.</p> <p>The calculations do not take account of cash, derivatives and unrated investment instruments.</p> <p>The characteristic(s) the minimum proportion of investments used to meet the environmental and/or social characteristics promoted by the financial product are calculated at quarter end using the average of all business days' values in the quarter.</p> <p><b><u>Sustainability Exclusion Policy:</u></b></p> <p>The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed "Sustainability Exclusion Policy" in the main body of the sales prospectus.</p>	<ul style="list-style-type: none"> <li><b><i>What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?</i></b></li> </ul>
<p>Not applicable.</p>	<ul style="list-style-type: none"> <li><b><i>What is the policy to assess good governance practices of the investee companies?</i></b></li> </ul>
<p>Good corporate governance is a key driver of sustainable performance and is therefore embedded in the Portfolio Manager's investment strategy. The Portfolio Manager employs a proprietary ESG Risk Dashboard that combines multiple ESG data sources from internal and recognized external providers in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process. The assessment of good governance includes consideration of board structure and independence, remuneration alignment, transparency of ownership and control, and financial reporting.</p>	<p><b>What is the asset allocation planned for this financial product?</b></p> <p>The minimum proportion of the investments used to meet the environmental and/or social characteristics promoted by the financial product is 51%.</p>



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.



**Taxonomy-aligned activities** are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives are not used for the attainment of the characteristics promoted by this financial product. Derivatives are primarily used for hedging and liquidity management purposes.

**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

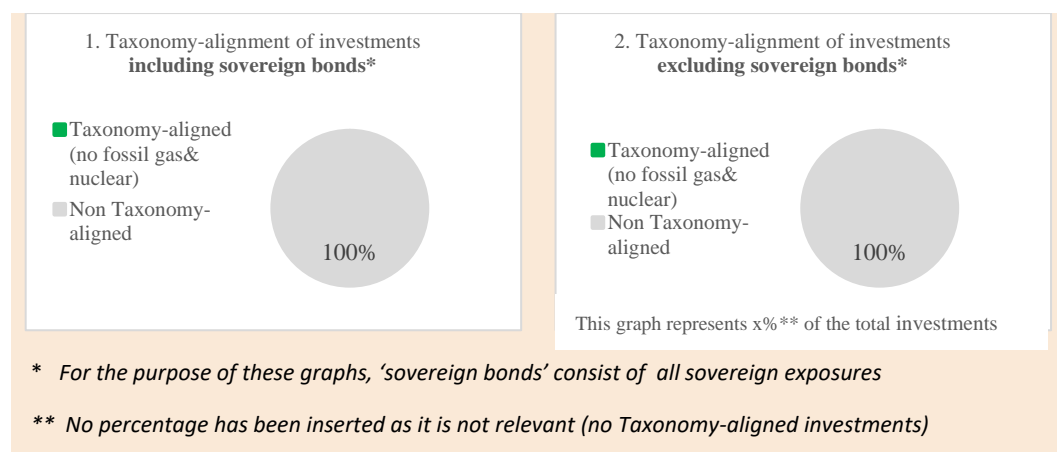
Not applicable.






● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>14</sup>?**

- ☐ Yes:  
☐ In fossil gas      ☐ In nuclear energy
- ☒ No

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*

<sup>14</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



<div>  are environmentally sustainable investments <b>that do not take into account the criteria</b> for environmentally sustainable economic activities under the EU Taxonomy. </div> <div>  </div> <div>  </div> <div>  </div> <div>  </div>	<ul style="list-style-type: none"> <li><b>What is the minimum share of investments in transitional and enabling activities?</b></li> </ul>
	Not applicable.
	<b>What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?</b>
	Not applicable.
	<b>What is the minimum share of socially sustainable investments?</b>
	Not applicable.
	<b>What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?</b>
	Included in “#2 Other” are cash and unrated instruments for the purpose of liquidity and portfolio risk management. Unrated instruments may also include securities for which data needed for the measurement of attainment of environmental or social characteristics is not available.
<div> <b>Reference benchmarks</b> are indexes to measure whether the financial product attains the environmental or social characteristics that they promote. </div>	<b>Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?</b>
	No ESG reference benchmark has been designated for the purpose of determining whether the financial product is aligned with the characteristics that it promotes.
	<ul style="list-style-type: none"> <li><b>How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?</b></li> </ul>
	Not applicable.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Not applicable.

- ***How does the designated index differ from a relevant broad market index?***

Not applicable.

- ***Where can the methodology used for the calculation of the designated index be found?***

Not applicable.

#### **Where can I find more product specific information online?**

More product-specific information can be found on the website: [www.ubs.com/funds](http://www.ubs.com/funds)



**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name:**

UBS (Lux) Equity SICAV - German High Dividend Sustainable (EUR)

**Legal entity identifier:**

5493008MMQZIXLFGTC90

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

☒ ☐ **Yes**

☐ It will make a minimum of **sustainable investments with an environmental objective**: \_\_\_\_ %

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_ %

☒ ☐ **No**

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 30% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

What environmental and/or social characteristics are promoted by this financial product?
<p>The following characteristics are promoted by the financial product:</p> <ol style="list-style-type: none"> <li>1) A sustainability profile that is higher than its benchmark's sustainability profile or a UBS Blended ESG Score between 7 and 10 (indicating a strong sustainability profile).</li> <li>2) A lower Weighted Average Carbon Intensity (WACI) than the reference benchmark or a low absolute carbon profile.</li> </ol> <p>The benchmark is a broad market index which does not assess or include constituents according to environmental and/or social characteristics and therefore is not intended to be consistent with the characteristics promoted by the financial product. No ESG reference benchmark has been designated for the purpose of attaining the characteristics promoted by the financial product.</p>
<ul style="list-style-type: none"> <li>• <b><i>What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?</i></b></li> </ul>
<p>The above characteristics are measured using the following indicators respectively:</p> <p>Characteristic 1):</p> <p>The UBS Blended ESG Score is used to identify issuers/companies for the investment universe with strong environmental and social performance characteristics, or a strong sustainability profile. The UBS Blended ESG Score represents an average of normalized ESG assessment data from UBS and two recognized external ESG data providers, MSCI and Sustainalytics. This blended score approach enhances the quality of the derived sustainability profile by integrating multiple independent ESG assessments, rather than depending solely on one single view. The UBS Blended ESG Score represents an entity's sustainability profile assessing material environmental, social, and governance factors. These factors may include, but are not limited to, environmental footprint and operational efficiency, risk management, climate change response, natural resource utilization, pollution and waste management, employment standards, supply chain oversight, human capital development, board diversity, occupational health and safety, product safety, and anti-fraud and anti-corruption policies. Each assessed entity is assigned a UBS Blended ESG Score, which ranges from 0 to 10, with 10 indicating the best sustainability profile.</p> <p>There is no minimum UBS Blended ESG Score at individual investment level.</p> <p>Characteristic 2):</p> <p>Scope 1 and 2 Weighted Average Carbon Intensity (WACI):</p> <ul style="list-style-type: none"> <li>- Scope 1 refers to direct carbon emissions and therefore includes all direct greenhouse gas emissions from owned or controlled sources of the relevant entity or issuer.</li> <li>- Scope 2 refers to indirect carbon emissions and therefore includes greenhouse gas emissions from the generation of electricity, thermal energy and/or steam that is consumed by the relevant entity or issuer.</li> </ul> <p>Low absolute carbon profile is defined as below 100 tonnes of CO<sub>2</sub> emissions per million US dollars of revenues.</p>
<ul style="list-style-type: none"> <li>• <b><i>What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?</i></b></li> </ul>
<p>The objectives of the sustainable investments that the financial product partially intends to make is to contribute to the environmental and/or social characteristic(s) promoted by the financial product.</p>

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti - corruption and anti - bribery matters.

<ul style="list-style-type: none"> <li>● <b><i>How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?</i></b></li> </ul>	
	<p>When assessing “do no significant harm” (DNSH), we consider selected principal adverse impact indicators based on availability and appropriateness. These indicators are combined into a signal based on individual thresholds defined per indicator. A fail on a single indicator leads to an investment failing the DNSH criteria.</p>
	<p><b><i>How have the indicators for adverse impacts on sustainability factors been taken into account?</i></b></p>
	<p>Principal adverse impacts (the “PAI”) are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters. UBS integrates PAI indicators in its decision making process.</p> <p>At present, the following PAI indicators are considered by means of exclusions from the investment universe:</p> <p><u>1.4 “Exposure to companies active in the fossil fuel sector”:</u></p> <ul style="list-style-type: none"> <li>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.</li> <li>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal-based power generation are excluded.</li> </ul> <p><u>1.10 “Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises”:</u></p> <ul style="list-style-type: none"> <li>- Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM’s Stewardship Committee are excluded</li> </ul> <p><u>1.14 “Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)”:</u></p> <ul style="list-style-type: none"> <li>- UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non- Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the company is involved in development, production, storage, maintenance or transport of controversial weapons, or is a majority shareholder (&gt;50% ownership stake) of such a company.</li> </ul> <p>The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.</p> <p>The following PAI indicator is considered by virtue of the promoted characteristics:</p> <p><u>1.3 “GHG intensity of investee companies”</u></p> <ul style="list-style-type: none"> <li>- The Portfolio Manager selects investments based upon a low scope 1+2 carbon intensity, either absolute or relative to a benchmark</li> </ul> <p>The following PAI indicators are additionally part of the DNSH signal:</p> <p><u>1.7 “Activities negatively affecting bio-diversity-sensitive areas”</u></p> <p><u>1.13 “Board gender diversity”</u></p> <p><u>1.15. “GHG Intensity”</u></p>



1.16. "Investee countries subject to social violations"
<i>How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?</i>
Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM's Stewardship Committee are excluded.
<p><i>The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.</i></p> <p><i>The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.</i></p> <p><i>Any other sustainable investments must also not significantly harm any environmental or social objectives.</i></p>
<b>Does this financial product consider principal adverse impacts on sustainability factors?</b>
<input checked="" type="checkbox"/> Yes
<p>Principal adverse impacts (the "PAI") are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters. UBS integrates PAI indicators in its decision making process.</p> <p>At present, the following PAI indicators are considered by means of exclusions from the investment universe:</p> <p><u>1.4 "Exposure to companies active in the fossil fuel sector":</u></p> <ul style="list-style-type: none"> <li>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.</li> <li>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal-based power generation are excluded.</li> </ul> <p><u>1.10 "Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises":</u></p> <ul style="list-style-type: none"> <li>- Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM's Stewardship Committee are excluded</li> </ul> <p><u>1. 14 "Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)":</u></p> <ul style="list-style-type: none"> <li>- UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non- Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the company is involved in development, production, storage,</li> </ul>

maintenance or transport of controversial weapons, or is a majority shareholder (>50% ownership stake) of such a company.

The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.

The following PAI indicator is considered by virtue of the promoted characteristics:

### 1.3 “GHG intensity of investee companies”

- The Portfolio Manager selects investments based upon a low scope 1+2 carbon intensity, either absolute or relative to a benchmark

When assessing “do no significant harm” (DNSH), we consider selected principal adverse impact indicators based on availability and appropriateness. These indicators are combined into a signal based on individual thresholds defined per indicator. A fail on a single indicator leads to an investment failing the DNSH criteria. The following PAI indicators are additionally part of this signal:

### 1.7 “Activities negatively affecting bio-diversity-sensitive areas”

### 1.13 “Board gender diversity”

### 1.15. “GHG Intensity”

### 1.16. “Investee countries subject to social violations”

Information on consideration of PAIs on sustainability factors is also available in the sub-fund’s annual report.

☐

No

## **What investment strategy does this financial product follow?**

### **ESG Integration:**

ESG Integration is driven by taking into account material ESG risks as part of the research process. ESG integration enables the Portfolio Manager to identify financially relevant sustainability factors that impact investment decisions and to incorporate ESG considerations when implementing investment decisions, and allows ESG risks to be systematically monitored and compared to risk appetite and constraints. It also assists in portfolio construction through securities selection, investment conviction and portfolio weightings.

- For corporate issuers, this process utilizes an internal UBS ESG material issues framework which identifies the financially relevant factors per sector that can impact investment decisions. This orientation toward financial materiality ensures that analysts focus on sustainability factors that can impact the financial performance of the company and therefore investment returns. ESG integration can also identify opportunities for engagement to improve the company’s ESG risk profile and thereby mitigate the potential negative impact of ESG issues on the company’s financial performance. The Portfolio Manager employs an internal UBS ESG risk dashboard that combines multiple internal and external ESG data sources in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process.

- For non-corporate issuers, the Portfolio Manager applies a qualitative or quantitative ESG risk assessment that integrates data on material ESG factors.

The analysis of material sustainability/ESG considerations can include many different aspects, such as the following among others: the carbon footprint, health and well-being, human rights, supply chain management, fair customer treatment and governance.

### **Fund specific exclusions:**



**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.



The sub-fund excludes companies with a sustainability profile that indicates a high or severe ESG risk, except in special circumstances where a lower weighting is required for this company in order to manage portfolio risk relative to the benchmark weighting.

**Sustainability Exclusion Policy:**

The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The following binding element(s) of the investment strategy are used to select the investments to attain the characteristic(s) promoted by this financial product:

Characteristic 1):

A sustainability profile that is higher than its benchmark’s sustainability profile or a UBS Blended ESG Score between 7 and 10 (indicating a strong sustainability profile).

Characteristic 2):

A lower Scope 1 and 2 Weighted Average Carbon Intensity (WACI) than its benchmark or a low absolute carbon profile.

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

The characteristic(s), the minimum proportion of sustainable investments and the minimum proportion of investments used to meet the environmental and/or social characteristics promoted by the financial product are calculated at quarter end using the average of all business days’ values in the quarter.

**Fund specific exclusions:**

The sub-fund excludes companies with a sustainability profile that indicates a high or severe ESG risk, except in special circumstances where a lower weighting is required for this company in order to manage portfolio risk relative to the benchmark weighting, as described above in the section “What investment strategy does this financial product follow?”.

**Sustainability Exclusion Policy:**

The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the sales prospectus.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

Not applicable.

- ***What is the policy to assess good governance practices of the investee companies?***

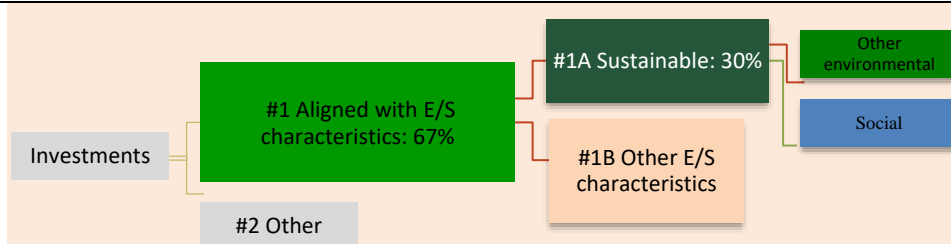
Good corporate governance is a key driver of sustainable performance and is therefore embedded in the Portfolio Manager’s investment strategy. The Portfolio Manager employs a proprietary ESG Risk

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

Dashboard that combines multiple ESG data sources from internal and recognized external providers in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process. The assessment of good governance includes consideration of board structure and independence, remuneration alignment, transparency of ownership and control, and financial reporting.

## What is the asset allocation planned for this financial product?

The minimum proportion of the investments used to meet the environmental and/or social characteristics promoted by the financial product is 67%. The minimum proportion of sustainable investments of the financial product is 30%.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

-The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

-The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

## How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used for the attainment of the characteristics promoted by this financial product. Derivatives are primarily used for hedging and liquidity management purposes.

## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

It has not been possible to collect data on the environmental objective(s) set out in Article 9 of the Taxonomy Regulation and on how and to what extent the investments underlying the financial product are in economic activities that qualify as environmentally sustainable under Article 3 of the Taxonomy Regulation ("Taxonomy Aligned Investments"). On that basis, the financial product has 0% Taxonomy Aligned Investments.

**Taxonomy-aligned activities** are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies

- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

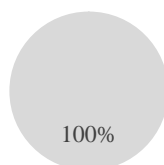
- Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>15</sup>?

☐ Yes:  
☐ In fossil gas    ☐ In nuclear energy  
☒ No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

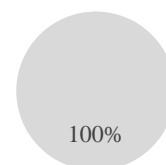
1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned  
 (no fossil gas & nuclear)  
☐ Non Taxonomy-aligned



2. Taxonomy-alignment of investments excluding sovereign bonds\*

☒ Taxonomy-aligned  
 (no fossil gas & nuclear)  
☐ Non Taxonomy-aligned



This graph represents x%\*\* of the total investments

\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

\*\* No percentage has been inserted as it is not relevant (no Taxonomy-aligned investments)

- What is the minimum share of investments in transitional and enabling activities?

There is no commitment to a minimum proportion of investments in transitional and enabling activities.

**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The sustainable investments made by the financial product will contribute to either environmental or social objectives or both. The financial product does not commit to a predetermined combination of environmental or social objectives, and therefore there is no minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy. Where the financial product does invest in

are environmentally sustainable investments that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.



<sup>15</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



environmentally sustainable investments that are not Taxonomy-aligned, this is due to the absence of necessary data to determine Taxonomy-alignment.

### What is the minimum share of socially sustainable investments?

The sustainable investments made by the financial product will contribute to either environmental or social objectives or both. The financial product does not commit a predetermined combination of environmental or social objectives, and therefore there is no minimum share of socially sustainable investments.

### What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

Included in “#2 Other” are cash and unrated instruments for the purpose of liquidity and portfolio risk management. Unrated instruments may also include securities for which data needed for the measurement of attainment of environmental or social characteristics is not available.

### Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No ESG reference benchmark has been designated for the purpose of determining whether the financial product is aligned with the characteristics that it promotes.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

Not applicable.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Not applicable.

- ***How does the designated index differ from a relevant broad market index?***

Not applicable.

- ***Where can the methodology used for the calculation of the designated index be found?***

Not applicable.

### Where can I find more product specific information online?

More product-specific information can be found on the website: [www.ubs.com/funds](http://www.ubs.com/funds)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name:**

UBS (Lux) Equity SICAV - Global Defensive Sustainable (USD)

**Legal entity identifier:**

549300YYY9BCGZ75G026

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input type="radio"/> <b>Yes</b>	<input type="radio"/> <input checked="" type="radio"/> <b>No</b>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective:</b> ____ %	<input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments
<input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective:</b> ____ %	<input checked="" type="checkbox"/> with a social objective
	<input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

## What environmental and/or social characteristics are promoted by this financial product?

The following characteristics are promoted by the financial products equity portfolio:

- 1) A sustainability profile that is higher than its benchmark's sustainability profile.
- 2) A lower Weighted Average Carbon Intensity (WACI) than the reference benchmark.

The portfolio construction benchmark is a broad market index which does not assess or include constituents according to environmental and/or social characteristics and therefore is not intended to be consistent with the characteristics promoted by the financial product. No ESG reference benchmark has been designated for the purpose of attaining the characteristics promoted by the financial product.

### • **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The above characteristics are measured using the following indicators respectively:

Characteristic 1):

The UBS Blended ESG Score is used to identify issuers/companies for the investment universe with strong environmental and social performance characteristics, or a strong sustainability profile. The UBS Blended ESG Score represents an average of normalized ESG assessment data from UBS and two recognized external ESG data providers, MSCI and Sustainalytics. This blended score approach enhances the quality of the derived sustainability profile by integrating multiple independent ESG assessments, rather than depending solely on one single view. The UBS Blended ESG Score represents an entity's sustainability profile assessing material environmental, social, and governance factors. These factors may include, but are not limited to, environmental footprint and operational efficiency, risk management, climate change response, natural resource utilization, pollution and waste management, employment standards, supply chain oversight, human capital development, board diversity, occupational health and safety, product safety, and anti-fraud and anti-corruption policies. Each assessed entity is assigned a UBS Blended ESG Score, which ranges from 0 to 10, with 10 indicating the best sustainability profile.

There is no minimum UBS Blended ESG Score at individual investment level.

Characteristic 2):

Scope 1 and 2 Weighted Average Carbon Intensity (WACI):

- Scope 1 refers to direct carbon emissions and therefore includes all direct greenhouse gas emissions from owned or controlled sources of the relevant entity or issuer.

- Scope 2 refers to indirect carbon emissions and therefore includes greenhouse gas emissions from the generation of electricity, thermal energy and/or steam that is consumed by the relevant entity or issuer.

### • **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The objectives of the sustainable investments that the financial product partially intends to make is to contribute to the environmental and/or social characteristic(s) promoted by the financial product.

### • **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

<p>When assessing “do no significant harm” (DNSH), we consider selected principal adverse impact indicators based on availability and appropriateness. These indicators are combined into a signal based on individual thresholds defined per indicator. A fail on a single indicator leads to an investment failing the DNSH criteria.</p>
<p><i>How have the indicators for adverse impacts on sustainability factors been taken into account?</i></p>
<p>Principal adverse impacts (the “PAI”) are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters. UBS integrates PAI indicators in its decision making process.</p> <p>At present, the following PAI indicators are considered by means of exclusions from the investment universe:</p> <p><u>1.4 “Exposure to companies active in the fossil fuel sector”:</u></p> <ul style="list-style-type: none"> <li>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.</li> <li>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal-based power generation are excluded.</li> </ul> <p><u>1.10 “Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises”:</u></p> <ul style="list-style-type: none"> <li>- Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM’s Stewardship Committee are excluded</li> </ul> <p><u>1.14 “Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)”:</u></p> <ul style="list-style-type: none"> <li>- UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non-Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the company is involved in development, production, storage, maintenance or transport of controversial weapons, or is a majority shareholder (&gt;50% ownership stake) of such a company.</li> </ul> <p>The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.</p> <p>The following PAI indicator is considered by virtue of the promoted characteristics:</p> <p><u>1.3 “GHG intensity of investee companies”</u></p> <ul style="list-style-type: none"> <li>- The Portfolio Manager selects investments based upon a low scope 1+2 carbon intensity, either absolute or relative to a benchmark</li> </ul> <p>The following PAI indicators are additionally part of the DNSH signal:</p> <p><u>1.7 “Activities negatively affecting bio-diversity-sensitive areas”</u></p> <p><u>1.13 “Board gender diversity”</u></p> <p><u>1.15. “GHG Intensity”</u></p> <p><u>1.16. “Investee countries subject to social violations”</u></p>



<p><i>How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?</i></p>
<p>Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM's Stewardship Committee are excluded.</p>
<p><i>The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.</i></p> <p><i>The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.</i></p> <p><i>Any other sustainable investments must also not significantly harm any environmental or social objectives.</i></p>
<p><b>Does this financial product consider principal adverse impacts on sustainability factors?</b></p>
<p><input checked="" type="checkbox"/> Yes</p>
<p>Principal adverse impacts (the "PAI") are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters. UBS integrates PAI indicators in its decision making process.</p> <p>At present, the following PAI indicators are considered by means of exclusions from the investment universe:</p> <p><u>1.4 "Exposure to companies active in the fossil fuel sector":</u></p> <ul style="list-style-type: none"> <li>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.</li> <li>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal-based power generation are excluded.</li> </ul> <p><u>1.10 "Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises":</u></p> <ul style="list-style-type: none"> <li>- Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM's Stewardship Committee are excluded</li> </ul> <p><u>1.14 "Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)":</u></p> <ul style="list-style-type: none"> <li>- UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non- Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the company is involved in development, production, storage, maintenance or transport of controversial weapons, or is a majority shareholder (&gt;50% ownership stake) of such a company.</li> </ul>



**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.



The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.

The following PAI indicator is considered by virtue of the promoted characteristics:

**1.3 “GHG intensity of investee companies”**

- The Portfolio Manager selects investments based upon a low scope 1+2 carbon intensity, either absolute or relative to a benchmark

When assessing “do no significant harm” (DNSH), we consider selected principal adverse impact indicators based on availability and appropriateness. These indicators are combined into a signal based on individual thresholds defined per indicator. A fail on a single indicator leads to an investment failing the DNSH criteria. The following PAI indicators are additionally part of this signal:

**1.7 “Activities negatively affecting bio-diversity-sensitive areas”**

**1.13 “Board gender diversity”**

**1.15. “GHG Intensity”**

**1.16. “Investee countries subject to social violations”**

Information on consideration of PAIs on sustainability factors is also available in the sub-fund’s annual report.

☐

No

**What investment strategy does this financial product follow?**

**ESG Integration:**

ESG Integration is driven by taking into account material ESG risks as part of the research process. ESG integration enables the Portfolio Manager to identify financially relevant sustainability factors that impact investment decisions and to incorporate ESG considerations when implementing investment decisions, and allows ESG risks to be systematically monitored and compared to risk appetite and constraints. It also assists in portfolio construction through securities selection, investment conviction and portfolio weightings.

- For corporate issuers, this process utilizes an internal UBS ESG material issues framework which identifies the financially relevant factors per sector that can impact investment decisions. This orientation toward financial materiality ensures that analysts focus on sustainability factors that can impact the financial performance of the company and therefore investment returns. ESG integration can also identify opportunities for engagement to improve the company’s ESG risk profile and thereby mitigate the potential negative impact of ESG issues on the company’s financial performance. The Portfolio Manager employs an internal UBS ESG risk dashboard that combines multiple internal and external ESG data sources in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process.

- For non-corporate issuers, the Portfolio Manager applies a qualitative or quantitative ESG risk assessment that integrates data on material ESG factors.

The analysis of material sustainability/ESG considerations can include many different aspects, such as the following among others: the carbon footprint, health and well-being, human rights, supply chain management, fair customer treatment and governance.

**Fund specific exclusions:**

The sub-fund excludes companies with a sustainability profile that indicates a severe risk and excludes companies with a high risk and negative trend.

<p><b><u>Sustainability Exclusion Policy:</u></b></p> <p>The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.</p>
<ul style="list-style-type: none"> <li>● <b><i>What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?</i></b></li> </ul>
<p>The following binding element(s) of the investment strategy are used to select the investments to attain the characteristic(s) promoted by this financial products equity portfolio:</p> <p>Characteristic 1):</p> <p>A sustainability profile that is higher than its benchmark’s sustainability profile.</p> <p>Characteristic 2):</p> <p>A lower Scope 1 and 2 Weighted Average Carbon Intensity (WACI) than its benchmark.</p> <p>The calculations do not take account of cash, derivatives and unrated investment instruments.</p> <p>The characteristic(s), the minimum proportion of sustainable investments and the minimum proportion of investments used to meet the environmental and/or social characteristics promoted by the financial product are calculated at quarter end using the average of all business days’ values in the quarter.</p> <p><b><u>Fund specific exclusions:</u></b></p> <p>The sub-fund excludes companies with a sustainability profile that indicates a severe ESG risk and excludes companies with a high risk and negative trend, as described above in the section “What investment strategy does this financial product follow?”.</p> <p><b><u>Sustainability Exclusion Policy:</u></b></p> <p>The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the sales prospectus.</p>
<ul style="list-style-type: none"> <li>● <b><i>What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?</i></b></li> </ul>
<p>Not applicable.</p>
<ul style="list-style-type: none"> <li>● <b><i>What is the policy to assess good governance practices of the investee companies?</i></b></li> </ul>
<p>Good corporate governance is a key driver of sustainable performance and is therefore embedded in the Portfolio Manager’s investment strategy. The Portfolio Manager employs a proprietary ESG Risk Dashboard that combines multiple ESG data sources from internal and recognized external providers in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process. The assessment of good governance includes consideration of board structure and independence, remuneration alignment, transparency of ownership and control, and financial reporting.</p>

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.



**Asset allocation** describes the share of investments in specific assets.

**Taxonomy-aligned** activities are expressed as a share of:

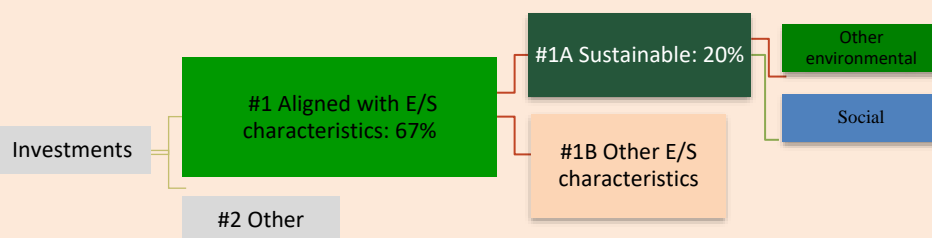
- **turnover** reflecting the share of revenue from green activities of investee companies

- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

## What is the asset allocation planned for this financial product?

The minimum proportion of the investments used to meet the environmental and/or social characteristics promoted by the financial product is 67%. The minimum proportion of sustainable investments of the financial product is 20%.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

-The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

-The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.



- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives are not used for the attainment of the characteristics promoted by this financial product. Derivatives are primarily used for hedging and liquidity management purposes.

## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

It has not been possible to collect data on the environmental objective(s) set out in Article 9 of the Taxonomy Regulation and on how and to what extent the investments underlying the financial product are in economic activities that qualify as environmentally sustainable under Article 3 of the Taxonomy Regulation ("Taxonomy Aligned Investments"). On that basis, the financial product has 0% Taxonomy Aligned Investments.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>16</sup>?**

<sup>16</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

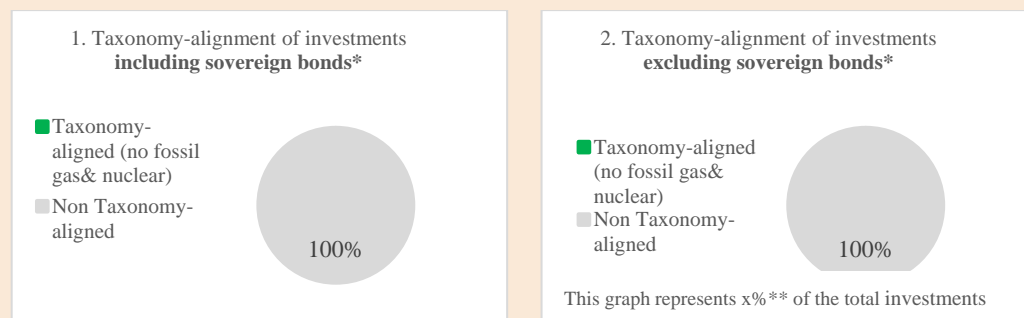
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- ☐ Yes:
- ☐ In fossil gas    ☐ In nuclear energy
- ☒ No

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

\*\* No percentage has been inserted as it is not relevant (no Taxonomy-aligned investments)

• **What is the minimum share of investments in transitional and enabling activities?**

There is no commitment to a minimum proportion of investments in transitional and enabling activities.

**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The sustainable investments made by the financial product will contribute to either environmental or social objectives or both. The financial product does not commit to a predetermined combination of environmental or social objectives, and therefore there is no minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy. Where the financial product does invest in environmentally sustainable investments that are not Taxonomy-aligned, this is due to the absence of necessary data to determine Taxonomy-alignment.

**What is the minimum share of socially sustainable investments?**

The sustainable investments made by the financial product will contribute to either environmental or social objectives or both. The financial product does not commit a predetermined combination of environmental or social objectives, and therefore there is no minimum share of socially sustainable investments.

**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Included in “#2 Other” are cash and unrated instruments for the purpose of liquidity and portfolio risk management. Unrated instruments may also include securities for which data needed for the measurement of attainment of environmental or social characteristics is not available.

are environmentally sustainable investments that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

No ESG reference benchmark has been designated for the purpose of determining whether the financial product is aligned with the characteristics that it promotes.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

Not applicable.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Not applicable.

- ***How does the designated index differ from a relevant broad market index?***

Not applicable.

- ***Where can the methodology used for the calculation of the designated index be found?***

Not applicable.

**Where can I find more product specific information online?**

More product-specific information can be found on the website: [www.ubs.com/funds](http://www.ubs.com/funds)

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name:**

**Legal entity identifier:**

UBS (Lux) Equity SICAV - Global Emerging Markets ex China Opportunity (USD) TBD

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

☒ ☐ Yes

☐ ☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective:** \_\_\_\_ %

☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_\_% of sustainable investments

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☐ It will make a minimum of **sustainable investments with a social objective:** \_\_\_\_ %

☒ It promotes E/S characteristics, but **will not make any sustainable investments**



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

What environmental and/or social characteristics are promoted by this financial product?
<p>The following characteristics are promoted by the financial product:</p> <ol style="list-style-type: none"> <li>1) A lower Weighted Average Carbon Intensity (WACI) than the reference benchmark or a low absolute carbon profile.</li> <li>2) A sustainability profile that is higher than its benchmark's sustainability profile or a minimum of 51 % of assets invested in companies with a sustainability profile in the top half of the benchmark.</li> </ol> <p>The benchmark is a broad market index which does not assess or include constituents according to environmental and/or social characteristics and therefore is not intended to be consistent with the characteristics promoted by the financial product. No ESG reference benchmark has been designated for the purpose of attaining the characteristics promoted by the financial product.</p>
<ul style="list-style-type: none"> <li><b><i>What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?</i></b></li> </ul>
<p>The characteristics are measured using the following indicators respectively:</p> <p>Characteristic 1):</p> <p>Scope 1 and 2 Weighted Average Carbon Intensity (WACI):</p> <ul style="list-style-type: none"> <li>- Scope 1 refers to direct carbon emissions and therefore includes all direct greenhouse gas emissions from owned or controlled sources of the relevant entity or issuer.</li> <li>- Scope 2 refers to indirect carbon emissions and therefore includes greenhouse gas emissions from the generation of electricity, thermal energy and/or steam that is consumed by the relevant entity or issuer.</li> </ul> <p>Low absolute carbon profile is defined as below 100 tonnes of CO<sub>2</sub> emissions per million US dollars of revenues.</p> <p>Characteristic 2):</p> <p>The UBS Blended ESG Score is used to identify issuers/companies for the investment universe with strong environmental and social performance characteristics, or a strong sustainability profile. The UBS Blended ESG Score represents an average of normalized ESG assessment data from UBS and two recognized external ESG data providers, MSCI and Sustainalytics. This blended score approach enhances the quality of the derived sustainability profile by integrating multiple independent ESG assessments, rather than depending solely on one single view. The UBS Blended ESG Score represents an entity's sustainability profile assessing material environmental, social, and governance factors. These factors may include, but are not limited to, environmental footprint and operational efficiency, risk management, climate change response, natural resource utilization, pollution and waste management, employment standards, supply chain oversight, human capital development, board diversity, occupational health and safety, product safety, and anti-fraud and anti-corruption policies. Each assessed entity is assigned a UBS Blended ESG Score, which ranges from 0 to 10, with 10 indicating the best sustainability profile.</p> <p>There is no minimum UBS Blended ESG Score at individual investment level.</p>
<ul style="list-style-type: none"> <li><b><i>What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?</i></b></li> </ul>
<p>Not applicable.</p>

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti - corruption and anti - bribery matters.



<ul style="list-style-type: none"> <li>● <b>How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?</b></li> </ul>
Not applicable.
<i>How have the indicators for adverse impacts on sustainability factors been taken into account?</i>
Not applicable.
<i>How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?</i>
Not applicable.
<p><i>The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.</i></p> <p><i>The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.</i></p> <p><i>Any other sustainable investments must also not significantly harm any environmental or social objectives.</i></p>
<b>Does this financial product consider principal adverse impacts on sustainability factors?</b>
<input checked="" type="checkbox"/> Yes
<p>Principal adverse impacts (the “PAI”) are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti - corruption, and anti - bribery matters. UBS integrates PAI indicators in its decision making process.</p> <p>At present, the following PAI indicators are considered by means of exclusions from the investment universe:</p> <p>1.4 “Exposure to companies active in the fossil fuel sector”:</p> <p>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.</p> <p>1.10 “Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises”:</p> <p>- Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM’s Stewardship Committee are excluded</p> <p>1.14 “Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)”:</p> <p>-UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non- Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the</p>





**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

<p>company is involved in development, production, storage, maintenance or transport of controversial weapons, or is a majority shareholder (&gt;50% ownership stake) of such a company.</p> <p>The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.</p> <p>The following PAI indicator is considered by virtue of the promoted characteristics:</p> <p>1.3 “GHG intensity of investee companies”</p> <p>The Portfolio Manager selects investments based upon a low scope 1+2 carbon intensity, either absolute or relative to a benchmark</p> <p>Information on consideration of PAIs on sustainability factors is also available in the sub-fund’s annual report.</p>
<p><input type="checkbox"/> No</p>
<p><b>What investment strategy does this financial product follow?</b></p>
<p><b><u>ESG Integration:</u></b></p> <p>ESG Integration is driven by taking into account material ESG risks as part of the research process. ESG integration enables the Portfolio Manager to identify financially relevant sustainability factors that impact investment decisions and to incorporate ESG considerations when implementing investment decisions, and allows ESG risks to be systematically monitored and compared to risk appetite and constraints. It also assists in portfolio construction through securities selection, investment conviction and portfolio weightings.</p> <ul style="list-style-type: none"> <li>• For corporate issuers, this process utilizes an internal UBS ESG material issues framework which identifies the financially relevant factors per sector that can impact investment decisions. This orientation toward financial materiality ensures that analysts focus on sustainability factors that can impact the financial performance of the company and therefore investment returns. ESG integration can also identify opportunities for engagement to improve the company’s ESG risk profile and thereby mitigate the potential negative impact of ESG issues on the company’s financial performance. The Portfolio Manager employs an internal UBS ESG risk dashboard that combines multiple internal and external ESG data sources in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process.</li> <li>• For non-corporate issuers, the Portfolio Manager applies a qualitative or quantitative ESG risk assessment that integrates data on material ESG factors.</li> </ul> <p>The analysis of material sustainability/ESG considerations can include many different aspects, such as the following among others: the carbon footprint, health and well-being, human rights, supply chain management, fair customer treatment and governance.</p> <p><b><u>Sustainability Exclusion Policy:</u></b></p> <p>The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.</p>
<ul style="list-style-type: none"> <li>• <b><i>What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?</i></b></li> </ul>
<p>The following binding element(s) of the investment strategy are used to select the investments to attain the characteristic(s) promoted by this financial product:</p> <p>Characteristic 1):</p> <p>A lower Scope 1 and 2 Weighted Average Carbon Intensity (WACI) than its benchmark or a low absolute carbon profile.</p>

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

**Asset allocation** describes the share of investments in specific assets.

or:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



<p>Characteristic 2):</p> <p>A sustainability profile that is higher than its benchmark's sustainability profile or a minimum of 51% of assets invested in companies with a sustainability profile in the top half of the benchmark.</p> <p>The calculations do not take account of cash, derivatives and unrated investment instruments.</p> <p>The characteristic(s) and the minimum proportion of investments used to meet the environmental and/or social characteristics promoted by the financial product are calculated at quarter end using the average of all business days' values in the quarter.</p> <p><b>Sustainability Exclusion Policy:</b></p> <p>The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed "Sustainability Exclusion Policy" in the main body of the sales prospectus.</p>
<ul style="list-style-type: none"> <li>• <b><i>What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?</i></b></li> </ul>
<p>Not applicable.</p>
<ul style="list-style-type: none"> <li>• <b><i>What is the policy to assess good governance practices of the investee companies?</i></b></li> </ul>
<p>Good corporate governance is a key driver of sustainable performance and is therefore embedded in the Portfolio Manager's investment strategy. The Portfolio Manager employs a proprietary ESG Risk Dashboard that combines multiple ESG data sources from internal and recognized external providers in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process. The assessment of good governance includes consideration of board structure and independence, remuneration alignment, transparency of ownership and control, and financial reporting.</p>
<p><b>What is the asset allocation planned for this financial product?</b></p>
<p>The minimum proportion of the investments used to meet the environmental and/or social characteristics promoted by the financial product is 51%.</p>
<div data-bbox="459 1630 938 1890"> <pre> graph LR     A[Investments] --&gt; B[#1 Aligned with E/S characteristics: 51%]     A --&gt; C[#2 Other] </pre> </div> <p><b>#1 Aligned with E/S characteristics</b> includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.</p>



To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

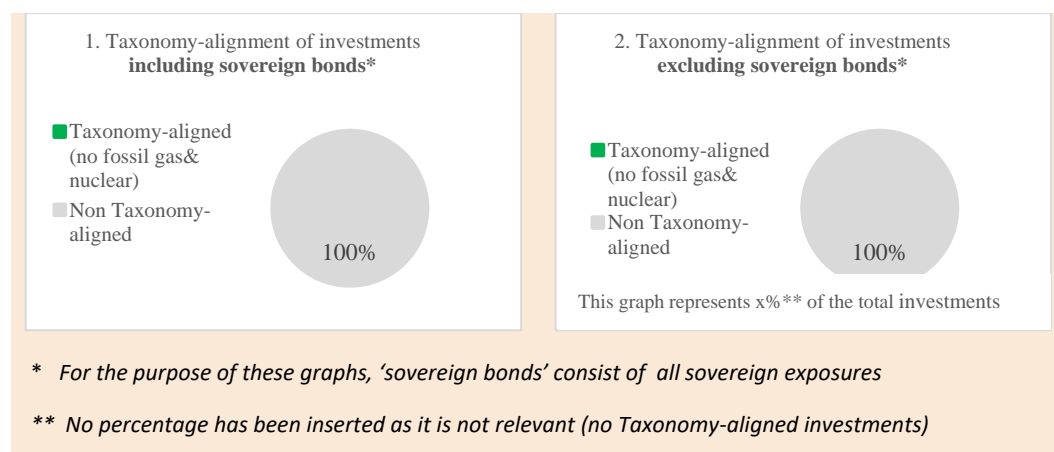
**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.






**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

<p><b>#2 Other</b> includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.</p>
<p>• <b>How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?</b></p>
<p>Derivatives are not used for the attainment of the characteristics promoted by this financial product. Derivatives are primarily used for hedging and liquidity management purposes.</p>
<p><b>To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?</b></p>
<p>Not applicable.</p>
<p>• <b>Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>17</sup>?</b></p>
<p> <input type="checkbox"/> Yes:         <input type="checkbox"/> In fossil gas    <input type="checkbox"/> In nuclear energy  <input checked="" type="checkbox"/> No       </p>

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*

<sup>17</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



<div style="display: flex; flex-direction: column; align-items: center;"> <div style="margin-bottom: 10px;">  <p>are environmentally sustainable investments that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.</p> </div> <div style="margin-bottom: 10px;">  </div> <div style="margin-bottom: 10px;">  </div> <div style="margin-bottom: 10px;">  </div> <div>  </div> </div>	<ul style="list-style-type: none"> <li><b>What is the minimum share of investments in transitional and enabling activities?</b></li> </ul>
	Not applicable.
	<b>What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?</b>
	Not applicable.
	<b>What is the minimum share of socially sustainable investments?</b>
	Not applicable.
	<b>What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?</b>
	Included in “#2 Other” are cash and unrated instruments for the purpose of liquidity and portfolio risk management. Unrated instruments may also include securities for which data needed for the measurement of attainment of environmental or social characteristics is not available.
	<b>Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?</b>
	No ESG reference benchmark has been designated for the purpose of determining whether the financial product is aligned with the characteristics that it promotes.
	<ul style="list-style-type: none"> <li><b>How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?</b></li> </ul>
	Not applicable.
	<ul style="list-style-type: none"> <li><b>How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?</b></li> </ul>

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



Not applicable.
<ul style="list-style-type: none"> <li>• <b><i>How does the designated index differ from a relevant broad market index?</i></b></li> </ul>
Not applicable.
<ul style="list-style-type: none"> <li>• <b><i>Where can the methodology used for the calculation of the designated index be found?</i></b></li> </ul>
Not applicable.
<b>Where can I find more product specific information online?</b> More product-specific information can be found on the website: <a href="http://www.ubs.com/funds">www.ubs.com/funds</a>

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name:**

**Legal entity identifier:**

UBS (Lux) Equity SICAV - Global Emerging Markets Opportunity (USD)

549300GDETC17MEFNU84

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

☒ ☐ **Yes**

☐ It will make a minimum of **sustainable investments with an environmental objective**: \_\_\_\_ %

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_ %

☒ ☐ **No**

☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_\_% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☒ It promotes E/S characteristics, but **will not make any sustainable investments**



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

What environmental and/or social characteristics are promoted by this financial product?
<p>The following characteristics are promoted by the financial product:</p> <ol style="list-style-type: none"> <li>1) A lower Weighted Average Carbon Intensity (WACI) than the reference benchmark or a low absolute carbon profile.</li> <li>2) A sustainability profile that is higher than its benchmark's sustainability profile or a minimum of 51 % of assets invested in companies with a sustainability profile in the top half of the benchmark.</li> </ol> <p>The benchmark is a broad market index which does not assess or include constituents according to environmental and/or social characteristics and therefore is not intended to be consistent with the characteristics promoted by the financial product. No ESG reference benchmark has been designated for the purpose of attaining the characteristics promoted by the financial product.</p>
<ul style="list-style-type: none"> <li>• <b><i>What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?</i></b></li> </ul>
<p>The characteristics are measured using the following indicators respectively:</p> <p>Characteristic 1):</p> <p>Scope 1 and 2 Weighted Average Carbon Intensity (WACI):</p> <ul style="list-style-type: none"> <li>- Scope 1 refers to direct carbon emissions and therefore includes all direct greenhouse gas emissions from owned or controlled sources of the relevant entity or issuer.</li> <li>- Scope 2 refers to indirect carbon emissions and therefore includes greenhouse gas emissions from the generation of electricity, thermal energy and/or steam that is consumed by the relevant entity or issuer.</li> </ul> <p>Low absolute carbon profile is defined as below 100 tonnes of CO<sub>2</sub> emissions per million US dollars of revenues.</p> <p>Characteristic 2):</p> <p>The UBS Blended ESG Score is used to identify issuers/companies for the investment universe with strong environmental and social performance characteristics, or a strong sustainability profile. The UBS Blended ESG Score represents an average of normalized ESG assessment data from UBS and two recognized external ESG data providers, MSCI and Sustainalytics. This blended score approach enhances the quality of the derived sustainability profile by integrating multiple independent ESG assessments, rather than depending solely on one single view. The UBS Blended ESG Score represents an entity's sustainability profile assessing material environmental, social, and governance factors. These factors may include, but are not limited to, environmental footprint and operational efficiency, risk management, climate change response, natural resource utilization, pollution and waste management, employment standards, supply chain oversight, human capital development, board diversity, occupational health and safety, product safety, and anti-fraud and anti-corruption policies. Each assessed entity is assigned a UBS Blended ESG Score, which ranges from 0 to 10, with 10 indicating the best sustainability profile.</p> <p>There is no minimum UBS Blended ESG Score at individual investment level.</p>
<ul style="list-style-type: none"> <li>• <b><i>What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?</i></b></li> </ul>
<p>Not applicable.</p>

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti - corruption and anti - bribery matters.



<ul style="list-style-type: none"> <li>● <b>How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?</b></li> </ul>
Not applicable.
<i>How have the indicators for adverse impacts on sustainability factors been taken into account?</i>
Not applicable.
<i>How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?</i>
Not applicable.
<p><i>The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.</i></p> <p><i>The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.</i></p> <p><i>Any other sustainable investments must also not significantly harm any environmental or social objectives.</i></p>
<b>Does this financial product consider principal adverse impacts on sustainability factors?</b>
<input checked="" type="checkbox"/> Yes
<p>Principal adverse impacts (the “PAI”) are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti - corruption, and anti - bribery matters. UBS integrates PAI indicators in its decision making process.</p> <p>At present, the following PAI indicators are considered by means of exclusions from the investment universe:</p> <p>1.4 “Exposure to companies active in the fossil fuel sector”:</p> <p>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.</p> <p>1.10 “Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises”:</p> <p>- Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM’s Stewardship Committee are excluded</p> <p>1.14 “Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)”:</p> <p>-UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non- Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the</p>





**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

<p>company is involved in development, production, storage, maintenance or transport of controversial weapons, or is a majority shareholder (&gt;50% ownership stake) of such a company.</p> <p>The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.</p> <p>The following PAI indicator is considered by virtue of the promoted characteristics:</p> <p>1.3 “GHG intensity of investee companies”</p> <p>The Portfolio Manager selects investments based upon a low scope 1+2 carbon intensity, either absolute or relative to a benchmark</p> <p>Information on consideration of PAIs on sustainability factors is also available in the sub-fund’s annual report.</p>
<p><input type="checkbox"/> No</p>
<p><b>What investment strategy does this financial product follow?</b></p>
<p><b><u>ESG Integration:</u></b></p> <p>ESG Integration is driven by taking into account material ESG risks as part of the research process. ESG integration enables the Portfolio Manager to identify financially relevant sustainability factors that impact investment decisions and to incorporate ESG considerations when implementing investment decisions, and allows ESG risks to be systematically monitored and compared to risk appetite and constraints. It also assists in portfolio construction through securities selection, investment conviction and portfolio weightings.</p> <ul style="list-style-type: none"> <li>• For corporate issuers, this process utilizes an internal UBS ESG material issues framework which identifies the financially relevant factors per sector that can impact investment decisions. This orientation toward financial materiality ensures that analysts focus on sustainability factors that can impact the financial performance of the company and therefore investment returns. ESG integration can also identify opportunities for engagement to improve the company’s ESG risk profile and thereby mitigate the potential negative impact of ESG issues on the company’s financial performance. The Portfolio Manager employs an internal UBS ESG risk dashboard that combines multiple internal and external ESG data sources in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process.</li> <li>• For non-corporate issuers, the Portfolio Manager applies a qualitative or quantitative ESG risk assessment that integrates data on material ESG factors.</li> </ul> <p>The analysis of material sustainability/ESG considerations can include many different aspects, such as the following among others: the carbon footprint, health and well-being, human rights, supply chain management, fair customer treatment and governance.</p> <p><b><u>Sustainability Exclusion Policy:</u></b></p> <p>The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.</p>
<ul style="list-style-type: none"> <li>• <b><i>What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?</i></b></li> </ul>
<p>The following binding element(s) of the investment strategy are used to select the investments to attain the characteristic(s) promoted by this financial product:</p> <p>Characteristic 1):</p> <p>A lower Scope 1 and 2 Weighted Average Carbon Intensity (WACI) than its benchmark or a low absolute carbon profile.</p>

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

**Asset allocation** describes the share of investments in specific assets.

of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



<p>Characteristic 2):</p> <p>A sustainability profile that is higher than its benchmark's sustainability profile or a minimum of 51% of assets invested in companies with a sustainability profile in the top half of the benchmark.</p> <p>The calculations do not take account of cash, derivatives and unrated investment instruments.</p> <p>The characteristic(s) and the minimum proportion of investments used to meet the environmental and/or social characteristics promoted by the financial product are calculated at quarter end using the average of all business days' values in the quarter.</p> <p><b>Sustainability Exclusion Policy:</b></p> <p>The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed "Sustainability Exclusion Policy" in the main body of the sales prospectus.</p>
<ul style="list-style-type: none"> <li>• <b><i>What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?</i></b></li> </ul>
<p>Not applicable.</p>
<ul style="list-style-type: none"> <li>• <b><i>What is the policy to assess good governance practices of the investee companies?</i></b></li> </ul>
<p>Good corporate governance is a key driver of sustainable performance and is therefore embedded in the Portfolio Manager's investment strategy. The Portfolio Manager employs a proprietary ESG Risk Dashboard that combines multiple ESG data sources from internal and recognized external providers in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process. The assessment of good governance includes consideration of board structure and independence, remuneration alignment, transparency of ownership and control, and financial reporting.</p>
<p><b>What is the asset allocation planned for this financial product?</b></p>
<p>The minimum proportion of the investments used to meet the environmental and/or social characteristics promoted by the financial product is 51%.</p>
<div data-bbox="459 1559 943 1861"> </div> <p><b>#1 Aligned with E/S characteristics</b> includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.</p>

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives are not used for the attainment of the characteristics promoted by this financial product. Derivatives are primarily used for hedging and liquidity management purposes.

**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

Not applicable.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>18</sup>?**

- ☐ Yes:
- ☐ In fossil gas      ☐ In nuclear energy
- ☒ No

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035.

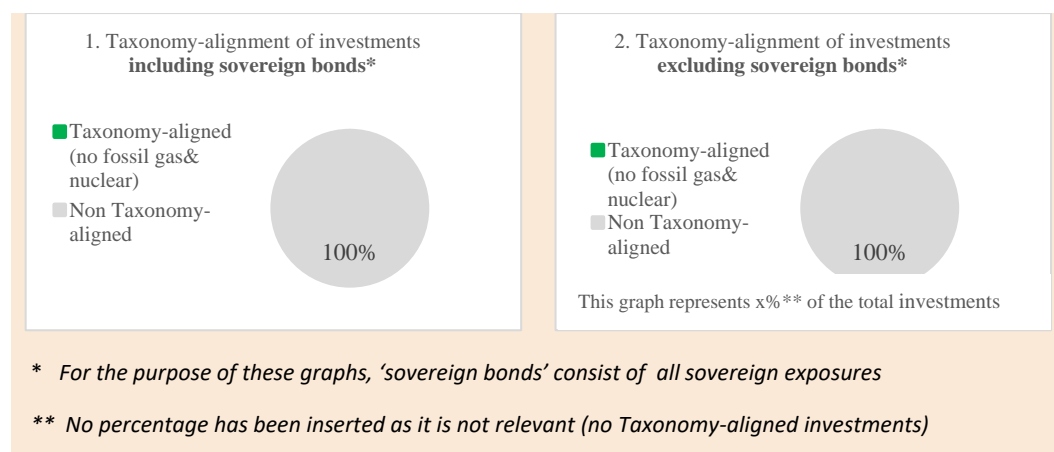
For **nuclear energy**, the criteria include comprehensive safety and waste management rules.






**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



<sup>18</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



<div style="display: flex; flex-direction: column; align-items: center;"> <div style="margin-bottom: 10px;">  <p>are environmentally sustainable investments that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.</p> </div> <div style="margin-bottom: 10px;">  </div> <div style="margin-bottom: 10px;">  </div> <div style="margin-bottom: 10px;">  </div> <div>  </div> </div>	<ul style="list-style-type: none"> <li><b>What is the minimum share of investments in transitional and enabling activities?</b></li> </ul>
	Not applicable.
	<b>What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?</b>
	Not applicable.
	<b>What is the minimum share of socially sustainable investments?</b>
	Not applicable.
	<b>What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?</b>
	Included in “#2 Other” are cash and unrated instruments for the purpose of liquidity and portfolio risk management. Unrated instruments may also include securities for which data needed for the measurement of attainment of environmental or social characteristics is not available.
	<b>Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?</b>
	No ESG reference benchmark has been designated for the purpose of determining whether the financial product is aligned with the characteristics that it promotes.
	<ul style="list-style-type: none"> <li><b>How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?</b></li> </ul>
	Not applicable.
	<ul style="list-style-type: none"> <li><b>How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?</b></li> </ul>

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



Not applicable.
<ul style="list-style-type: none"> <li>• <b><i>How does the designated index differ from a relevant broad market index?</i></b></li> </ul>
Not applicable.
<ul style="list-style-type: none"> <li>• <b><i>Where can the methodology used for the calculation of the designated index be found?</i></b></li> </ul>
Not applicable.
<b>Where can I find more product specific information online?</b> More product-specific information can be found on the website: <a href="http://www.ubs.com/funds">www.ubs.com/funds</a>

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:**

UBS (Lux) Equity SICAV - Global High Dividend Sustainable (USD)

**Legal entity identifier:**

549300VTBX8NRLEWE728

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☐ **Yes**

☐ It will make a minimum of **sustainable investments with an environmental objective**: \_\_\_\_ %

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_ %

☒ ☐ **No**

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 40% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

<p><b>What environmental and/or social characteristics are promoted by this financial product?</b></p>
<p>The following characteristics are promoted by the financial product:</p> <ol style="list-style-type: none"> <li>1) A sustainability profile that is higher than its benchmark's sustainability profile.</li> <li>2) A lower Weighted Average Carbon Intensity (WACI) than the reference benchmark.</li> </ol> <p>The benchmark is a broad market index which does not assess or include constituents according to environmental and/or social characteristics and therefore is not intended to be consistent with the characteristics promoted by the financial product. No ESG reference benchmark has been designated for the purpose of attaining the characteristics promoted by the financial product.</p>
<p>● <b><i>What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?</i></b></p>
<p>The above characteristics are measured using the following indicators respectively:</p> <p>Characteristic 1):</p> <p>The sustainability profile is measured using the weighted average ESG score. The ESG score is used to identify companies for the investment universe with strong environmental and social performance characteristics, or a strong sustainability profile. The ESG score assesses sustainability factors, such as the performance of the relevant companies with reference to environmental, social and governance (ESG) aspects. These ESG aspects relate to the main areas in which the companies operate and their effectiveness in managing ESG risks. Environmental and social factors can include the following elements: Environmental risk management, climate change, natural resource usage, pollution and waste management, human capital and corporate governance.</p> <p>The individual investments in the sub-fund have a ESG score (on a scale of 0-10, with 10 having the best sustainability profile).</p> <p>Characteristic 2):</p> <p>Scope 1 and 2 Weighted Average Carbon Intensity (WACI):</p> <ul style="list-style-type: none"> <li>- Scope 1 refers to direct carbon emissions and therefore includes all direct greenhouse gas emissions from owned or controlled sources of the relevant entity or issuer.</li> <li>- Scope 2 refers to indirect carbon emissions and therefore includes greenhouse gas emissions from the generation of electricity, thermal energy and/or steam that is consumed by the relevant entity or issuer.</li> </ul>
<p>● <b><i>What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?</i></b></p>
<p>The objectives of the sustainable investments that the financial product partially intends to make is to contribute to the environmental and/or social characteristic(s) promoted by the financial product.</p>
<p>● <b><i>How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?</i></b></p>
<p>When assessing "do no significant harm" (DNSH), we consider selected principal adverse impact indicators based on availability and appropriateness. These indicators are combined into a signal based on individual thresholds defined per indicator. A fail on a single indicator leads to an investment failing the DNSH criteria.</p>

<p><i>How have the indicators for adverse impacts on sustainability factors been taken into account?</i></p>
<p>Principal adverse impacts (the “PAI”) are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters. UBS integrates PAI indicators in its decision making process.</p> <p>At present, the following PAI indicators are considered by means of exclusions from the investment universe:</p> <p><u>1.4 “Exposure to companies active in the fossil fuel sector”:</u></p> <ul style="list-style-type: none"> <li>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.</li> <li>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal-based power generation are excluded.</li> </ul> <p><u>1.10 “Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises”:</u></p> <ul style="list-style-type: none"> <li>- Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM’s Stewardship Committee are excluded</li> </ul> <p><u>1.14 “Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)”:</u></p> <ul style="list-style-type: none"> <li>- UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non- Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the company is involved in development, production, storage, maintenance or transport of controversial weapons, or is a majority shareholder (&gt;50% ownership stake) of such a company.</li> </ul> <p>The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.</p> <p>The following PAI indicator is considered by virtue of the promoted characteristics:</p> <p><u>1.3 “GHG intensity of investee companies”</u></p> <ul style="list-style-type: none"> <li>- The Portfolio Manager selects investments based upon a low scope 1+2 carbon intensity, either absolute or relative to a benchmark</li> </ul> <p>The following PAI indicators are additionally part of the DNSH signal:</p> <p><u>1.7 “Activities negatively affecting bio-diversity-sensitive areas”</u></p> <p><u>1.13 “Board gender diversity”</u></p> <p><u>1.15. “GHG Intensity”</u></p> <p><u>1.16. “Investee countries subject to social violations”</u></p>
<p><i>How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?</i></p>
<p>Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM’s Stewardship Committee are excluded.</p>





*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

#### **Does this financial product consider principal adverse impacts on sustainability factors?**

☒ Yes

Principal adverse impacts (the “PAI”) are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters. UBS integrates PAI indicators in its decision making process.

At present, the following PAI indicators are considered by means of exclusions from the investment universe:

##### 1.4 “Exposure to companies active in the fossil fuel sector”:

- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.
- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal-based power generation are excluded.

##### 1.10 “Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises”:

- Companies violating the United Nations Global Compact UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM’s Stewardship Committee are excluded

##### 1.14 “Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)”:

- UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non- Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the company is involved in development, production, storage, maintenance or transport of controversial weapons, or is a majority shareholder (>50% ownership stake) of such a company.

The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.

The following PAI indicator is considered by virtue of the promoted characteristics:

##### 1.3 “GHG intensity of investee companies”

- The Portfolio Manager selects investments based upon a low scope 1+2 carbon intensity, either absolute or relative to a benchmark

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.



<p>When assessing “do no significant harm” (DNSH), we consider selected principal adverse impact indicators based on availability and appropriateness. These indicators are combined into a signal based on individual thresholds defined per indicator. A fail on a single indicator leads to an investment failing the DNSH criteria. The following PAI indicators are additionally part of this signal:</p> <p><u>1.7 “Activities negatively affecting bio-diversity-sensitive areas”</u></p> <p><u>1.13 “Board gender diversity”</u></p> <p><u>1.15. “GHG Intensity”</u></p> <p><u>1.16. “Investee countries subject to social violations”</u></p> <p>Information on consideration of PAIs on sustainability factors is also available in the sub-fund’s annual report.</p>	
<input type="checkbox"/>	<p>No</p>
<p><b>What investment strategy does this financial product follow?</b></p>	
<p><b><u>ESG Integration:</u></b></p> <p>ESG Integration is driven by taking into account material ESG risks as part of the research process. ESG integration enables the Portfolio Manager to identify financially relevant sustainability factors that impact investment decisions and to incorporate ESG considerations when implementing investment decisions, and allows ESG risks to be systematically monitored and compared to risk appetite and constraints. It also assists in portfolio construction through securities selection, investment conviction and portfolio weightings.</p> <ul style="list-style-type: none"> <li>• For corporate issuers, this process utilizes an internal UBS ESG material issues framework which identifies the financially relevant factors per sector that can impact investment decisions. This orientation toward financial materiality ensures that analysts focus on sustainability factors that can impact the financial performance of the company and therefore investment returns. ESG integration can also identify opportunities for engagement to improve the company’s ESG risk profile and thereby mitigate the potential negative impact of ESG issues on the company’s financial performance. The Portfolio Manager employs an internal UBS ESG risk dashboard that combines multiple internal and external ESG data sources in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process.</li> <li>• For non-corporate issuers, the Portfolio Manager applies a qualitative or quantitative ESG risk assessment that integrates data on material ESG factors.</li> </ul> <p>The analysis of material sustainability/ESG considerations can include many different aspects, such as the following among others: the carbon footprint, health and well-being, human rights, supply chain management, fair customer treatment and governance.</p> <p><b><u>Fund specific exclusions:</u></b></p> <p>The sub-fund excludes companies with a sustainability profile that indicates a high or severe ESG risk.</p> <p><b><u>Sustainability Exclusion Policy:</u></b></p> <p>The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.</p>	

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

**Asset allocation** describes the share of investments in specific assets.



<ul style="list-style-type: none"> <li>• <b><i>What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?</i></b></li> </ul>	<p>The following binding element(s) of the investment strategy are used to select the investments to attain the characteristic(s) promoted by this financial product:</p> <p>Characteristic 1):</p> <p>A sustainability profile that is higher than its benchmark's sustainability profile.</p> <p>Characteristic 2):</p> <p>A lower Scope 1 and 2 Weighted Average Carbon Intensity (WACI) than its benchmark.</p> <p>The calculations do not take account of cash, derivatives and unrated investment instruments.</p> <p>The characteristic(s), the minimum proportion of sustainable investments and the minimum proportion of investments used to meet the environmental and/or social characteristics promoted by the financial product are calculated at quarter end using the average of all business days' values in the quarter.</p> <p><b><u>Fund specific exclusions:</u></b></p> <p>The sub-fund excludes companies with a sustainability profile that indicates a high or severe ESG risk as described above in the section "What investment strategy does this financial product follow?".</p> <p><b><u>Sustainability Exclusion Policy:</u></b></p> <p>The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed "Sustainability Exclusion Policy" in the main body of the sales prospectus.</p>
<ul style="list-style-type: none"> <li>• <b><i>What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?</i></b></li> </ul>	<p>Not applicable.</p>
<ul style="list-style-type: none"> <li>• <b><i>What is the policy to assess good governance practices of the investee companies?</i></b></li> </ul>	<p>Good corporate governance is a key driver of sustainable performance and is therefore embedded in the Portfolio Manager's investment strategy. The Portfolio Manager employs a proprietary ESG Risk Dashboard that combines multiple ESG data sources from internal and recognized external providers in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process. The assessment of good governance includes consideration of board structure and independence, remuneration alignment, transparency of ownership and control, and financial reporting.</p>
<p><b>What is the asset allocation planned for this financial product?</b></p>	<p>The minimum proportion of the investments used to meet the environmental and/or social characteristics promoted by the financial product is 67%. The minimum proportion of sustainable investments of the financial product is 40%.</p>

**Taxonomy-aligned activities** are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

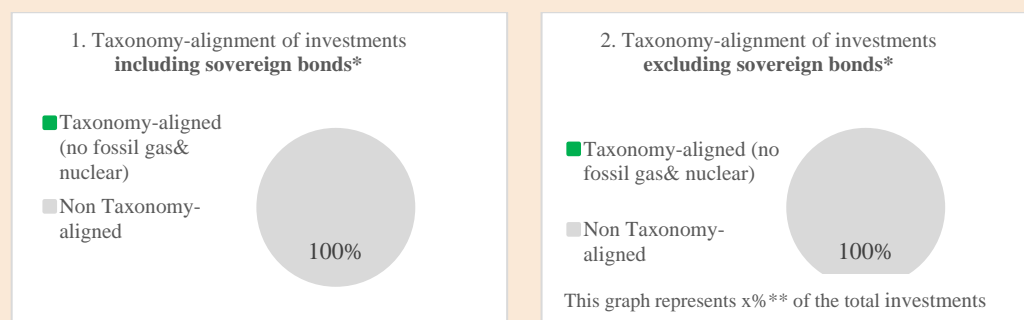


	<p><b>#1 Aligned with E/S characteristics</b> includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.</p> <p><b>#2 Other</b> includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.</p> <p>The category <b>#1 Aligned with E/S characteristics</b> covers:</p> <ul style="list-style-type: none"> <li>-The sub-category <b>#1A Sustainable</b> covers sustainable investments with environmental or social objectives.</li> <li>-The sub-category <b>#1B Other E/S characteristics</b> covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?</b></li> </ul>
	<p>Derivatives are not used for the attainment of the characteristics promoted by this financial product.</p>
<p><b>To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?</b></p>	<p>It has not been possible to collect data on the environmental objective(s) set out in Article 9 of the Taxonomy Regulation and on how and to what extent the investments underlying the financial product are in economic activities that qualify as environmentally sustainable under Article 3 of the Taxonomy Regulation ("Taxonomy Aligned Investments"). On that basis, the financial product has 0% Taxonomy Aligned Investments.</p>
<ul style="list-style-type: none"> <li>• <b>Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>19</sup>?</b></li> </ul>	<p><input type="checkbox"/> Yes:</p> <p style="padding-left: 40px;"><input type="checkbox"/> In fossil gas      <input type="checkbox"/> In nuclear energy</p> <p><input checked="" type="checkbox"/> No</p>

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of*

<sup>19</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

**sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

\*\* No percentage has been inserted as it is not relevant (no Taxonomy-aligned investments)

● **What is the minimum share of investments in transitional and enabling activities?**

There is no commitment to a minimum proportion of investments in transitional and enabling activities.

**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The sustainable investments made by the financial product will contribute to either environmental or social objectives or both. The financial product does not commit to a predetermined combination of environmental or social objectives, and therefore there is no minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy. Where the financial product does invest in environmentally sustainable investments that are not Taxonomy-aligned, this is due to the absence of necessary data to determine Taxonomy-alignment.

**What is the minimum share of socially sustainable investments?**

The sustainable investments made by the financial product will contribute to either environmental or social objectives or both. The financial product does not commit a predetermined combination of environmental or social objectives, and therefore there is no minimum share of socially sustainable investments.

**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Included in “#2 Other” are cash and unrated instruments for the purpose of liquidity and portfolio risk management. Unrated instruments may also include securities for which data needed for the measurement of attainment of environmental or social characteristics is not available.

are environmentally sustainable investments that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

No ESG reference benchmark has been designated for the purpose of determining whether the financial product is aligned with the characteristics that it promotes.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

Not applicable.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Not applicable.

- ***How does the designated index differ from a relevant broad market index?***

Not applicable.

- ***Where can the methodology used for the calculation of the designated index be found?***

Not applicable.

**Where can I find more product specific information online?**

More product-specific information can be found on the website: [www.ubs.com/funds](http://www.ubs.com/funds)



Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:

UBS (Lux) Equity SICAV - Global Income Sustainable (USD)

Legal entity identifier:

549300RQ4GX5WY2RPU88

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☐ Yes

☐ It will make a minimum of **sustainable investments with an environmental objective**: \_\_\_\_ %

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_ %

☒ ☐ No

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 40% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti - corruption and anti - bribery matters.

<p><b>What environmental and/or social characteristics are promoted by this financial product?</b></p>
<p>The following characteristics are promoted by the financial product:</p> <ol style="list-style-type: none"> <li>1) A sustainability profile that is higher than its benchmark's sustainability profile.</li> <li>2) A lower Weighted Average Carbon Intensity (WACI) than the reference benchmark.</li> </ol> <p>The benchmark is a broad market index which does not assess or include constituents according to environmental and/or social characteristics and therefore is not intended to be consistent with the characteristics promoted by the financial product. No ESG reference benchmark has been designated for the purpose of attaining the characteristics promoted by the financial product.</p>
<p>● <b><i>What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?</i></b></p>
<p>The above characteristics are measured using the following indicators respectively:</p> <p>Characteristic 1):</p> <p>The sustainability profile is measured using the weighted average ESG score. The ESG score is used to identify companies for the investment universe with strong environmental and social performance characteristics, or a strong sustainability profile. The ESG score assesses sustainability factors, such as the performance of the relevant companies with reference to environmental, social and governance (ESG) aspects. These ESG aspects relate to the main areas in which the companies operate and their effectiveness in managing ESG risks. Environmental and social factors can include the following elements: Environmental risk management, climate change, natural resource usage, pollution and waste management, human capital and corporate governance.</p> <p>The individual investments in the sub-fund have a ESG score (on a scale of 0-10, with 10 having the best sustainability profile).</p> <p>Characteristic 2):</p> <p>Scope 1 and 2 Weighted Average Carbon Intensity (WACI):</p> <ul style="list-style-type: none"> <li>- Scope 1 refers to direct carbon emissions and therefore includes all direct greenhouse gas emissions from owned or controlled sources of the relevant entity or issuer.</li> <li>- Scope 2 refers to indirect carbon emissions and therefore includes greenhouse gas emissions from the generation of electricity, thermal energy and/or steam that is consumed by the relevant entity or issuer.</li> </ul>
<p>● <b><i>What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?</i></b></p>
<p>The objectives of the sustainable investments that the financial product partially intends to make is to contribute to the environmental and/or social characteristic(s) promoted by the financial product.</p>
<p>● <b><i>How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?</i></b></p>
<p>When assessing "do no significant harm" (DNSH), we consider selected principal adverse impact indicators based on availability and appropriateness. These indicators are combined into a signal based on individual thresholds defined per indicator. A fail on a single indicator leads to an investment failing the DNSH criteria.</p>



<p><i>How have the indicators for adverse impacts on sustainability factors been taken into account?</i></p>
<p>Principal adverse impacts (the “PAI”) are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters. UBS integrates PAI indicators in its decision making process.</p> <p>At present, the following PAI indicators are considered by means of exclusions from the investment universe:</p> <p><u>1.4 “Exposure to companies active in the fossil fuel sector”:</u></p> <ul style="list-style-type: none"> <li>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.</li> <li>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal-based power generation are excluded.</li> </ul> <p><u>1.10 “Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises”:</u></p> <ul style="list-style-type: none"> <li>- Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM’s Stewardship Committee are excluded</li> </ul> <p><u>1.14 “Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)”:</u></p> <ul style="list-style-type: none"> <li>- UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non- Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the company is involved in development, production, storage, maintenance or transport of controversial weapons, or is a majority shareholder (&gt;50% ownership stake) of such a company.</li> </ul> <p>The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.</p> <p>The following PAI indicator is considered by virtue of the promoted characteristics:</p> <p><u>1.3 “GHG intensity of investee companies”</u></p> <ul style="list-style-type: none"> <li>- The Portfolio Manager selects investments based upon a low scope 1+2 carbon intensity, either absolute or relative to a benchmark</li> </ul> <p>The following PAI indicators are additionally part of the DNSH signal:</p> <p><u>1.7 “Activities negatively affecting bio-diversity-sensitive areas”</u></p> <p><u>1.13 “Board gender diversity”</u></p> <p><u>1.15. “GHG Intensity”</u></p> <p><u>1.16. “Investee countries subject to social violations”</u></p>
<p><i>How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?</i></p>
<p>Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM’s Stewardship Committee are excluded.</p>



*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

## Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes

Principal adverse impacts (the “PAI”) are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters. UBS integrates PAI indicators in its decision making process.

At present, the following PAI indicators are considered by means of exclusions from the investment universe:

### 1.4 “Exposure to companies active in the fossil fuel sector”:

- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.
- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal-based power generation are excluded.

### 1.10 “Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises”:

- Companies violating the United Nations Global Compact UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM’s Stewardship Committee are excluded

### 1.14 “Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)”:

- UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non- Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the company is involved in development, production, storage, maintenance or transport of controversial weapons, or is a majority shareholder (>50% ownership stake) of such a company.

The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.

The following PAI indicator is considered by virtue of the promoted characteristics:

### 1.3 “GHG intensity of investee companies”

- The Portfolio Manager selects investments based upon a low scope 1+2 carbon intensity, either absolute or relative to a benchmark



**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

<p>When assessing “do no significant harm” (DNSH), we consider selected principal adverse impact indicators based on availability and appropriateness. These indicators are combined into a signal based on individual thresholds defined per indicator. A fail on a single indicator leads to an investment failing the DNSH criteria. The following PAI indicators are additionally part of this signal:</p> <p><u>1.7 “Activities negatively affecting bio-diversity-sensitive areas”</u></p> <p><u>1.13 “Board gender diversity”</u></p> <p><u>1.15. “GHG Intensity”</u></p> <p><u>1.16. “Investee countries subject to social violations”</u></p> <p>Information on consideration of PAIs on sustainability factors is also available in the sub-fund’s annual report.</p>
<p><input type="checkbox"/> No</p>
<p><b>What investment strategy does this financial product follow?</b></p> <p><b><u>ESG Integration:</u></b></p> <p>ESG Integration is driven by taking into account material ESG risks as part of the research process. ESG integration enables the Portfolio Manager to identify financially relevant sustainability factors that impact investment decisions and to incorporate ESG considerations when implementing investment decisions, and allows ESG risks to be systematically monitored and compared to risk appetite and constraints. It also assists in portfolio construction through securities selection, investment conviction and portfolio weightings.</p> <ul style="list-style-type: none"> <li>• For corporate issuers, this process utilizes an internal UBS ESG material issues framework which identifies the financially relevant factors per sector that can impact investment decisions. This orientation toward financial materiality ensures that analysts focus on sustainability factors that can impact the financial performance of the company and therefore investment returns. ESG integration can also identify opportunities for engagement to improve the company’s ESG risk profile and thereby mitigate the potential negative impact of ESG issues on the company’s financial performance. The Portfolio Manager employs an internal UBS ESG risk dashboard that combines multiple internal and external ESG data sources in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process.</li> <li>• For non-corporate issuers, the Portfolio Manager applies a qualitative or quantitative ESG risk assessment that integrates data on material ESG factors.</li> </ul> <p>The analysis of material sustainability/ESG considerations can include many different aspects, such as the following among others: the carbon footprint, health and well-being, human rights, supply chain management, fair customer treatment and governance.</p> <p><b><u>Fund specific exclusions:</u></b></p> <p>The sub-fund excludes companies with a sustainability profile that indicates a high or severe ESG risk.</p> <p><b><u>Sustainability Exclusion Policy:</u></b></p> <p>The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.</p>
<ul style="list-style-type: none"> <li>• <b><i>What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?</i></b></li> </ul>

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.



**Asset allocation** describes the share of investments in specific assets.

<p>The following binding element(s) of the investment strategy are used to select the investments to attain the characteristic(s) promoted by this financial product:</p> <p>Characteristic 1):</p> <p>A sustainability profile that is higher than its benchmark's sustainability profile.</p> <p>Characteristic 2):</p> <p>A lower Scope 1 and 2 Weighted Average Carbon Intensity (WACI) than its benchmark.</p> <p>The calculations do not take account of cash, derivatives and unrated investment instruments.</p> <p>The characteristic(s), the minimum proportion of sustainable investments and the minimum proportion of investments used to meet the environmental and/or social characteristics promoted by the financial product are calculated at quarter end using the average of all business days' values in the quarter.</p> <p><b>Fund specific exclusions:</b></p> <p>The sub-fund excludes companies with a sustainability profile that indicates a high or severe ESG risk as described above in the section "What investment strategy does this financial product follow?".</p> <p><b>Sustainability Exclusion Policy:</b></p> <p>The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed "Sustainability Exclusion Policy" in the main body of the sales prospectus.</p>	<ul style="list-style-type: none"> <li><b><i>What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?</i></b></li> </ul>
<p>Not applicable.</p>	<ul style="list-style-type: none"> <li><b><i>What is the policy to assess good governance practices of the investee companies?</i></b></li> </ul>
<p>Good corporate governance is a key driver of sustainable performance and is therefore embedded in the Portfolio Manager's investment strategy. The Portfolio Manager employs a proprietary ESG Risk Dashboard that combines multiple ESG data sources from internal and recognized external providers in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process. The assessment of good governance includes consideration of board structure and independence, remuneration alignment, transparency of ownership and control, and financial reporting.</p>	<p><b>What is the asset allocation planned for this financial product?</b></p>
<p>The minimum proportion of the investments used to meet the environmental and/or social characteristics promoted by the financial product is 67%. The minimum proportion of sustainable investments of the financial product is 40%.</p>	<pre> graph LR     Investments --&gt; #1["#1 Aligned with E/S characteristics: 67%"]     Investments --&gt; #2["#2 Other"]     #1 --&gt; #1A["#1A Sustainable: 40%"]     #1 --&gt; #1B["#1B Other E/S characteristics"]     #1A --&gt; OtherEnv["Other environmental"]     #1A --&gt; Social["Social"] </pre>

**Taxonomy-aligned** activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies

- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

-The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

-The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives are not used for the attainment of the characteristics promoted by this financial product.

**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

It has not been possible to collect data on the environmental objective(s) set out in Article 9 of the Taxonomy Regulation and on how and to what extent the investments underlying the financial product are in economic activities that qualify as environmentally sustainable under Article 3 of the Taxonomy Regulation ("Taxonomy Aligned Investments"). On that basis, the financial product has 0% Taxonomy Aligned Investments.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>20</sup>?**

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

☒ No

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*

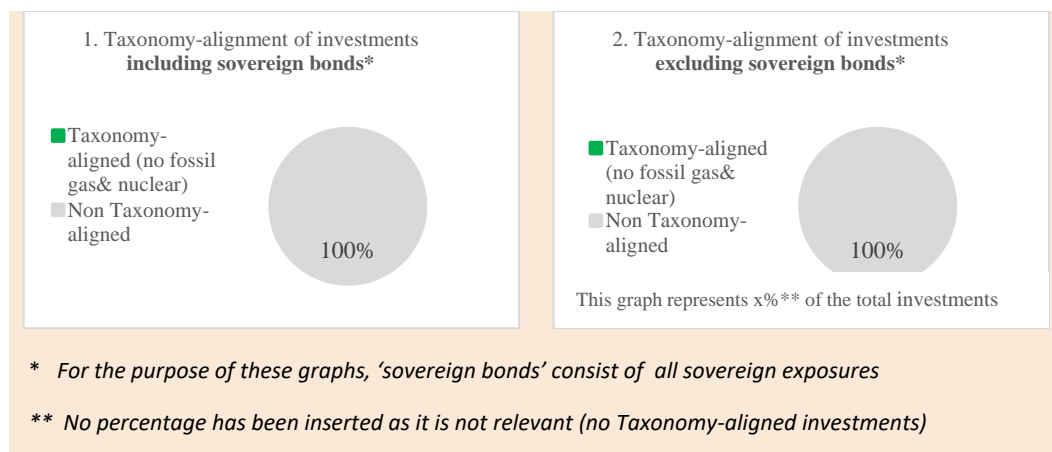
<sup>20</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

 are environmentally sustainable investments **that do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



<ul style="list-style-type: none"> <li><b>What is the minimum share of investments in transitional and enabling activities?</b></li> </ul>
There is no commitment to a minimum proportion of investments in transitional and enabling activities.
<b>What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?</b>
<p>The sustainable investments made by the financial product will contribute to either environmental or social objectives or both. The financial product does not commit to a predetermined combination of environmental or social objectives, and therefore there is no minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy. Where the financial product does invest in environmentally sustainable investments that are not Taxonomy-aligned, this is due to the absence of necessary data to determine Taxonomy-alignment.</p>
<b>What is the minimum share of socially sustainable investments?</b>
<p>The sustainable investments made by the financial product will contribute to either environmental or social objectives or both. The financial product does not commit a predetermined combination of environmental or social objectives, and therefore there is no minimum share of socially sustainable investments.</p>
<b>What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?</b>
<p>Included in “#2 Other” are cash and unrated instruments for the purpose of liquidity and portfolio risk management. Unrated instruments may also include securities for which data needed for the measurement of attainment of environmental or social characteristics is not available.</p>
<b>Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?</b>
<p>No ESG reference benchmark has been designated for the purpose of determining whether the financial product is aligned with the characteristics that it promotes.</p>

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



<ul style="list-style-type: none"> <li>• <b><i>How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?</i></b></li> </ul>
Not applicable.
<ul style="list-style-type: none"> <li>• <b><i>How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?</i></b></li> </ul>
Not applicable.
<ul style="list-style-type: none"> <li>• <b><i>How does the designated index differ from a relevant broad market index?</i></b></li> </ul>
Not applicable.
<ul style="list-style-type: none"> <li>• <b><i>Where can the methodology used for the calculation of the designated index be found?</i></b></li> </ul>
Not applicable.
<b>Where can I find more product specific information online?</b> More product-specific information can be found on the website: <a href="http://www.ubs.com/funds">www.ubs.com/funds</a>

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:

UBS (Lux) Equity SICAV - Global Opportunity Sustainable (USD)

Legal entity identifier:

549300ROKGYITOKJX690

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☐ Yes

☐ ☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective**: \_\_\_\_ %

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 30% of sustainable investments

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_ %

☐ It promotes E/S characteristics, but **will not make any sustainable investments**





**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

## What environmental and/or social characteristics are promoted by this financial product?

The following characteristics are promoted by the financial product:

- 1) A sustainability profile that is higher than its benchmark's sustainability profile or a UBS Blended ESG Score between 7 and 10 (indicating a strong sustainability profile).
- 2) A lower Weighted Average Carbon Intensity (WACI) than the reference benchmark or a low absolute carbon profile.

The benchmark is a broad market index which does not assess or include constituents according to environmental and/or social characteristics and therefore is not intended to be consistent with the characteristics promoted by the financial product. No ESG reference benchmark has been designated for the purpose of attaining the characteristics promoted by the financial product.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The above characteristics are measured using the following indicators respectively:

Characteristic 1):

The UBS Blended ESG Score is used to identify issuers/companies for the investment universe with strong environmental and social performance characteristics, or a strong sustainability profile. The UBS Blended ESG Score represents an average of normalized ESG assessment data from UBS and two recognized external ESG data providers, MSCI and Sustainalytics. This blended score approach enhances the quality of the derived sustainability profile by integrating multiple independent ESG assessments, rather than depending solely on one single view. The UBS Blended ESG Score represents an entity's sustainability profile assessing material environmental, social, and governance factors. These factors may include, but are not limited to, environmental footprint and operational efficiency, risk management, climate change response, natural resource utilization, pollution and waste management, employment standards, supply chain oversight, human capital development, board diversity, occupational health and safety, product safety, and anti-fraud and anti-corruption policies. Each assessed entity is assigned a UBS Blended ESG Score, which ranges from 0 to 10, with 10 indicating the best sustainability profile.

There is no minimum UBS Blended ESG Score at individual investment level.

Characteristic 2):

Scope 1 and 2 Weighted Average Carbon Intensity (WACI):

- Scope 1 refers to direct carbon emissions and therefore includes all direct greenhouse gas emissions from owned or controlled sources of the relevant entity or issuer.

- Scope 2 refers to indirect carbon emissions and therefore includes greenhouse gas emissions from the generation of electricity, thermal energy and/or steam that is consumed by the relevant entity or issuer.

Low absolute carbon profile is defined as below 100 tonnes of CO<sub>2</sub> emissions per million US dollars of revenues.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objectives of the sustainable investments that the financial product partially intends to make is to contribute to the environmental and/or social characteristic(s) promoted by the financial product.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti - corruption and anti - bribery matters.

<ul style="list-style-type: none"> <li>● <b><i>How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?</i></b></li> </ul>	
	<p>When assessing “do no significant harm” (DNSH), we consider selected principal adverse impact indicators based on availability and appropriateness. These indicators are combined into a signal based on individual thresholds defined per indicator. A fail on a single indicator leads to an investment failing the DNSH criteria.</p>
	<p><b><i>How have the indicators for adverse impacts on sustainability factors been taken into account?</i></b></p>
	<p>Principal adverse impacts (the “PAI”) are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters. UBS integrates PAI indicators in its decision making process.</p> <p>At present, the following PAI indicators are considered by means of exclusions from the investment universe:</p> <p><u>1.4 “Exposure to companies active in the fossil fuel sector”:</u></p> <ul style="list-style-type: none"> <li>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.</li> <li>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal-based power generation are excluded.</li> </ul> <p><u>1.10 “Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises”:</u></p> <ul style="list-style-type: none"> <li>- Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM’s Stewardship Committee are excluded</li> </ul> <p><u>1.14 “Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)”:</u></p> <ul style="list-style-type: none"> <li>- UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non- Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the company is involved in development, production, storage, maintenance or transport of controversial weapons, or is a majority shareholder (&gt;50% ownership stake) of such a company.</li> </ul> <p>The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.</p> <p>The following PAI indicator is considered by virtue of the promoted characteristics:</p> <p><u>1.3 “GHG intensity of investee companies”</u></p> <ul style="list-style-type: none"> <li>- The Portfolio Manager selects investments based upon a low scope 1+2 carbon intensity, either absolute or relative to a benchmark</li> </ul> <p>The following PAI indicators are additionally part of the DNSH signal:</p> <p><u>1.7 “Activities negatively affecting bio-diversity-sensitive areas”</u></p> <p><u>1.13 “Board gender diversity”</u></p> <p><u>1.15. “GHG Intensity”</u></p>



1.16. "Investee countries subject to social violations"
<i>How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?</i>
Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM's Stewardship Committee are excluded.
<p><i>The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.</i></p> <p><i>The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.</i></p> <p><i>Any other sustainable investments must also not significantly harm any environmental or social objectives.</i></p>
<b>Does this financial product consider principal adverse impacts on sustainability factors?</b>
<input checked="" type="checkbox"/> Yes
<p>Principal adverse impacts (the "PAI") are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters. UBS integrates PAI indicators in its decision making process.</p> <p>At present, the following PAI indicators are considered by means of exclusions from the investment universe:</p> <p><u>1.4 "Exposure to companies active in the fossil fuel sector":</u></p> <ul style="list-style-type: none"> <li>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.</li> <li>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal-based power generation are excluded.</li> </ul> <p><u>1.10 "Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises":</u></p> <ul style="list-style-type: none"> <li>- Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM's Stewardship Committee are excluded</li> </ul> <p><u>1.14 "Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)":</u></p> <ul style="list-style-type: none"> <li>- UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non- Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the company is involved in development, production, storage,</li> </ul>

maintenance or transport of controversial weapons, or is a majority shareholder (>50% ownership stake) of such a company.

The link to the Sustainability Exclusion Policy can be found in the section headed "Sustainability Exclusion Policy" in the main body of the Sales Prospectus.

The following PAI indicator is considered by virtue of the promoted characteristics:

### 1.3 "GHG intensity of investee companies"

- The Portfolio Manager selects investments based upon a low scope 1+2 carbon intensity, either absolute or relative to a benchmark

When assessing "do no significant harm" (DNSH), we consider selected principal adverse impact indicators based on availability and appropriateness. These indicators are combined into a signal based on individual thresholds defined per indicator. A fail on a single indicator leads to an investment failing the DNSH criteria. The following PAI indicators are additionally part of this signal:

### 1.7 "Activities negatively affecting bio-diversity-sensitive areas"

### 1.13 "Board gender diversity"

### 1.15. "GHG Intensity"

### 1.16. "Investee countries subject to social violations"

Information on consideration of PAIs on sustainability factors is also available in the sub-fund's annual report.



No

## **What investment strategy does this financial product follow?**

### **ESG Integration:**

ESG Integration is driven by taking into account material ESG risks as part of the research process. ESG integration enables the Portfolio Manager to identify financially relevant sustainability factors that impact investment decisions and to incorporate ESG considerations when implementing investment decisions, and allows ESG risks to be systematically monitored and compared to risk appetite and constraints. It also assists in portfolio construction through securities selection, investment conviction and portfolio weightings.

- For corporate issuers, this process utilizes an internal UBS ESG material issues framework which identifies the financially relevant factors per sector that can impact investment decisions. This orientation toward financial materiality ensures that analysts focus on sustainability factors that can impact the financial performance of the company and therefore investment returns. ESG integration can also identify opportunities for engagement to improve the company's ESG risk profile and thereby mitigate the potential negative impact of ESG issues on the company's financial performance. The Portfolio Manager employs an internal UBS ESG risk dashboard that combines multiple internal and external ESG data sources in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process.

- For non-corporate issuers, the Portfolio Manager applies a qualitative or quantitative ESG risk assessment that integrates data on material ESG factors.

The analysis of material sustainability/ESG considerations can include many different aspects, such as the following among others: the carbon footprint, health and well-being, human rights, supply chain management, fair customer treatment and governance.

### **Fund specific exclusions:**

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.



<p>The sub-fund excludes companies with a sustainability profile that indicates high or severe ESG risk.</p> <p><b><u>Sustainability Exclusion Policy:</u></b></p> <p>The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.</p>	<ul style="list-style-type: none"> <li>● <b><i>What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?</i></b></li> </ul>
<p>The following binding element(s) of the investment strategy are used to select the investments to attain the characteristic(s) promoted by this financial product:</p> <p>Characteristic 1):</p> <p>A sustainability profile that is higher than its benchmark’s sustainability profile or a UBS Blended ESG Score between 7 and 10 (indicating a strong sustainability profile).</p> <p>Characteristic 2):</p> <p>A lower Scope 1 and 2 Weighted Average Carbon Intensity (WACI) than its benchmark or a low absolute carbon profile.</p> <p>The calculations do not take account of cash, derivatives and unrated investment instruments.</p> <p>The characteristic(s), the minimum proportion of sustainable investments and the minimum proportion of investments used to meet the environmental and/or social characteristics promoted by the financial product are calculated at quarter end using the average of all business days’ values in the quarter.</p> <p><b><u>Fund specific exclusions:</u></b></p> <p>The sub-fund excludes companies with a sustainability profile that indicates a high or severe ESG risk as described above in the section “What investment strategy does this financial product follow?”.</p> <p><b><u>Sustainability Exclusion Policy:</u></b></p> <p>The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the sales prospectus.</p>	<ul style="list-style-type: none"> <li>● <b><i>What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?</i></b></li> </ul>
<p>Not applicable.</p>	<ul style="list-style-type: none"> <li>● <b><i>What is the policy to assess good governance practices of the investee companies?</i></b></li> </ul>
<p>Good corporate governance is a key driver of sustainable performance and is therefore embedded in the Portfolio Manager’s investment strategy. The Portfolio Manager employs a proprietary ESG Risk Dashboard that combines multiple ESG data sources from internal and recognized external providers in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process. The assessment of good governance includes consideration of board structure and independence, remuneration alignment, transparency of ownership and control, and financial reporting.</p>	

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

**Asset allocation** describes the share of investments in specific assets.

**Taxonomy-aligned** activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies

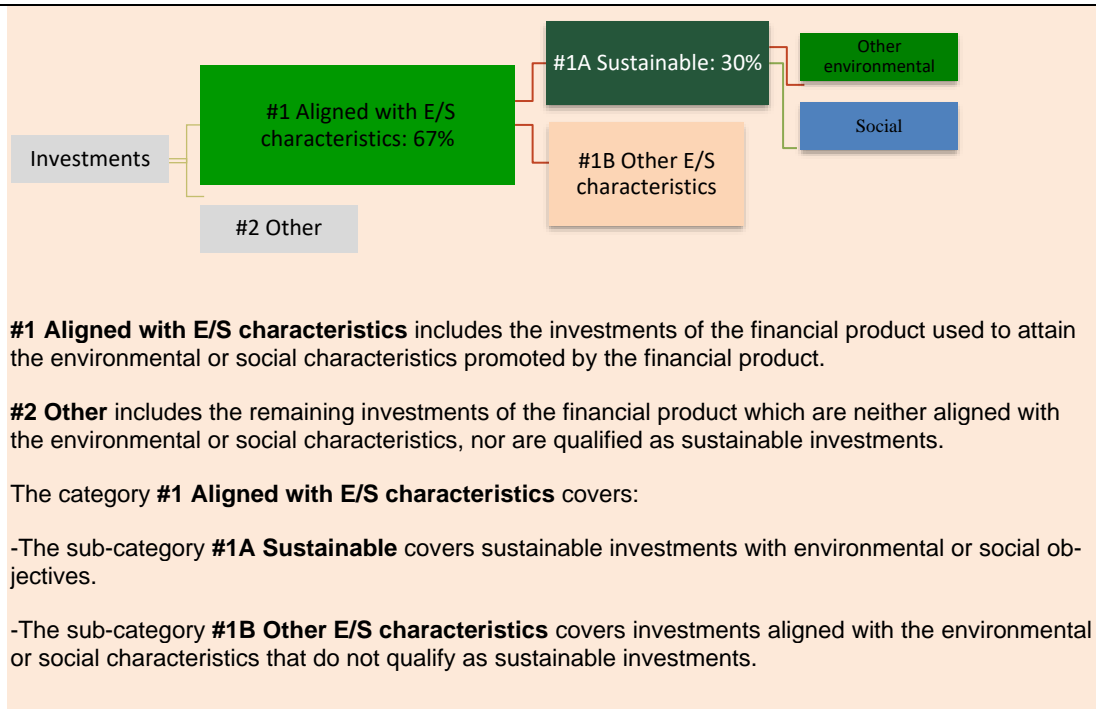
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



## What is the asset allocation planned for this financial product?

The minimum proportion of the investments used to meet the environmental and/or social characteristics promoted by the financial product is 67%. The minimum proportion of sustainable investments of the financial product is 30%.



## How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used for the attainment of the characteristics promoted by this financial product. Derivatives are primarily used for hedging and liquidity management purposes.

## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

It has not been possible to collect data on the environmental objective(s) set out in Article 9 of the Taxonomy Regulation and on how and to what extent the investments underlying the financial product are in economic activities that qualify as environmentally sustainable under Article 3 of the Taxonomy Regulation ("Taxonomy Aligned Investments"). On that basis, the financial product has 0% Taxonomy Aligned Investments.

## Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>21</sup>?

<sup>21</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

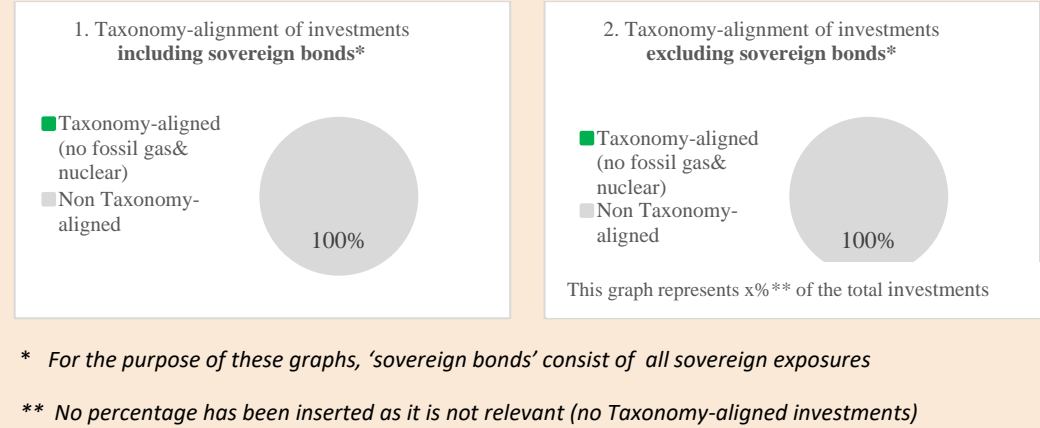
**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

☐ Yes:

☐ In fossil gas
☐ In nuclear energy

☒ No

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



- What is the minimum share of investments in transitional and enabling activities?

There is no commitment to a minimum proportion of investments in transitional and enabling activities.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The sustainable investments made by the financial product will contribute to either environmental or social objectives or both. The financial product does not commit to a predetermined combination of environmental or social objectives, and therefore there is no minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy. Where the financial product does invest in environmentally sustainable investments that are not Taxonomy-aligned, this is due to the absence of necessary data to determine Taxonomy-alignment.

What is the minimum share of socially sustainable investments?

The sustainable investments made by the financial product will contribute to either environmental or social objectives or both. The financial product does not commit a predetermined combination of environmental or social objectives, and therefore there is no minimum share of socially sustainable investments.

criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



<b>What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?</b>	
Included in “#2 Other” are cash and unrated instruments for the purpose of liquidity and portfolio risk management. Unrated instruments may also include securities for which data needed for the measurement of attainment of environmental or social characteristics is not available.	
<b>Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?</b>	
No ESG reference benchmark has been designated for the purpose of determining whether the financial product is aligned with the characteristics that it promotes.	
<ul style="list-style-type: none"> <li><b><i>How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?</i></b></li> </ul>	
Not applicable.	
<ul style="list-style-type: none"> <li><b><i>How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?</i></b></li> </ul>	
Not applicable.	
<ul style="list-style-type: none"> <li><b><i>How does the designated index differ from a relevant broad market index?</i></b></li> </ul>	
Not applicable.	
<ul style="list-style-type: none"> <li><b><i>Where can the methodology used for the calculation of the designated index be found?</i></b></li> </ul>	
Not applicable.	
<b>Where can I find more product specific information online?</b>	
More product-specific information can be found on the website: <a href="http://www.ubs.com/funds">www.ubs.com/funds</a>	



Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:

UBS (Lux) Equity SICAV - Global Opportunity Unconstrained (USD)

Legal entity identifier:

549300BZUGX94YAWFT37

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☐ Yes

☐ It will make a minimum of **sustainable investments with an environmental objective**: \_\_\_\_ %

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_ %

☒ ☐ No

☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_\_% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☒ It promotes E/S characteristics, but **will not make any sustainable investments**



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

## What environmental and/or social characteristics are promoted by this financial product?

The following characteristics are promoted by the financial product:

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

The benchmark is a broad market index which does not assess or include constituents according to environmental and/or social characteristics and therefore is not intended to be consistent with the characteristics promoted by the financial product. No ESG reference benchmark has been designated for the purpose of attaining the characteristics promoted by the financial product.

### • ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The characteristics are measured using the following indicators respectively:

Characteristic 1):

Scope 1 and 2 Weighted Average Carbon Intensity (WACI):

- Scope 1 refers to direct carbon emissions and therefore includes all direct greenhouse gas emissions from owned or controlled sources of the relevant entity or issuer.

- Scope 2 refers to indirect carbon emissions and therefore includes greenhouse gas emissions from the generation of electricity, thermal energy and/or steam that is consumed by the relevant entity or issuer.

Low absolute carbon profile is defined as below 100 tonnes of CO<sub>2</sub> emissions per million US dollars of revenues.

Characteristic 2):

The UBS Blended ESG Score is used to identify issuers/companies for the investment universe with strong environmental and social performance characteristics, or a strong sustainability profile. The UBS Blended ESG Score represents an average of normalized ESG assessment data from UBS and two recognized external ESG data providers, MSCI and Sustainalytics. This blended score approach enhances the quality of the derived sustainability profile by integrating multiple independent ESG assessments, rather than depending solely on one single view. The UBS Blended ESG Score represents an entity's sustainability profile assessing material environmental, social, and governance factors. These factors may include, but are not limited to, environmental footprint and operational efficiency, risk management, climate change response, natural resource utilization, pollution and waste management, employment standards, supply chain oversight, human capital development, board diversity, occupational health and safety, product safety, and anti-fraud and anti-corruption policies. Each assessed entity is assigned a UBS Blended ESG Score, which ranges from 0 to 10, with 10 indicating the best sustainability profile.

There is no minimum UBS Blended ESG Score at individual investment level.

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

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti - corruption and anti - bribery matters.



<ul style="list-style-type: none"> <li><b>What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?</b></li> </ul>
Not applicable.
<ul style="list-style-type: none"> <li><b>How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?</b></li> </ul>
Not applicable.
<i>How have the indicators for adverse impacts on sustainability factors been taken into account?</i>
Not applicable.
<i>How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?</i>
Not applicable.
<p><i>The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.</i></p> <p><i>The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.</i></p> <p><i>Any other sustainable investments must also not significantly harm any environmental or social objectives.</i></p>
<b>Does this financial product consider principal adverse impacts on sustainability factors?</b>
<input checked="" type="checkbox"/> Yes
<p>Principal adverse impacts (the “PAI”) are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti - corruption, and anti - bribery matters. UBS integrates PAI indicators in its decision making process.</p> <p>At present, the following PAI indicators are considered by means of exclusions from the investment universe:</p> <p>1.4 “Exposure to companies active in the fossil fuel sector”:</p> <p>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.</p> <p>1.10 “Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises”:</p> <p>- Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM’s Stewardship Committee are excluded</p>



**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

1.14 “Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)”:

-UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non- Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the company is involved in development, production, storage, maintenance or transport of controversial weapons, or is a majority shareholder (>50% ownership stake) of such a company.

The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.

The following PAI indicator is considered by virtue of the promoted characteristics:

1.3 “GHG intensity of investee companies”

The Portfolio Manager selects investments based upon a low scope 1+2 carbon intensity, either absolute or relative to a benchmark

Information on consideration of PAIs on sustainability factors is also available in the sub-fund’s annual report.

☐ No

## What investment strategy does this financial product follow?

### ESG Integration:

ESG Integration is driven by taking into account material ESG risks as part of the research process. ESG integration enables the Portfolio Manager to identify financially relevant sustainability factors that impact investment decisions and to incorporate ESG considerations when implementing investment decisions, and allows ESG risks to be systematically monitored and compared to risk appetite and constraints. It also assists in portfolio construction through securities selection, investment conviction and portfolio weightings.

- For corporate issuers, this process utilizes an internal UBS ESG material issues framework which identifies the financially relevant factors per sector that can impact investment decisions. This orientation toward financial materiality ensures that analysts focus on sustainability factors that can impact the financial performance of the company and therefore investment returns. ESG integration can also identify opportunities for engagement to improve the company’s ESG risk profile and thereby mitigate the potential negative impact of ESG issues on the company’s financial performance. The Portfolio Manager employs an internal UBS ESG risk dashboard that combines multiple internal and external ESG data sources in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process.

- For non-corporate issuers, the Portfolio Manager applies a qualitative or quantitative ESG risk assessment that integrates data on material ESG factors.

The analysis of material sustainability/ESG considerations can include many different aspects, such as the following among others: the carbon footprint, health and well-being, human rights, supply chain management, fair customer treatment and governance.

### Sustainability Exclusion Policy:

The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

**Asset allocation** describes the share of investments in specific assets.



<p>The following binding element(s) of the investment strategy are used to select the investments to attain the characteristic(s) promoted by this financial product:</p> <p>Characteristic 1):</p> <p>A lower Scope 1 and 2 Weighted Average Carbon Intensity (WACI) than its benchmark or a low absolute carbon profile.</p> <p>Characteristic 2):</p> <p>A sustainability profile that is higher than its benchmark's sustainability profile or a minimum of 51% of assets invested in companies with a sustainability profile in the top half of the benchmark.</p> <p>The calculations do not take account of cash, derivatives and unrated investment instruments.</p> <p>The characteristic(s) and the minimum proportion of investments used to meet the environmental and/or social characteristics promoted by the financial product are calculated at quarter end using the average of all business days' values in the quarter.</p> <p><b><u>Sustainability Exclusion Policy:</u></b></p> <p>The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed "Sustainability Exclusion Policy" in the main body of the sales prospectus.</p>	<ul style="list-style-type: none"> <li><b><i>What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?</i></b></li> </ul>
<p>Not applicable.</p>	<ul style="list-style-type: none"> <li><b><i>What is the policy to assess good governance practices of the investee companies?</i></b></li> </ul>
<p>Good corporate governance is a key driver of sustainable performance and is therefore embedded in the Portfolio Manager's investment strategy. The Portfolio Manager employs a proprietary ESG Risk Dashboard that combines multiple ESG data sources from internal and recognized external providers in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process. The assessment of good governance includes consideration of board structure and independence, remuneration alignment, transparency of ownership and control, and financial reporting.</p>	<p><b>What is the asset allocation planned for this financial product?</b></p>
<p>The minimum proportion of the investments used to meet the environmental and/or social characteristics promoted by the financial product is 51%.</p>	<pre> graph LR     Investments[Investments] --&gt; Aligned["#1 Aligned with E/S characteristics: 51%"]     Investments --&gt; Other["#2 Other"] </pre>

**Taxonomy-aligned** activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies

- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



<p><b>#1 Aligned with E/S characteristics</b> includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.</p> <p><b>#2 Other</b> includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.</p>
<ul style="list-style-type: none"> <li><b>How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?</b></li> </ul>
<p>Derivatives are not used for the attainment of the characteristics promoted by this financial product. Derivatives are primarily used for hedging and liquidity management purposes.</p>
<p><b>To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?</b></p>
<p>Not applicable.</p>
<ul style="list-style-type: none"> <li><b>Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>22</sup>?</b></li> </ul>
<p> <input type="checkbox"/> Yes:             <input type="checkbox"/> In fossil gas    <input type="checkbox"/> In nuclear energy           </p> <p> <input checked="" type="checkbox"/> No           </p>

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of*

<sup>22</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

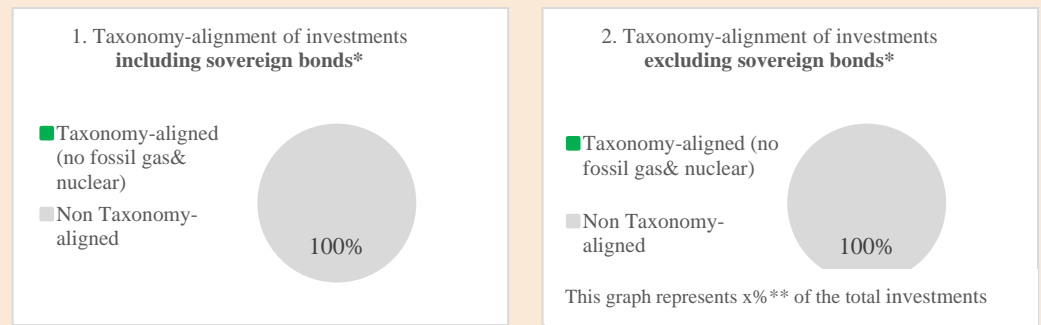
**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

 are environmentally sustainable investments that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.



**the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

\*\* No percentage has been inserted as it is not relevant (no Taxonomy-aligned investments)

<ul style="list-style-type: none"> <li><b>What is the minimum share of investments in transitional and enabling activities?</b></li> </ul>
Not applicable.
<b>What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?</b>
Not applicable.
<b>What is the minimum share of socially sustainable investments?</b>
Not applicable.
<b>What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?</b>
Included in “#2 Other” are cash and unrated instruments for the purpose of liquidity and portfolio risk management. Unrated instruments may also include securities for which data needed for the measurement of attainment of environmental or social characteristics is not available.
<b>Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?</b>
No ESG reference benchmark has been designated for the purpose of determining whether the financial product is aligned with the characteristics that it promotes.
<ul style="list-style-type: none"> <li><b>How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?</b></li> </ul>
Not applicable.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



<ul style="list-style-type: none"> <li>• <b><i>How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?</i></b></li> </ul>
Not applicable.
<ul style="list-style-type: none"> <li>• <b><i>How does the designated index differ from a relevant broad market index?</i></b></li> </ul>
Not applicable.
<ul style="list-style-type: none"> <li>• <b><i>Where can the methodology used for the calculation of the designated index be found?</i></b></li> </ul>
Not applicable.
<b>Where can I find more product specific information online?</b> More product-specific information can be found on the website: <a href="http://www.ubs.com/funds">www.ubs.com/funds</a>



Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:

UBS (Lux) Equity SICAV - Healthy Living (USD)

Legal entity identifier:

391200CRJXLMZZ80PN80

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☐ Yes

☐ It will make a minimum of **sustainable investments with an environmental objective**: \_\_\_\_ %

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_ %

☒ ☐ No

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 40% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

## What environmental and/or social characteristics are promoted by this financial product?

The following characteristic is promoted by the financial product:

This actively managed sub-fund invests at least 80% of its assets in equities and other equity interests of companies in developed and emerging markets worldwide that have exposure to sustainable themes which the Portfolio Manager considers to be critical to the trend of healthy living and disease prevention. Those include, but are not limited to, healthy lifestyle, healthy nutrition, consumerization of health, disease prevention, mental well-being and longevity. Lifespan increased significantly over the past century; yet the time spent in a healthy state (i.e. health span) still lags behind. Increasing health span requires a combination of medical advances, lifestyle changes and improvements in environmental factors. The companies in this fund are expected to drive the megatrend of healthy living focused on prevention rather than treatment of health conditions. In addition, the sub-fund excludes companies with a sustainability profile that indicates a high and severe ESG risk.

The benchmark is a broad market index which does not assess or include constituents according to environmental and/or social characteristics and therefore is not intended to be consistent with the characteristics promoted by the financial product. No ESG reference benchmark has been designated for the purpose of attaining the characteristics promoted by the financial product.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The above characteristics is measured using the following indicators respectively:

Individual companies' have been identified as having e.g. revenue alignment with specific sustainable themes in the field of healthy living and disease prevention, such as, but are not limited to, healthy lifestyle, healthy nutrition, consumerization of health, disease prevention, mental well-being and longevity.

The Portfolio Manager may include companies that are considered to be critical for the trend of healthy living focused on prevention rather than treatment of health conditions, indicated by metrics such as research and development (R&D) spend that are aligned with the sustainable themes described above.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objectives of the sustainable investments that the financial product partially intends to make is to contribute to the environmental and/or social characteristic(s) promoted by the financial product.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

When assessing "do no significant harm" (DNSH), we consider selected principal adverse impact indicators based on availability and appropriateness. These indicators are combined into a signal based on individual thresholds defined per indicator. A fail on a single indicator leads to an investment failing the DNSH criteria.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

Principal adverse impacts (the "PAI") are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters. UBS integrates PAI indicators in its decision making process.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti - corruption and anti - bribery matters.

	<p>At present, the following PAI indicators are considered by means of exclusions from the investment universe:</p> <p><u>1.4 “Exposure to companies active in the fossil fuel sector”:</u></p> <ul style="list-style-type: none"> <li>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.</li> <li>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal-based power generation are excluded.</li> </ul> <p><u>1.10 “Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises”:</u></p> <ul style="list-style-type: none"> <li>- Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM’s Stewardship Committee are excluded</li> </ul> <p><u>1.14 “Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)”:</u></p> <ul style="list-style-type: none"> <li>- UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non- Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the company is involved in development, production, storage, maintenance or transport of controversial weapons, or is a majority shareholder (&gt;50% ownership stake) of such a company.</li> </ul> <p>The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.</p> <p>The following PAI indicators are additionally part of the DNSH signal:</p> <p><u>1.3 “GHG intensity of investee companies”</u></p> <ul style="list-style-type: none"> <li>- The Portfolio Manager selects investments based upon a low scope 1+2 carbon intensity, either absolute or relative to a benchmark</li> </ul> <p><u>1.7 “Activities negatively affecting bio-diversity-sensitive areas”</u></p> <p><u>1.13 “Board gender diversity”</u></p> <p><u>1.15. “GHG Intensity”</u></p> <p><u>1.16. “Investee countries subject to social violations”</u></p>
	<p><i>How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?</i></p>
	<p>Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM’s Stewardship Committee are excluded.</p>
<p><i>The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.</i></p> <p><i>The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.</i></p> <p><i>Any other sustainable investments must also not significantly harm any environmental or social objectives.</i></p>	



## Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes,

Principal adverse impacts (the “PAI”) are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters. UBS integrates PAI indicators in its decision making process.

At present, the following PAI indicators are considered by means of exclusions from the investment universe:

### 1.4 “Exposure to companies active in the fossil fuel sector”:

- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.
- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal-based power generation are excluded.

### 1.10 “Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises”:

- Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM’s Stewardship Committee are excluded

### 1.14 “Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)”:

- UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non- Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the company is involved in development, production, storage, maintenance or transport of controversial weapons, or is a majority shareholder (>50% ownership stake) of such a company.

The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.

When assessing “do no significant harm” (DNSH), we consider selected principal adverse impact indicators based on availability and appropriateness. These indicators are combined into a signal based on individual thresholds defined per indicator. A fail on a single indicator leads to an investment failing the DNSH criteria. The following PAI indicators are additionally part of this signal:

### 1.3 “GHG intensity of investee companies”

- The Portfolio Manager selects investments based upon a low scope 1+2 carbon intensity, either absolute or relative to a benchmark

### 1.7 “Activities negatively affecting bio-diversity-sensitive areas”

### 1.13 “Board gender diversity”

### 1.15. “GHG Intensity”

### 1.16. “Investee countries subject to social violations”

Information on consideration of PAIs on sustainability factors is also available in the sub-fund’s annual report.

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.



☐ No

### What investment strategy does this financial product follow?

#### ESG Integration:

ESG Integration is driven by taking into account material ESG risks as part of the research process. ESG integration enables the Portfolio Manager to identify financially relevant sustainability factors that impact investment decisions and to incorporate ESG considerations when implementing investment decisions, and allows ESG risks to be systematically monitored and compared to risk appetite and constraints. It also assists in portfolio construction through securities selection, investment conviction and portfolio weightings.

- For corporate issuers, this process utilizes an internal UBS ESG material issues framework which identifies the financially relevant factors per sector that can impact investment decisions. This orientation toward financial materiality ensures that analysts focus on sustainability factors that can impact the financial performance of the company and therefore investment returns. ESG integration can also identify opportunities for engagement to improve the company's ESG risk profile and thereby mitigate the potential negative impact of ESG issues on the company's financial performance. The Portfolio Manager employs an internal UBS ESG risk dashboard that combines multiple internal and external ESG data sources in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process.

- For non-corporate issuers, the Portfolio Manager applies a qualitative or quantitative ESG risk assessment that integrates data on material ESG factors.

The analysis of material sustainability/ESG considerations can include many different aspects, such as the following among others: the carbon footprint, health and well-being, human rights, supply chain management, fair customer treatment and governance.

#### Fund specific exclusions:

In addition, the sub-fund excludes companies with a sustainability profile that indicates a high and severe ESG risk.

#### Sustainability Exclusion Policy:

The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed "Sustainability Exclusion Policy" in the main body of the sales prospectus.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The following binding element(s) of the investment strategy are used to select the investments to attain the characteristic(s) promoted by this financial product:


Invests at least 80% of its assets in equities and other equity interests of companies in developed and emerging markets worldwide that have exposure to sustainable themes which the Portfolio Manager considers to be critical to the trend of healthy living and disease prevention.

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

The characteristic(s), the minimum proportion of sustainable investments and the minimum proportion of investments used to meet the environmental and/or social characteristics promoted by the financial product are calculated at quarter end using the average of all business days' values in the quarter.

#### Fund specific exclusions:

	<p>The sub-fund excludes companies with a sustainability profile that indicates a high and severe ESG risk as described above in the section “What investment strategy does this financial product follow?”.</p> <p><b><u>Sustainability Exclusion Policy:</u></b></p> <p>The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the sales prospectus.</p>
	<ul style="list-style-type: none"> <li><b><i>What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?</i></b></li> </ul>
	<p>Not applicable.</p>
	<ul style="list-style-type: none"> <li><b><i>What is the policy to assess good governance practices of the investee companies?</i></b></li> </ul>
	<p>Good corporate governance is a key driver of sustainable performance and is therefore embedded in the Portfolio Manager’s investment strategy. The Portfolio Manager employs a proprietary ESG Risk Dashboard that combines multiple ESG data sources from internal and recognized external providers in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process. The assessment of good governance includes consideration of board structure and independence, remuneration alignment, transparency of ownership and control, and financial reporting.</p>
	<p><b>What is the asset allocation planned for this financial product?</b></p>
<p><b>Good governance</b> practices include sound management structures, employee relations, remuneration of staff and tax compliance.</p>	<p>The minimum proportion of the investments used to meet the environmental and/or social characteristics promoted by the financial product is 80%. The minimum proportion of sustainable investments of the financial product is 40%.</p> <div data-bbox="418 1106 1519 1814"> <pre> graph LR     Investments --&gt; N1["#1 Aligned with E/S characteristics: 80%"]     Investments --&gt; N2["#2 Other"]     N1 --&gt; N1A["#1A Sustainable: 40%"]     N1 --&gt; N1B["#1B Other E/S characteristics"]     N1A --&gt; N1A1["Other environmental"]     N1A --&gt; N1A2["Social"] </pre> <p><b>#1 Aligned with E/S characteristics</b> includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.</p> <p><b>#2 Other</b> includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.</p> <p>The category <b>#1 Aligned with E/S characteristics</b> covers:</p> <ul style="list-style-type: none"> <li>-The sub-category <b>#1A Sustainable</b> covers sustainable investments with environmental or social objectives.</li> <li>-The sub-category <b>#1B Other E/S characteristics</b> covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.</li> </ul> </div>
<p><b>Asset allocation</b> describes the share of investments in specific assets.</p>	<ul style="list-style-type: none"> <li><b><i>How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?</i></b></li> </ul>
<p><b>Taxonomy-aligned</b> activities are expressed as a share of:</p> <ul style="list-style-type: none"> <li>- <b>turnover</b> reflecting the share of revenue from green activities of investee companies</li> <li>- <b>capital expenditure</b> (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.</li> <li>- <b>operational expenditure</b> (OpEx) reflecting green operational activities of investee companies.</li> </ul>	

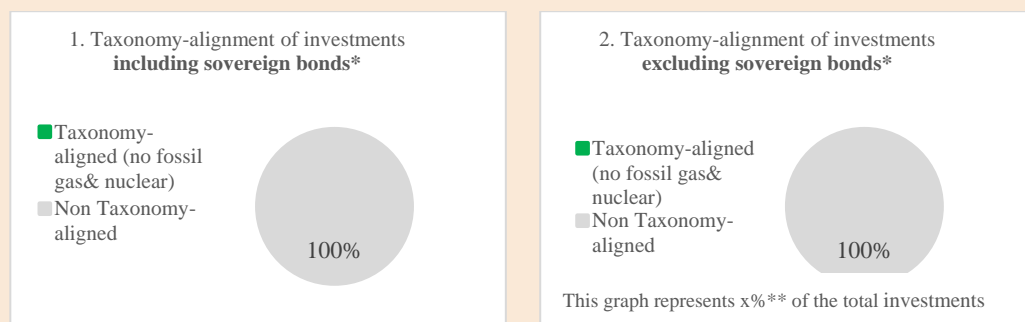
	Derivatives are not used for the attainment of the characteristics promoted by this financial product. Derivatives are primarily used for hedging and liquidity management purposes.
	<b>To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?</b>
	It has not been possible to collect data on the environmental objective(s) set out in Article 9 of the Taxonomy Regulation and on how and to what extent the investments underlying the financial product are in economic activities that qualify as environmentally sustainable under Article 3 of the Taxonomy Regulation ("Taxonomy Aligned Investments"). On that basis, the financial product has 0% Taxonomy Aligned Investments.
	<ul style="list-style-type: none"> <li>Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>23</sup>?</li> </ul>
	<input type="checkbox"/> Yes: <input type="checkbox"/> In fossil gas <input type="checkbox"/> In nuclear energy <input checked="" type="checkbox"/> No

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

**The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

\*\* No percentage has been inserted as it is not relevant (no Taxonomy-aligned investments)

	<ul style="list-style-type: none"> <li><b>What is the minimum share of investments in transitional and enabling activities?</b></li> </ul>
	There is no commitment to a minimum proportion of investments in transitional and enabling activities.

<sup>23</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.





are environmentally sustainable investments that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The sustainable investments made by the financial product will contribute to either environmental or social objectives or both. The financial product does not commit to a predetermined combination of environmental or social objectives, and therefore there is no minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy. Where the financial product does invest in environmentally sustainable investments that are not Taxonomy-aligned, this is due to the absence of necessary data to determine Taxonomy-alignment.



**What is the minimum share of socially sustainable investments?**

The sustainable investments made by the financial product will contribute to either environmental or social objectives or both. The financial product does not commit a predetermined combination of environmental or social objectives, and therefore there is no minimum share of socially sustainable investments.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Included in “#2 Other” are cash and unrated instruments for the purpose of liquidity and portfolio risk management. Unrated instruments may also include securities for which data needed for the measurement of attainment of environmental or social characteristics is not available.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

No ESG reference benchmark has been designated for the purpose of determining whether the financial product is aligned with the characteristics that it promotes.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

Not applicable.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Not applicable.


- ***How does the designated index differ from a relevant broad market index?***

Not applicable.

- ***Where can the methodology used for the calculation of the designated index be found?***

Not applicable.



	<p><b>Where can I find more product specific information online?</b></p> <p>More product-specific information can be found on the website: <a href="http://www.ubs.com/funds">www.ubs.com/funds</a></p>

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name:**

UBS (Lux) Equity SICAV - Long Term Themes (USD)

**Legal entity identifier:**

549300ZFARXUQG507G05

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

☒ ☐ **Yes**

☐ It will make a minimum of **sustainable investments with an environmental objective**: \_\_\_\_ %

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_ %

☒ ☐ **No**

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 40% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

## What environmental and/or social characteristics are promoted by this financial product?

The following characteristics are promoted by the financial product:

- 1) A sustainability profile that is higher than its benchmark's sustainability profile or a UBS Blended ESG Score between 7 and 10 (indicating a strong sustainability profile).
- 2) A lower Weighted Average Carbon Intensity (WACI) than the reference benchmark or a low absolute carbon profile.

The benchmark is a broad market index which does not assess or include constituents according to environmental and/or social characteristics and therefore is not intended to be consistent with the characteristics promoted by the financial product. No ESG reference benchmark has been designated for the purpose of attaining the characteristics promoted by the financial product.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The above characteristics are measured using the following indicators respectively:

Characteristic 1):

The UBS Blended ESG Score is used to identify issuers/companies for the investment universe with strong environmental and social performance characteristics, or a strong sustainability profile. The UBS Blended ESG Score represents an average of normalized ESG assessment data from UBS and two recognized external ESG data providers, MSCI and Sustainalytics. This blended score approach enhances the quality of the derived sustainability profile by integrating multiple independent ESG assessments, rather than depending solely on one single view. The UBS Blended ESG Score represents an entity's sustainability profile assessing material environmental, social, and governance factors. These factors may include, but are not limited to, environmental footprint and operational efficiency, risk management, climate change response, natural resource utilization, pollution and waste management, employment standards, supply chain oversight, human capital development, board diversity, occupational health and safety, product safety, and anti-fraud and anti-corruption policies. Each assessed entity is assigned a UBS Blended ESG Score, which ranges from 0 to 10, with 10 indicating the best sustainability profile.

There is no minimum UBS Blended ESG Score at individual investment level.

Characteristic 2):

Scope 1 and 2 Weighted Average Carbon Intensity (WACI):

- Scope 1 refers to direct carbon emissions and therefore includes all direct greenhouse gas emissions from owned or controlled sources of the relevant entity or issuer.

- Scope 2 refers to indirect carbon emissions and therefore includes greenhouse gas emissions from the generation of electricity, thermal energy and/or steam that is consumed by the relevant entity or issuer.

Low absolute carbon profile is defined as below 100 tonnes of CO<sub>2</sub> emissions per million US dollars of revenues.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objectives of the sustainable investments that the financial product partially intends to make is to contribute to the environmental and/or social characteristic(s) promoted by the financial product.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti - corruption and anti - bribery matters.

<ul style="list-style-type: none"> <li>● <b><i>How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?</i></b></li> </ul>	
	<p>When assessing “do no significant harm” (DNSH), we consider selected principal adverse impact indicators based on availability and appropriateness. These indicators are combined into a signal based on individual thresholds defined per indicator. A fail on a single indicator leads to an investment failing the DNSH criteria.</p>
	<p><b><i>How have the indicators for adverse impacts on sustainability factors been taken into account?</i></b></p>
	<p>Principal adverse impacts (the “PAI”) are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters. UBS integrates PAI indicators in its decision making process.</p> <p>At present, the following PAI indicators are considered by means of exclusions from the investment universe:</p> <p><u>1.4 “Exposure to companies active in the fossil fuel sector”:</u></p> <ul style="list-style-type: none"> <li>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.</li> <li>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal-based power generation are excluded.</li> </ul> <p><u>1.10 “Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises”:</u></p> <ul style="list-style-type: none"> <li>- Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM’s Stewardship Committee are excluded</li> </ul> <p><u>1.14 “Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)”:</u></p> <ul style="list-style-type: none"> <li>- UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non- Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the company is involved in development, production, storage, maintenance or transport of controversial weapons, or is a majority shareholder (&gt;50% ownership stake) of such a company.</li> </ul> <p>The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.</p> <p>The following PAI indicator is considered by virtue of the promoted characteristics:</p> <p><u>1.3 “GHG intensity of investee companies”</u></p> <ul style="list-style-type: none"> <li>- The Portfolio Manager selects investments based upon a low scope 1+2 carbon intensity, either absolute or relative to a benchmark</li> </ul> <p>The following PAI indicators are additionally part of the DNSH signal:</p> <p><u>1.7 “Activities negatively affecting bio-diversity-sensitive areas”</u></p> <p><u>1.13 “Board gender diversity”</u></p> <p><u>1.15. “GHG Intensity”</u></p>



1.16. "Investee countries subject to social violations"
<i>How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?</i>
Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM's Stewardship Committee are excluded.
<p><i>The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.</i></p> <p><i>The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.</i></p> <p><i>Any other sustainable investments must also not significantly harm any environmental or social objectives.</i></p>
Does this financial product consider principal adverse impacts on sustainability factors?
<p><input checked="" type="checkbox"/> Yes</p> <p>Principal adverse impacts (the "PAI") are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters. UBS integrates PAI indicators in its decision making process.</p> <p>At present, the following PAI indicators are considered by means of exclusions from the investment universe:</p> <p><u>1.4 "Exposure to companies active in the fossil fuel sector":</u></p> <ul style="list-style-type: none"> <li>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.</li> <li>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal-based power generation are excluded.</li> </ul> <p><u>1.10 "Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises":</u></p> <ul style="list-style-type: none"> <li>- Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM's Stewardship Committee are excluded</li> </ul> <p><u>1.14 "Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)":</u></p> <ul style="list-style-type: none"> <li>- UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non- Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the company is involved in development, production, storage,</li> </ul>

maintenance or transport of controversial weapons, or is a majority shareholder (>50% ownership stake) of such a company.

The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.

The following PAI indicator is considered by virtue of the promoted characteristics:

1.3 “GHG intensity of investee companies”

- The Portfolio Manager selects investments based upon a low scope 1+2 carbon intensity, either absolute or relative to a benchmark

When assessing “do no significant harm” (DNSH), we consider selected principal adverse impact indicators based on availability and appropriateness. These indicators are combined into a signal based on individual thresholds defined per indicator. A fail on a single indicator leads to an investment failing the DNSH criteria. The following PAI indicators are additionally part of this signal:

1.7 “Activities negatively affecting bio-diversity-sensitive areas”

1.13 “Board gender diversity”

1.15. “GHG Intensity”

1.16. “Investee countries subject to social violations”

Information on consideration of PAIs on sustainability factors is also available in the sub-fund’s annual report.

☐

No

**What investment strategy does this financial product follow?**

**ESG Integration:**

ESG Integration is driven by taking into account material ESG risks as part of the research process. ESG integration enables the Portfolio Manager to identify financially relevant sustainability factors that impact investment decisions and to incorporate ESG considerations when implementing investment decisions, and allows ESG risks to be systematically monitored and compared to risk appetite and constraints. It also assists in portfolio construction through securities selection, investment conviction and portfolio weightings.

- For corporate issuers, this process utilizes an internal UBS ESG material issues framework which identifies the financially relevant factors per sector that can impact investment decisions. This orientation toward financial materiality ensures that analysts focus on sustainability factors that can impact the financial performance of the company and therefore investment returns. ESG integration can also identify opportunities for engagement to improve the company’s ESG risk profile and thereby mitigate the potential negative impact of ESG issues on the company’s financial performance. The Portfolio Manager employs an internal UBS ESG risk dashboard that combines multiple internal and external ESG data sources in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process.

- For non-corporate issuers, the Portfolio Manager applies a qualitative or quantitative ESG risk assessment that integrates data on material ESG factors.

The analysis of material sustainability/ESG considerations can include many different aspects, such as the following among others: the carbon footprint, health and well-being, human rights, supply chain management, fair customer treatment and governance.

**Fund specific exclusions:**

The sub-fund excludes companies with a sustainability profile that indicates high or severe ESG risk.

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.



**Sustainability Exclusion Policy:**

The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed "Sustainability Exclusion Policy" in the main body of the Sales Prospectus.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The following binding element(s) of the investment strategy are used to select the investments to attain the characteristic(s) promoted by this financial product:

Characteristic 1):

A sustainability profile that is higher than its benchmark's sustainability profile or a UBS Blended ESG Score between 7 and 10 (indicating a strong sustainability profile).

Characteristic 2):

A lower Scope 1 and 2 Weighted Average Carbon Intensity (WACI) than its benchmark or a low absolute carbon profile.

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

The characteristic(s), the minimum proportion of sustainable investments and the minimum proportion of investments used to meet the environmental and/or social characteristics promoted by the financial product are calculated at quarter end using the average of all business days' values in the quarter.

**Fund specific exclusions:**

The sub-fund excludes companies with a sustainability profile that indicates a high or severe ESG risk as described above in the section "What investment strategy does this financial product follow?".

**Sustainability Exclusion Policy:**

The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed "Sustainability Exclusion Policy" in the main body of the sales prospectus.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

Not applicable.

- ***What is the policy to assess good governance practices of the investee companies?***

Good corporate governance is a key driver of sustainable performance and is therefore embedded in the Portfolio Manager's investment strategy. The Portfolio Manager employs a proprietary ESG Risk Dashboard that combines multiple ESG data sources from internal and recognized external providers in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process. The assessment of good governance includes consideration of board structure and independence, remuneration alignment, transparency of ownership and control, and financial reporting.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.



**Asset allocation** describes the share of investments in specific assets.

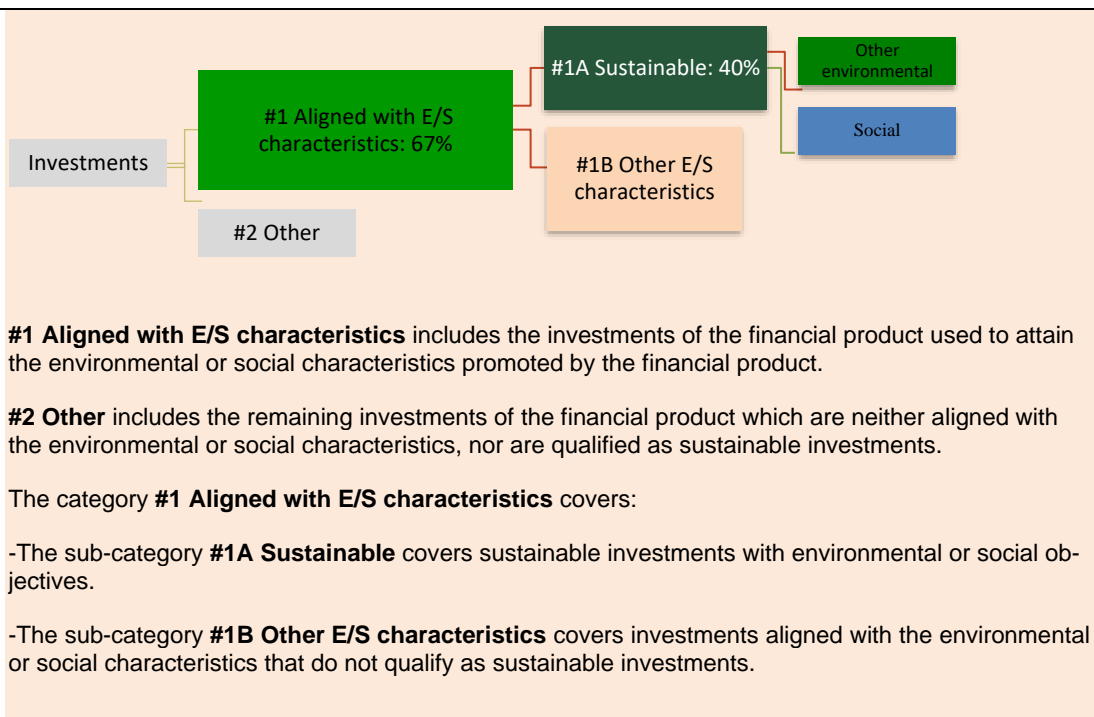
**Taxonomy-aligned** activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



## What is the asset allocation planned for this financial product?

The minimum proportion of the investments used to meet the environmental and/or social characteristics promoted by the financial product is 67%. The minimum proportion of sustainable investments of the financial product is 40%.



### How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used for the attainment of the characteristics promoted by this financial product. Derivatives are primarily used for hedging and liquidity management purposes.

## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

It has not been possible to collect data on the environmental objective(s) set out in Article 9 of the Taxonomy Regulation and on how and to what extent the investments underlying the financial product are in economic activities that qualify as environmentally sustainable under Article 3 of the Taxonomy Regulation ("Taxonomy Aligned Investments"). On that basis, the financial product has 0% Taxonomy Aligned Investments.

### Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>24</sup>?

☐ Yes:

<sup>24</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

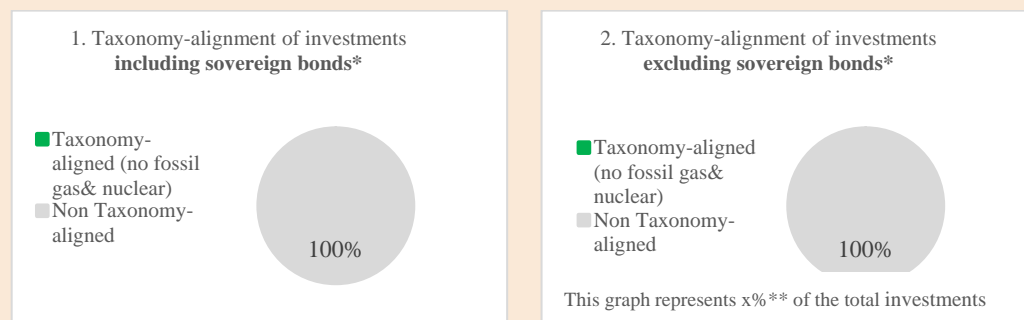
**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

 are environmentally sustainable investments **that do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



☐ In fossil gas    ☐ In nuclear energy  
☒ No

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

\*\* No percentage has been inserted as it is not relevant (no Taxonomy-aligned investments)

• **What is the minimum share of investments in transitional and enabling activities?**

There is no commitment to a minimum proportion of investments in transitional and enabling activities.

**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The sustainable investments made by the financial product will contribute to either environmental or social objectives or both. The financial product does not commit to a predetermined combination of environmental or social objectives, and therefore there is no minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy. Where the financial product does invest in environmentally sustainable investments that are not Taxonomy-aligned, this is due to the absence of necessary data to determine Taxonomy-alignment.

**What is the minimum share of socially sustainable investments?**

The sustainable investments made by the financial product will contribute to either environmental or social objectives or both. The financial product does not commit a predetermined combination of environmental or social objectives, and therefore there is no minimum share of socially sustainable investments.

**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Included in “#2 Other” are cash and unrated instruments for the purpose of liquidity and portfolio risk management. Unrated instruments may also include securities for which data needed for the measurement of attainment of environmental or social characteristics is not available.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

No ESG reference benchmark has been designated for the purpose of determining whether the financial product is aligned with the characteristics that it promotes.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

Not applicable.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Not applicable.

- ***How does the designated index differ from a relevant broad market index?***

Not applicable.

- ***Where can the methodology used for the calculation of the designated index be found?***

Not applicable.

**Where can I find more product specific information online?**

More product-specific information can be found on the website: [www.ubs.com/funds](http://www.ubs.com/funds)



**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name:**

UBS (Lux) Equity SICAV - Mobility Leaders (USD)

**Legal entity identifier:**

391200TZ8Q71UCU1QR36

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☐ **Yes**

☐ It will make a minimum of **sustainable investments with an environmental objective**: \_\_\_\_ %

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_ %

☒ ☐ **No**

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 40% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

## What environmental and/or social characteristics are promoted by this financial product?

The following characteristic is promoted by the financial product:

This actively managed sub-fund invests at least 80% of its assets in equities of companies in developed and emerging markets worldwide that the Portfolio Manager considers to be critical to the sustainable future of transportation and mobility. These include, but are not limited to companies that are active in the area of electric vehicle, batteries, hydrogen, autonomous transport, sustainable materials and clean and secure power. The investment focus is on companies that may be viewed as either leaders in their relevant segment or industry, or as future leaders that are expected to disrupt and will transform over time how we will travel. The benchmark is a broad market index which does not assess or include constituents according to environmental and/or social characteristics and therefore is not intended to be consistent with the characteristics promoted by the financial product. No ESG reference benchmark has been designated for the purpose of attaining the characteristics promoted by the financial product.

- **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The above characteristics is measured using the following indicators respectively:

Individual companies' have been identified as having e.g. revenue alignment with specific sustainable themes in the transportation and mobility sector, such as, but not limited to, electric vehicle, batteries, hydrogen, autonomous transport, sustainable materials and clean and secure power.

The Portfolio Manager may include companies that are considered to be critical across the entire mobility value chain, indicated by metrics such as research and development (R&D) spend that are aligned with the sustainable themes described above.

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The objectives of the sustainable investments that the financial product partially intends to make is to contribute to the environmental and/or social characteristic(s) promoted by the financial product.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

When assessing "do no significant harm" (DNSH), we consider selected principal adverse impact indicators based on availability and appropriateness. These indicators are combined into a signal based on individual thresholds defined per indicator. A fail on a single indicator leads to an investment failing the DNSH criteria.

### *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Principal adverse impacts (the "PAI") are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters. UBS integrates PAI indicators in its decision making process.

At present, the following PAI indicators are considered by means of exclusions from the investment universe:

#### 1.4 "Exposure to companies active in the fossil fuel sector":

- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.


**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti - corruption and anti - bribery matters.


	<p>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal-based power generation are excluded.</p> <p><u>1.10 “Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises”:</u></p> <p>- Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM’s Stewardship Committee are excluded</p> <p><u>1.14 “Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)”:</u></p> <p>- UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non-Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the company is involved in development, production, storage, maintenance or transport of controversial weapons, or is a majority shareholder (&gt;50% ownership stake) of such a company.</p> <p>The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.</p> <p>The following PAI indicators are additionally part of the DNSH signal:</p> <p><u>1.3 “GHG intensity of investee companies”</u></p> <p>- The Portfolio Manager selects investments based upon a low scope 1+2 carbon intensity, either absolute or relative to a benchmark</p> <p><u>1.7 “Activities negatively affecting bio-diversity-sensitive areas”</u></p> <p><u>1.13 “Board gender diversity”</u></p> <p><u>1.15. “GHG Intensity”</u></p> <p><u>1.16. “Investee countries subject to social violations”</u></p>
	<p><i>How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?</i></p>
	<p>Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM’s Stewardship Committee are excluded.</p>

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

	<p><b>Does this financial product consider principal adverse impacts on sustainability factors?</b></p>
	<p><input checked="" type="checkbox"/> Yes,</p> <p>Principal adverse impacts (the “PAI”) are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human</p>

	<p>rights, anti-corruption, and anti-bribery matters. UBS integrates PAI indicators in its decision making process.</p> <p>At present, the following PAI indicators are considered by means of exclusions from the investment universe:</p> <p><u>1.4 “Exposure to companies active in the fossil fuel sector”:</u></p> <ul style="list-style-type: none"> <li>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.</li> <li>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal-based power generation are excluded.</li> </ul> <p><u>1.10 “Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises”:</u></p> <ul style="list-style-type: none"> <li>- Companies violating the United Nations Global Compact UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM’s Stewardship Committee are excluded</li> </ul> <p><u>1.14 “Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)”:</u></p> <ul style="list-style-type: none"> <li>- UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non- Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the company is involved in development, production, storage, maintenance or transport of controversial weapons, or is a majority shareholder (&gt;50% ownership stake) of such a company.</li> </ul> <p>The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.</p> <p>When assessing “do no significant harm” (DNSH), we consider selected principal adverse impact indicators based on availability and appropriateness. These indicators are combined into a signal based on individual thresholds defined per indicator. A fail on a single indicator leads to an investment failing the DNSH criteria. The following PAI indicators are additionally part of this signal:</p> <p><u>1.3 “GHG intensity of investee companies”</u></p> <ul style="list-style-type: none"> <li>- The Portfolio Manager selects investments based upon a low scope 1+2 carbon intensity, either absolute or relative to a benchmark</li> </ul> <p><u>1.7 “Activities negatively affecting bio-diversity-sensitive areas”</u></p> <p><u>1.13 “Board gender diversity”</u></p> <p><u>1.15. “GHG Intensity”</u></p> <p><u>1.16. “Investee countries subject to social violations”</u></p> <p>Information on consideration of PAIs on sustainability factors is also available in the sub-fund’s annual report.</p>
	<div> <input type="checkbox"/> No </div>
	<b>What investment strategy does this financial product follow?</b>
	<b><u>ESG Integration:</u></b>

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

	<p>ESG Integration is driven by taking into account material ESG risks as part of the research process. ESG integration enables the Portfolio Manager to identify financially relevant sustainability factors that impact investment decisions and to incorporate ESG considerations when implementing investment decisions, and allows ESG risks to be systematically monitored and compared to risk appetite and constraints. It also assists in portfolio construction through securities selection, investment conviction and portfolio weightings.</p> <ul style="list-style-type: none"> <li>• For corporate issuers, this process utilizes an internal UBS ESG material issues framework which identifies the financially relevant factors per sector that can impact investment decisions. This orientation toward financial materiality ensures that analysts focus on sustainability factors that can impact the financial performance of the company and therefore investment returns. ESG integration can also identify opportunities for engagement to improve the company's ESG risk profile and thereby mitigate the potential negative impact of ESG issues on the company's financial performance. The Portfolio Manager employs an internal UBS ESG risk dashboard that combines multiple internal and external ESG data sources in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process.</li> <li>• For non-corporate issuers, the Portfolio Manager applies a qualitative or quantitative ESG risk assessment that integrates data on material ESG factors.</li> </ul> <p>The analysis of material sustainability/ESG considerations can include many different aspects, such as the following among others: the carbon footprint, health and well-being, human rights, supply chain management, fair customer treatment and governance.</p> <p><b><u>Fund specific exclusions:</u></b></p> <p>The sub-fund excludes companies with a sustainability profile that indicates a high or severe ESG risk.</p> <p><b><u>Sustainability Exclusion Policy:</u></b></p> <p>The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed "Sustainability Exclusion Policy" in the main body of the sales prospectus.</p>
	<ul style="list-style-type: none"> <li>• <b><i>What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?</i></b></li> </ul>
	<p>The following binding element(s) of the investment strategy are used to select the investments to attain the characteristic(s) promoted by this financial product:</p> <p>Invests at least 80% of its assets in equities of companies in developed and emerging markets worldwide that the Portfolio Manager considers to be critical to the sustainable future of transportation and mobility.</p> <p>The calculations do not take account of cash, derivatives and unrated investment instruments.</p> <p>The characteristic(s), the minimum proportion of sustainable investments and the minimum proportion of investments used to meet the environmental and/or social characteristics promoted by the financial product are calculated at quarter end using the average of all of business days' values in the quarter.</p> <p><b><u>Fund specific exclusions:</u></b></p> <p>The sub-fund excludes companies with a sustainability profile that indicates a high or severe ESG risk as described above in the section "What investment strategy does this financial product follow?".</p> <p><b><u>Sustainability Exclusion Policy:</u></b></p> <p>The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed "Sustainability Exclusion Policy" in the main body of the sales prospectus.</p>
	<ul style="list-style-type: none"> <li>• <b><i>What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?</i></b></li> </ul>

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

**Asset allocation** describes the share of investments in specific assets.



**Taxonomy-aligned** activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

	Not applicable.
	<ul style="list-style-type: none"> <li><b>What is the policy to assess good governance practices of the investee companies?</b></li> </ul> <p>Good corporate governance is a key driver of sustainable performance and is therefore embedded in the Portfolio Manager’s investment strategy. The Portfolio Manager employs a proprietary ESG Risk Dashboard that combines multiple ESG data sources from internal and recognized external providers in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process. The assessment of good governance includes consideration of board structure and independence, remuneration alignment, transparency of ownership and control, and financial reporting.</p>
	<p><b>What is the asset allocation planned for this financial product?</b></p> <p>The minimum proportion of the investments used to meet the environmental and/or social characteristics promoted by the financial product is 80%. The minimum proportion of sustainable investments of the financial product is 40%.</p>

Investments

#1 Aligned with E/S characteristics: 80%

#2 Other

#1A Sustainable: 40%

#1B Other E/S characteristics

Other environmental

Social

**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:


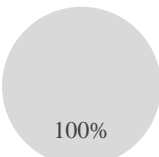
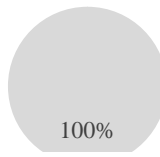
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.



To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

	<ul style="list-style-type: none"> <li>How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?</li> </ul>
	<p>Derivatives are not used for the attainment of the characteristics promoted by this financial product. Derivatives are primarily used for hedging and liquidity management purposes.</p>
	<p><b>To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?</b></p>
	<p>It has not been possible to collect data on the environmental objective(s) set out in Article 9 of the Taxonomy Regulation and on how and to what extent the investments underlying the financial product are in economic activities that qualify as environmentally sustainable under Article 3 of the Taxonomy Regulation ("Taxonomy Aligned Investments"). On that basis, the financial product has 0% Taxonomy Aligned Investments.</p>
	<ul style="list-style-type: none"> <li>Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>25</sup>?</li> </ul>
	<p><input type="checkbox"/> Yes:</p> <p><input type="checkbox"/> In fossil gas    <input type="checkbox"/> In nuclear energy</p> <p><input checked="" type="checkbox"/> No</p>
	<p><b>The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.</b></p> <div> <div> <p>1. Taxonomy-alignment of investments including sovereign bonds*</p>  <p>■ Taxonomy-aligned (no fossil gas &amp; nuclear) ■ Non Taxonomy-aligned</p> <p>100%</p> </div> <div> <p>2. Taxonomy-alignment of investments excluding sovereign bonds*</p>  <p>■ Taxonomy-aligned (no fossil gas &amp; nuclear) ■ Non Taxonomy-aligned</p> <p>100%</p> <p>This graph represents x%** of the total investments</p> </div> </div> <p>* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures</p> <p>** No percentage has been inserted as it is not relevant (no Taxonomy-aligned investments)</p>
	<ul style="list-style-type: none"> <li>What is the minimum share of investments in transitional and enabling activities?</li> </ul>
	<p>There is no commitment to a minimum proportion of investments in transitional and enabling activities.</p>

<sup>25</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

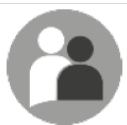


are environmentally sustainable investments that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The sustainable investments made by the financial product will contribute to either environmental or social objectives or both. The financial product does not commit to a predetermined combination of environmental or social objectives, and therefore there is no minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy. Where the financial product does invest in environmentally sustainable investments that are not Taxonomy-aligned, this is due to the absence of necessary data to determine Taxonomy-alignment.



**What is the minimum share of socially sustainable investments?**

The sustainable investments made by the financial product will contribute to either environmental or social objectives or both. The financial product does not commit a predetermined combination of environmental or social objectives, and therefore there is no minimum share of socially sustainable investments.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Included in “#2 Other” are cash and unrated instruments for the purpose of liquidity and portfolio risk management. Unrated instruments may also include securities for which data needed for the measurement of attainment of environmental or social characteristics is not available.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

No ESG reference benchmark has been designated for the purpose of determining whether the financial product is aligned with the characteristics that it promotes.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

Not applicable.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Not applicable.


- ***How does the designated index differ from a relevant broad market index?***

Not applicable.

- ***Where can the methodology used for the calculation of the designated index be found?***

Not applicable.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

	<p><b>Where can I find more product specific information online?</b></p> <p>More product-specific information can be found on the website: <a href="http://www.ubs.com/funds">www.ubs.com/funds</a></p>

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:**

UBS (Lux) Equity SICAV - Security Leaders (USD)

**Legal entity identifier:**

3912002EFZ9DU6U5EK93

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☐ **Yes**

☐ It will make a minimum of **sustainable investments with an environmental objective**: \_\_\_\_ %

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_ %

☒ ☐ **No**

☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_\_ % of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☒ It promotes E/S characteristics, but **will not make any sustainable investments**



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

## What environmental and/or social characteristics are promoted by this financial product?

The following characteristics is promoted by the financial product:

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

The benchmark is a broad market index which does not assess or include constituents according to environmental and/or social characteristics and therefore is not intended to be consistent with the characteristics promoted by the financial product. No ESG reference benchmark has been designated for the purpose of attaining the characteristics promoted by the financial product.

### • **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The above characteristics is measured using the following indicators respectively:

Characteristic 1):

Scope 1 and 2 Weighted Average Carbon Intensity (WACI):

- Scope 1 refers to direct carbon emissions and therefore includes all direct greenhouse gas emissions from owned or controlled sources of the relevant entity or issuer.

- Scope 2 refers to indirect carbon emissions and therefore includes greenhouse gas emissions from the generation of electricity, thermal energy and/or steam that is consumed by the relevant entity or issuer.

Low absolute carbon profile is defined as below 100 tonnes of CO2 emissions per million US dollars of revenues.

Characteristic 2):

The UBS Blended ESG Score is used to identify issuers/companies for the investment universe with strong environmental and social performance characteristics, or a strong sustainability profile. The UBS Blended ESG Score represents an average of normalized ESG assessment data from UBS and two recognized external ESG data providers, MSCI and Sustainalytics. This blended score approach enhances the quality of the derived sustainability profile by integrating multiple independent ESG assessments, rather than depending solely on one single view. The UBS Blended ESG Score represents an entity's sustainability profile assessing material environmental, social, and governance factors. These factors may include, but are not limited to, environmental footprint and operational efficiency, risk management, climate change response, natural resource utilization, pollution and waste management, employment standards, supply chain oversight, human capital development, board diversity, occupational health and safety, product safety, and anti-fraud and anti-corruption policies. Each assessed entity is assigned a UBS Blended ESG Score, which ranges from 0 to 10, with 10 indicating the best sustainability profile.

There is no minimum UBS Blended ESG Score at individual investment level.

### • **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

Not applicable.

### • **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti - corruption and anti - bribery matters.

	Not applicable.
	<i>How have the indicators for adverse impacts on sustainability factors been taken into account?</i>
	Not applicable.
	<i>How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?</i>
	Not applicable.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



#### **Does this financial product consider principal adverse impacts on sustainability factors?**

☒ Yes

Principal adverse impacts (the “PAI”) are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti - corruption, and anti - bribery matters. UBS integrates PAI indicators in its decision making process.

At present, the following PAI indicators are considered by means of exclusions from the investment universe:

##### **1.4 “Exposure to companies active in the fossil fuel sector”:**

- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.

##### **1.10 “Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises”:**

- Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM’s Stewardship Committee are excluded


##### **1.14 “Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)”:**

-UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non- Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the company is involved in development, production, storage, maintenance or transport of controversial weapons, or is a majority shareholder (>50% ownership stake) of such a company.

The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.

The following PAI indicator is considered by virtue of the promoted characteristics:

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.


	<p>1.3 “GHG intensity of investee companies”</p> <p>The Portfolio Manager selects investments based upon a low scope 1+2 carbon intensity, either absolute or relative to a benchmark</p> <p>Information on consideration of PAIs on sustainability factors is also available in the sub-fund’s annual report.</p>
	<p><input type="checkbox"/> No</p>
	<p><b>What investment strategy does this financial product follow?</b></p> <p><b><u>ESG Integration:</u></b></p> <p>ESG Integration is driven by taking into account material ESG risks as part of the research process. ESG integration enables the Portfolio Manager to identify financially relevant sustainability factors that impact investment decisions and to incorporate ESG considerations when implementing investment decisions, and allows ESG risks to be systematically monitored and compared to risk appetite and constraints. It also assists in portfolio construction through securities selection, investment conviction and portfolio weightings.</p> <ul style="list-style-type: none"> <li>• For corporate issuers, this process utilizes an internal UBS ESG material issues framework which identifies the financially relevant factors per sector that can impact investment decisions. This orientation toward financial materiality ensures that analysts focus on sustainability factors that can impact the financial performance of the company and therefore investment returns. ESG integration can also identify opportunities for engagement to improve the company’s ESG risk profile and thereby mitigate the potential negative impact of ESG issues on the company’s financial performance. The Portfolio Manager employs an internal UBS ESG risk dashboard that combines multiple internal and external ESG data sources in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process.</li> <li>• For non-corporate issuers, the Portfolio Manager applies a qualitative or quantitative ESG risk assessment that integrates data on material ESG factors.</li> </ul> <p>The analysis of material sustainability/ESG considerations can include many different aspects, such as the following among others: the carbon footprint, health and well-being, human rights, supply chain management, fair customer treatment and governance.</p> <p><b><u>Sustainability Exclusion Policy:</u></b></p> <p>The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.</p>
	<ul style="list-style-type: none"> <li>• <b><i>What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?</i></b></li> </ul>
	<p>The following binding element(s) of the investment strategy are used to select the investments to attain the characteristic(s) promoted by this financial product:</p> <p>Characteristic 1):</p> <p>A lower Scope 1 and 2 Weighted Average Carbon Intensity (WACI) than its benchmark or a low absolute carbon profile.</p> <p>Characteristic 2):</p> <p>A sustainability profile that is higher than its benchmark’s sustainability profile or a minimum of 51% of assets invested in companies with a sustainability profile in the top half of the benchmark.</p> <p>The calculations do not take account of cash, derivatives and unrated investment instruments.</p>

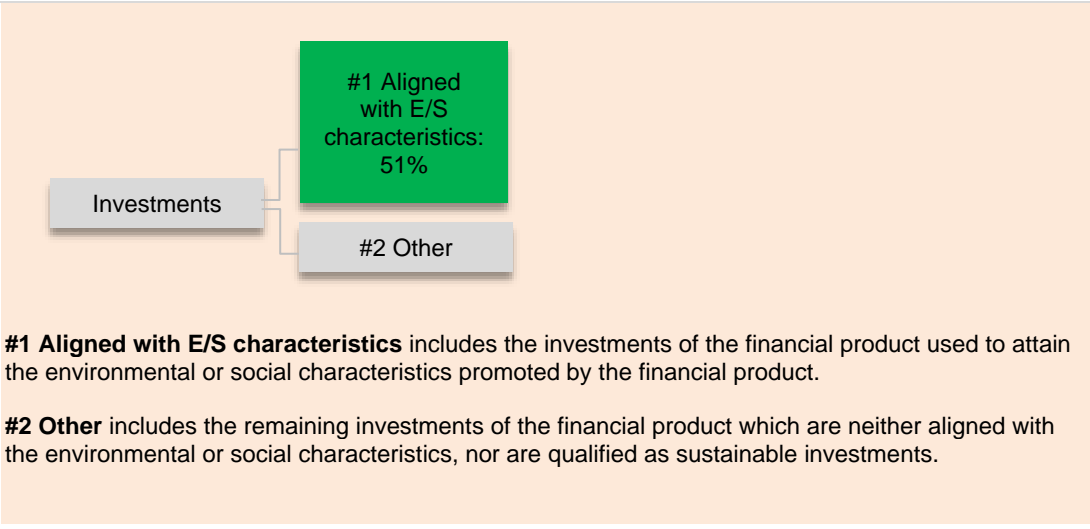
**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

**Asset allocation** describes the share of investments in specific assets.

**Taxonomy-aligned** activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

	<p>The characteristic(s) and the minimum proportion of investments used to meet the environmental and/or social characteristics promoted by the financial product, are calculated at quarter end using the average of all business days' values in the quarter.</p> <p><b><u>Sustainability Exclusion Policy:</u></b></p> <p>The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed "Sustainability Exclusion Policy" in the main body of the sales prospectus.</p>
	<ul style="list-style-type: none"><li>• <b><i>What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?</i></b></li></ul>
	Not applicable.
	<ul style="list-style-type: none"><li>• <b><i>What is the policy to assess good governance practices of the investee companies?</i></b></li></ul>
	<p>Good corporate governance is a key driver of sustainable performance and is therefore embedded in the Portfolio Manager's investment strategy. The Portfolio Manager employs a proprietary ESG Risk Dashboard that combines multiple ESG data sources from internal and recognized external providers in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process. The assessment of good governance includes consideration of board structure and independence, remuneration alignment, transparency of ownership and control, and financial reporting.</p>
	<p><b>What is the asset allocation planned for this financial product?</b></p> <p>The minimum proportion of the investments used to meet the environmental and/or social characteristics promoted by the financial product is 51%.</p>




	<ul style="list-style-type: none"><li>• <b><i>How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?</i></b></li></ul>
	<p>Derivatives are not used for the attainment of the characteristics promoted by this financial product. Derivatives are primarily used for hedging and liquidity management purposes.</p>


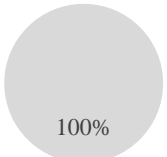
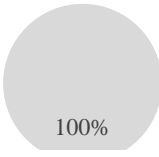




To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.




**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

 are environmentally sustainable investments **that do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

	<p><b>To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?</b></p> <p>Not applicable.</p>
	<p>● <b>Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>26</sup>?</b></p>
	<p><input type="checkbox"/> Yes:  <input type="checkbox"/> In fossil gas    <input type="checkbox"/> In nuclear energy  <input checked="" type="checkbox"/> No</p>
	<p><i>The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.</i></p> <div style="display: flex; justify-content: space-around;"> <div data-bbox="438 878 938 1191"> <p>1. Taxonomy-alignment of investments including sovereign bonds*</p>  </div> <div data-bbox="970 878 1471 1191"> <p>2. Taxonomy-alignment of investments excluding sovereign bonds*</p>  <p>This graph represents x%** of the total investments</p> </div> </div> <p>* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures</p> <p>** No percentage has been inserted as it is not relevant (no Taxonomy-aligned investments)</p>
	<p>● <b>What is the minimum share of investments in transitional and enabling activities?</b></p>
	<p>Not applicable.</p>
	<p><b>What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?</b></p>
	<p>Not applicable.</p>
	<p><b>What is the minimum share of socially sustainable investments?</b></p>

<sup>26</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

	Not applicable.
	<b>What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?</b>
	Included in “#2 Other” are cash and unrated instruments for the purpose of liquidity and portfolio risk management. Unrated instruments may also include securities for which data needed for the measurement of attainment of environmental or social characteristics is not available.
	<b>Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?</b>
	No ESG reference benchmark has been designated for the purpose of determining whether the financial product is aligned with the characteristics that it promotes.
	<ul style="list-style-type: none"> <li><b><i>How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?</i></b></li> </ul>
	Not applicable.
	<ul style="list-style-type: none"> <li><b><i>How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?</i></b></li> </ul>
	Not applicable.
	<ul style="list-style-type: none"> <li><b><i>How does the designated index differ from a relevant broad market index?</i></b></li> </ul>
	Not applicable.
	<ul style="list-style-type: none"> <li><b><i>Where can the methodology used for the calculation of the designated index be found?</i></b></li> </ul>
	Not applicable.
	<b>Where can I find more product specific information online?</b>
	More product-specific information can be found on the website: <a href="http://www.ubs.com/funds">www.ubs.com/funds</a>

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name:**

UBS (Lux) Equity SICAV - Small Caps Europe Sustainable (EUR)

**Legal entity identifier:**

54930026OG1K3X97UZ22

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

☒ ☐ **Yes**

☐ It will make a minimum of **sustainable investments with an environmental objective**: \_\_\_\_ %

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_ %

☒ ☐ **No**

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.



## What environmental and/or social characteristics are promoted by this financial product?

The following characteristics are promoted by the financial product:

- 1) A sustainability profile that is higher than its benchmark's sustainability profile or a UBS Blended ESG Score between 7 and 10 (indicating a strong sustainability profile).
- 2) A lower Weighted Average Carbon Intensity (WACI) than the reference benchmark or a low absolute carbon profile.

The benchmark is a broad market index which does not assess or include constituents according to environmental and/or social characteristics and therefore is not intended to be consistent with the characteristics promoted by the financial product. No ESG reference benchmark has been designated for the purpose of attaining the characteristics promoted by the financial product.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The above characteristics are measured using the following indicators respectively:

Characteristic 1):

The UBS Blended ESG Score is used to identify issuers/companies for the investment universe with strong environmental and social performance characteristics, or a strong sustainability profile. The UBS Blended ESG Score represents an average of normalized ESG assessment data from UBS and two recognized external ESG data providers, MSCI and Sustainalytics. This blended score approach enhances the quality of the derived sustainability profile by integrating multiple independent ESG assessments, rather than depending solely on one single view. The UBS Blended ESG Score represents an entity's sustainability profile assessing material environmental, social, and governance factors. These factors may include, but are not limited to, environmental footprint and operational efficiency, risk management, climate change response, natural resource utilization, pollution and waste management, employment standards, supply chain oversight, human capital development, board diversity, occupational health and safety, product safety, and anti-fraud and anti-corruption policies. Each assessed entity is assigned a UBS Blended ESG Score, which ranges from 0 to 10, with 10 indicating the best sustainability profile.

There is no minimum UBS Blended ESG Score at individual investment level.

Characteristic 2):

Scope 1 and 2 Weighted Average Carbon Intensity (WACI):

- Scope 1 refers to direct carbon emissions and therefore includes all direct greenhouse gas emissions from owned or controlled sources of the relevant entity or issuer.


- Scope 2 refers to indirect carbon emissions and therefore includes greenhouse gas emissions from the generation of electricity, thermal energy and/or steam that is consumed by the relevant entity or issuer.


Low absolute carbon profile is defined as below 100 tonnes of CO<sub>2</sub> emissions per million US dollars of revenues.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti - corruption and anti - bribery matters.

	<p>The objectives of the sustainable investments that the financial product partially intends to make is to contribute to the environmental and/or social characteristic(s) promoted by the financial product.</p>
	<ul style="list-style-type: none"> <li>● <b><i>How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?</i></b></li> </ul>
	<p>When assessing “do no significant harm” (DNSH), we consider selected principal adverse impact indicators based on availability and appropriateness. These indicators are combined into a signal based on individual thresholds defined per indicator. A fail on a single indicator leads to an investment failing the DNSH criteria.</p>
	<p><i>How have the indicators for adverse impacts on sustainability factors been taken into account?</i></p>
	<p>Principal adverse impacts (the “PAI”) are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters. UBS integrates PAI indicators in its decision making process.</p> <p>At present, the following PAI indicators are considered by means of exclusions from the investment universe:</p> <p><u>1.4 “Exposure to companies active in the fossil fuel sector”:</u></p> <ul style="list-style-type: none"> <li>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.</li> <li>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal-based power generation are excluded.</li> </ul> <p><u>1.10 “Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises”:</u></p> <ul style="list-style-type: none"> <li>- Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM’s Stewardship Committee are excluded</li> </ul> <p><u>1.14 “Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)”:</u></p> <ul style="list-style-type: none"> <li>- UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non- Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the company is involved in development, production, storage, maintenance or transport of controversial weapons, or is a majority shareholder (&gt;50% ownership stake) of such a company.</li> </ul> <p>The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.</p> <p>The following PAI indicator is considered by virtue of the promoted characteristics:</p> <p><u>1.3 “GHG intensity of investee companies”</u></p> <ul style="list-style-type: none"> <li>- The Portfolio Manager selects investments based upon a low scope 1+2 carbon intensity, either absolute or relative to a benchmark</li> </ul>

	<p>The following PAI indicators are additionally part of the DNSH signal:</p> <p><u>1.7 "Activities negatively affecting bio-diversity-sensitive areas"</u></p> <p><u>1.13 "Board gender diversity"</u></p> <p><u>1.15. "GHG Intensity"</u></p> <p><u>1.16. "Investee countries subject to social violations"</u></p>
	<p><i>How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?</i></p>
	<p>Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM's Stewardship Committee are excluded.</p>
	<p><i>The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.</i></p> <p><i>The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.</i></p> <p><i>Any other sustainable investments must also not significantly harm any environmental or social objectives.</i></p>
	<p><b>Does this financial product consider principal adverse impacts on sustainability factors?</b></p>
	<p><input checked="" type="checkbox"/> Yes</p> <p>Principal adverse impacts (the "PAI") are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters. UBS integrates PAI indicators in its decision making process.</p> <p>At present, the following PAI indicators are considered by means of exclusions from the investment universe:</p> <p><u>1.4 "Exposure to companies active in the fossil fuel sector":</u></p> <ul style="list-style-type: none"> <li>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.</li> <li>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal-based power generation are excluded.</li> </ul> <p><u>1.10 "Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises":</u></p>

	<ul style="list-style-type: none"> <li>- Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM's Stewardship Committee are excluded</li> </ul> <p><u>1.14 "Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)":</u></p> <ul style="list-style-type: none"> <li>- UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non- Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the company is involved in development, production, storage, maintenance or transport of controversial weapons, or is a majority shareholder (&gt;50% ownership stake) of such a company.</li> </ul> <p>The link to the Sustainability Exclusion Policy can be found in the section headed "Sustainability Exclusion Policy" in the main body of the Sales Prospectus.</p> <p>The following PAI indicator is considered by virtue of the promoted characteristics:</p> <p><u>1.3 "GHG intensity of investee companies"</u></p> <ul style="list-style-type: none"> <li>- The Portfolio Manager selects investments based upon a low scope 1+2 carbon intensity, either absolute or relative to a benchmark</li> </ul> <p>When assessing "do no significant harm" (DNSH), we consider selected principal adverse impact indicators based on availability and appropriateness. These indicators are combined into a signal based on individual thresholds defined per indicator. A fail on a single indicator leads to an investment failing the DNSH criteria. The following PAI indicators are additionally part of this signal:</p> <p><u>1.7 "Activities negatively affecting bio-diversity-sensitive areas"</u></p> <p><u>1.13 "Board gender diversity"</u></p> <p><u>1.15. "GHG Intensity"</u></p> <p><u>1.16. "Investee countries subject to social violations"</u></p> <p>Information on consideration of PAIs on sustainability factors is also available in the sub-fund's annual report.</p>
	<input type="checkbox"/> No
 <p><b>The investment strategy</b> guides investment decisions based on factors such as investment objectives and risk tolerance.</p>	<p><b>What investment strategy does this financial product follow?</b></p> <p><u><b>ESG Integration:</b></u></p> <p>ESG Integration is driven by taking into account material ESG risks as part of the research process. ESG integration enables the Portfolio Manager to identify financially relevant sustainability factors that impact investment decisions and to incorporate ESG considerations when implementing investment decisions, and allows ESG risks to be systematically monitored and compared to risk appetite and constraints. It also assists in portfolio construction through securities selection, investment conviction and portfolio weightings.</p> <ul style="list-style-type: none"> <li>• For corporate issuers, this process utilizes an internal UBS ESG material issues framework which identifies the financially relevant factors per sector that can impact investment decisions. This orientation toward financial materiality ensures that analysts focus on sustainability factors that can impact the financial performance of the company and therefore investment returns. ESG integration can also identify opportunities for engagement to improve the company's ESG risk profile and thereby mitigate the potential negative</li> </ul>

	<p>impact of ESG issues on the company's financial performance. The Portfolio Manager employs an internal UBS ESG risk dashboard that combines multiple internal and external ESG data sources in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process.</p> <ul style="list-style-type: none"> <li>• For non-corporate issuers, the Portfolio Manager applies a qualitative or quantitative ESG risk assessment that integrates data on material ESG factors.</li> </ul> <p>The analysis of material sustainability/ESG considerations can include many different aspects, such as the following among others: the carbon footprint, health and well-being, human rights, supply chain management, fair customer treatment and governance.</p> <p><b><u>Fund specific exclusions:</u></b></p> <p>The sub-fund excludes companies with a sustainability profile that indicates high or severe ESG risk.</p> <p><b><u>Sustainability Exclusion Policy:</u></b></p> <p>The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed "Sustainability Exclusion Policy" in the main body of the Sales Prospectus.</p>
	<ul style="list-style-type: none"> <li>• <b><i>What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?</i></b></li> </ul>
	<p>The following binding element(s) of the investment strategy are used to select the investments to attain the characteristic(s) promoted by this financial product:</p> <p>Characteristic 1):</p> <p>A sustainability profile that is higher than its benchmark's sustainability profile or a UBS Blended ESG Score between 7 and 10 (indicating a strong sustainability profile).</p> <p>Characteristic 2):</p> <p>A lower Scope 1 and 2 Weighted Average Carbon Intensity (WACI) than its benchmark or a low absolute carbon profile.</p> <p>The calculations do not take account of cash, derivatives and unrated investment instruments.</p> <p>The characteristic(s), the minimum proportion of sustainable investments and the minimum proportion of investments used to meet the environmental and/or social characteristics promoted by the financial product are calculated at quarter end using the average of all business days' values in the quarter.</p> <p><b><u>Fund specific exclusions:</u></b></p> <p>The sub-fund excludes companies with a sustainability profile that indicates a high or severe ESG risk as described above in the section "What investment strategy does this financial product follow?".</p> <p><b><u>Sustainability Exclusion Policy:</u></b></p> <p>The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed "Sustainability Exclusion Policy" in the main body of the sales prospectus.</p>
	<ul style="list-style-type: none"> <li>• <b><i>What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?</i></b></li> </ul>


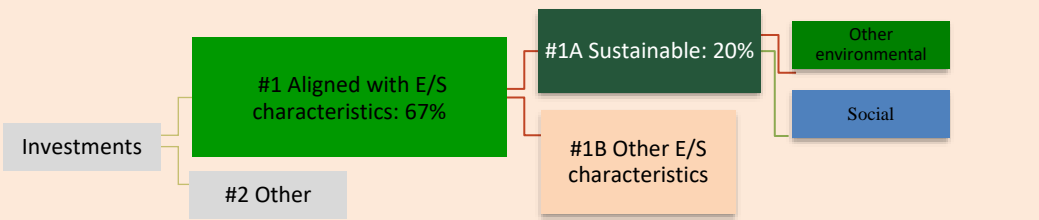


**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

**Asset allocation** describes the share of investments in specific assets.

**Taxonomy-aligned** activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

	Not applicable.
	<ul style="list-style-type: none"> <li><b>What is the policy to assess good governance practices of the investee companies?</b></li> </ul>
	<p>Good corporate governance is a key driver of sustainable performance and is therefore embedded in the Portfolio Manager's investment strategy. The Portfolio Manager employs a proprietary ESG Risk Dashboard that combines multiple ESG data sources from internal and recognized external providers in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process. The assessment of good governance includes consideration of board structure and independence, remuneration alignment, transparency of ownership and control, and financial reporting.</p>
	<p><b>What is the asset allocation planned for this financial product?</b></p> <p>The minimum proportion of the investments used to meet the environmental and/or social characteristics promoted by the financial product is 67%. The minimum proportion of sustainable investments of the financial product is 20%.</p> <div data-bbox="443 1014 1501 1715">  <pre> graph LR     Investments --&gt; C1["#1 Aligned with E/S characteristics: 67%"]     Investments --&gt; C2["#2 Other"]     C1 --&gt; C1A["#1A Sustainable: 20%"]     C1 --&gt; C1B["#1B Other E/S characteristics"]     C1A --&gt; C1A1["Other environmental"]     C1A --&gt; C1A2["Social"] </pre> <p><b>#1 Aligned with E/S characteristics</b> includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.</p> <p><b>#2 Other</b> includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.</p> <p>The category <b>#1 Aligned with E/S characteristics</b> covers:</p> <ul style="list-style-type: none"> <li>-The sub-category <b>#1A Sustainable</b> covers sustainable investments with environmental or social objectives.</li> <li>-The sub-category <b>#1B Other E/S characteristics</b> covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.</li> </ul> </div>
	<ul style="list-style-type: none"> <li><b>How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?</b></li> </ul>
	<p>Derivatives are not used for the attainment of the characteristics promoted by this financial product. Derivatives are primarily used for hedging and liquidity management purposes.</p>



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

It has not been possible to collect data on the environmental objective(s) set out in Article 9 of the Taxonomy Regulation and on how and to what extent the investments underlying the financial product are in economic activities that qualify as environmentally sustainable under Article 3 of the Taxonomy Regulation ("Taxonomy Aligned Investments"). On that basis, the financial product has 0% Taxonomy Aligned Investments.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>27</sup>?**

- ☐ Yes:  
☐ In fossil gas    ☐ In nuclear energy  
☒ No

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

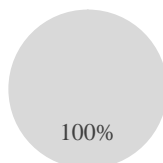
**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*

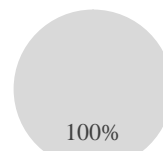
1. Taxonomy-alignment of investments including sovereign bonds\*

■ Taxonomy-aligned (no fossil gas& nuclear)  
 ■ Non Taxonomy-aligned



2. Taxonomy-alignment of investments excluding sovereign bonds\*

■ Taxonomy-aligned (no fossil gas& nuclear)  
 ■ Non Taxonomy-aligned



This graph represents x%\*\* of the total investments

\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

\*\* No percentage has been inserted as it is not relevant (no Taxonomy-aligned investments)

● **What is the minimum share of investments in transitional and enabling activities?**


<sup>27</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



are environmentally sustainable investments **that do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

	There is no commitment to a minimum proportion of investments in transitional and enabling activities.
	<b>What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?</b>
	The sustainable investments made by the financial product will contribute to either environmental or social objectives or both. The financial product does not commit to a predetermined combination of environmental or social objectives, and therefore there is no minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy. Where the financial product does invest in environmentally sustainable investments that are not Taxonomy-aligned, this is due to the absence of necessary data to determine Taxonomy-alignment.
	<b>What is the minimum share of socially sustainable investments?</b>
	The sustainable investments made by the financial product will contribute to either environmental or social objectives or both. The financial product does not commit a predetermined combination of environmental or social objectives, and therefore there is no minimum share of socially sustainable investments.
	<b>What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?</b>
	Included in “#2 Other” are cash and unrated instruments for the purpose of liquidity and portfolio risk management. Unrated instruments may also include securities for which data needed for the measurement of attainment of environmental or social characteristics is not available.
	<b>Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?</b>
	No ESG reference benchmark has been designated for the purpose of determining whether the financial product is aligned with the characteristics that it promotes.
	<ul style="list-style-type: none"> <li><b>How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?</b></li> </ul>
	Not applicable.
	<ul style="list-style-type: none"> <li><b>How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?</b></li> </ul>
	Not applicable.
	<ul style="list-style-type: none"> <li><b>How does the designated index differ from a relevant broad market index?</b></li> </ul>
	Not applicable.
	<ul style="list-style-type: none"> <li><b>Where can the methodology used for the calculation of the designated index be found?</b></li> </ul>

	Not applicable.
	<p><b>Where can I find more product specific information online?</b></p> <p>More product-specific information can be found on the website: <a href="http://www.ubs.com/funds">www.ubs.com/funds</a></p>

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:

UBS (Lux) Equity SICAV - Swiss Opportunity (CHF)

Legal entity identifier:

549300COJIM2GMLKIP90

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☐ Yes

☐ It will make a minimum of **sustainable investments with an environmental objective**: \_\_\_\_ %

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_ %

☒ ☐ No

☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_\_% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☒ It promotes E/S characteristics, but **will not make any sustainable investments**

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

What environmental and/or social characteristics are promoted by this financial product?
<p>The following characteristics are promoted by the financial product:</p> <ol style="list-style-type: none"> <li>1) A lower Weighted Average Carbon Intensity (WACI) than the reference benchmark or a low absolute carbon profile.</li> <li>2) A sustainability profile that is higher than its benchmark's sustainability profile or a minimum of 51 % of assets invested in companies with a sustainability profile in the top half of the benchmark.</li> </ol> <p>The benchmark is a broad market index which does not assess or include constituents according to environmental and/or social characteristics and therefore is not intended to be consistent with the characteristics promoted by the financial product. No ESG reference benchmark has been designated for the purpose of attaining the characteristics promoted by the financial product.</p>
<ul style="list-style-type: none"> <li>• <b><i>What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?</i></b></li> </ul>
<p>The above characteristics are measured using the following indicators respectively:</p> <p>Characteristic 1):</p> <p>Scope 1 and 2 Weighted Average Carbon Intensity (WACI):</p> <ul style="list-style-type: none"> <li>- Scope 1 refers to direct carbon emissions and therefore includes all direct greenhouse gas emissions from owned or controlled sources of the relevant entity or issuer.</li> <li>- Scope 2 refers to indirect carbon emissions and therefore includes greenhouse gas emissions from the generation of electricity, thermal energy and/or steam that is consumed by the relevant entity or issuer.</li> </ul> <p>Low absolute carbon profile is defined as below 100 tonnes of CO<sub>2</sub> emissions per million US dollars of revenues.</p> <p>Characteristic 2):</p> <p>The UBS Blended ESG Score is used to identify issuers/companies for the investment universe with strong environmental and social performance characteristics, or a strong sustainability profile. The UBS Blended ESG Score represents an average of normalized ESG assessment data from UBS and two recognized external ESG data providers, MSCI and Sustainalytics. This blended score approach enhances the quality of the derived sustainability profile by integrating multiple independent ESG assessments, rather than depending solely on one single view. The UBS Blended ESG Score represents an entity's sustainability profile assessing material environmental, social, and governance factors. These factors may include, but are not limited to, environmental footprint and operational efficiency, risk management, climate change response, natural resource utilization, pollution and waste management, employment standards, supply chain oversight, human capital development, board diversity, occupational health and safety, product safety, and anti-fraud and anti-corruption policies. Each assessed entity is assigned a UBS Blended ESG Score, which ranges from 0 to 10, with 10 indicating the best sustainability profile.</p> <p>There is no minimum UBS Blended ESG Score at individual investment level.</p>
<ul style="list-style-type: none"> <li>• <b><i>What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?</i></b></li> </ul>
<p>Not applicable.</p>

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti - corruption and anti - bribery matters.



<ul style="list-style-type: none"> <li>● <b>How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?</b></li> </ul>
Not applicable.
<i>How have the indicators for adverse impacts on sustainability factors been taken into account?</i>
Not applicable.
<i>How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?</i>
Not applicable.
<p><i>The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.</i></p> <p><i>The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.</i></p> <p><i>Any other sustainable investments must also not significantly harm any environmental or social objectives.</i></p>
<p><b>Does this financial product consider principal adverse impacts on sustainability factors?</b></p>
<p><input checked="" type="checkbox"/> Yes</p> <p>Principal adverse impacts (the “PAI”) are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti - corruption, and anti - bribery matters. UBS integrates PAI indicators in its decision making process.</p> <p>At present, the following PAI indicators are considered by means of exclusions from the investment universe:</p> <p>1.4 “Exposure to companies active in the fossil fuel sector”:</p> <p>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.</p> <p>1.10 “Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises”:</p> <p>- Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM’s Stewardship Committee are excluded</p> <p>1.14 “Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)”:</p> <p>-UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non- Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the company is involved in development, production, storage, maintenance or transport of controversial weapons, or is a majority shareholder (&gt;50% ownership stake) of such a company.</p> <p>The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.</p>



**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The following PAI indicator is considered by virtue of the promoted characteristics:

**1.3 “GHG intensity of investee companies”**

The Portfolio Manager selects investments based upon a low scope 1+2 carbon intensity, either absolute or relative to a benchmark

Information on consideration of PAIs on sustainability factors is also available in the sub-fund’s annual report.

☐ No

**What investment strategy does this financial product follow?**

**ESG Integration:**

ESG Integration is driven by taking into account material ESG risks as part of the research process. ESG integration enables the Portfolio Manager to identify financially relevant sustainability factors that impact investment decisions and to incorporate ESG considerations when implementing investment decisions, and allows ESG risks to be systematically monitored and compared to risk appetite and constraints. It also assists in portfolio construction through securities selection, investment conviction and portfolio weightings.

- For corporate issuers, this process utilizes an internal UBS ESG material issues framework which identifies the financially relevant factors per sector that can impact investment decisions. This orientation toward financial materiality ensures that analysts focus on sustainability factors that can impact the financial performance of the company and therefore investment returns. ESG integration can also identify opportunities for engagement to improve the company’s ESG risk profile and thereby mitigate the potential negative impact of ESG issues on the company’s financial performance. The Portfolio Manager employs an internal UBS ESG risk dashboard that combines multiple internal and external ESG data sources in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process.

- For non-corporate issuers, the Portfolio Manager applies a qualitative or quantitative ESG risk assessment that integrates data on material ESG factors.

The analysis of material sustainability/ESG considerations can include many different aspects, such as the following among others: the carbon footprint, health and well-being, human rights, supply chain management, fair customer treatment and governance.

**Sustainability Exclusion Policy:**

The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The following binding element(s) of the investment strategy are used to select the investments to attain the characteristic(s) promoted by this financial product:

Characteristic 1):

A lower Scope 1 and 2 Weighted Average Carbon Intensity (WACI) than its benchmark or a low absolute carbon profile.

Characteristic 2):

A sustainability profile that is higher than its benchmark’s sustainability profile or a minimum of 51 % of assets invested in companies with a sustainability profile in the top half of the benchmark.

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



**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.



**Asset allocation** describes the share of investments in specific assets.

**Taxonomy-aligned** activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies

- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The characteristic(s) and the minimum proportion of investments used to meet the environmental and/or social characteristics promoted by the financial product, are calculated at quarter end using the average of all business days' values in the quarter.

**Sustainability Exclusion Policy:**

The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed "Sustainability Exclusion Policy" in the main body of the sales prospectus.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

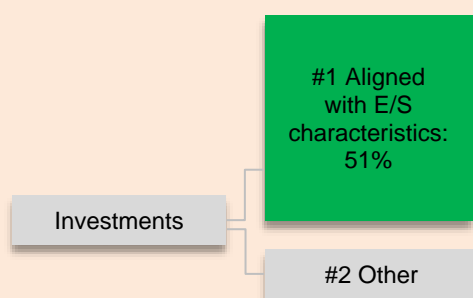
Not applicable.

- ***What is the policy to assess good governance practices of the investee companies?***

Good corporate governance is a key driver of sustainable performance and is therefore embedded in the Portfolio Manager's investment strategy. The Portfolio Manager employs a proprietary ESG Risk Dashboard that combines multiple ESG data sources from internal and recognized external providers in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process. The assessment of good governance includes consideration of board structure and independence, remuneration alignment, transparency of ownership and control, and financial reporting.

**What is the asset allocation planned for this financial product?**

The minimum proportion of the investments used to meet the environmental and/or social characteristics promoted by the financial product is 51%.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.



<ul style="list-style-type: none"> <li>● <b>How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?</b></li> </ul>
<p>Derivatives are not used for the attainment of the characteristics promoted by this financial product. Derivatives are primarily used for hedging and liquidity management purposes.</p>
<p><b>To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?</b></p>
<p>Not applicable.</p>
<ul style="list-style-type: none"> <li>● <b>Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>28</sup>?</b></li> </ul>
<p> <input type="checkbox"/> Yes:  <input type="checkbox"/> In fossil gas      <input type="checkbox"/> In nuclear energy  <input checked="" type="checkbox"/> No         </p>

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*

<sup>28</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

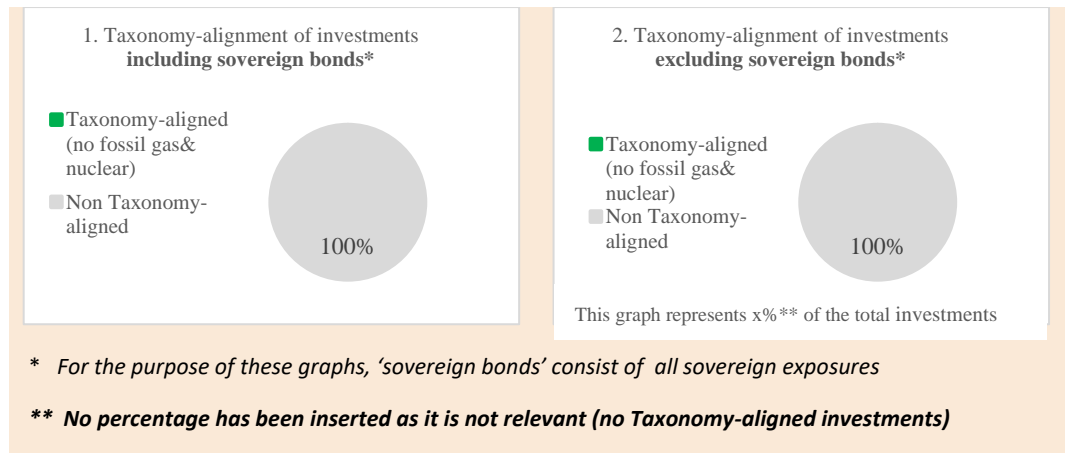
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

 are environmentally sustainable investments **that do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



<ul style="list-style-type: none"> <li><b>What is the minimum share of investments in transitional and enabling activities?</b></li> </ul>
Not applicable.
<p><b>What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?</b></p>
Not applicable.
<p><b>What is the minimum share of socially sustainable investments?</b></p>
Not applicable.
<p><b>What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?</b></p>
Included in “#2 Other” are cash and unrated instruments for the purpose of liquidity and portfolio risk management. Unrated instruments may also include securities for which data needed for the measurement of attainment of environmental or social characteristics is not available.
<p><b>Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?</b></p>
No ESG reference benchmark has been designated for the purpose of determining whether the financial product is aligned with the characteristics that it promotes.
<ul style="list-style-type: none"> <li><b>How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?</b></li> </ul>
Not applicable.
<ul style="list-style-type: none"> <li><b>How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?</b></li> </ul>



Not applicable.
<ul style="list-style-type: none"> <li>• <b><i>How does the designated index differ from a relevant broad market index?</i></b></li> </ul>
Not applicable.
<ul style="list-style-type: none"> <li>• <b><i>Where can the methodology used for the calculation of the designated index be found?</i></b></li> </ul>
Not applicable.
<b>Where can I find more product specific information online?</b> More product-specific information can be found on the website: <a href="http://www.ubs.com/funds">www.ubs.com/funds</a>

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:

UBS (Lux) Equity SICAV - US Income Sustainable (USD)

Legal entity identifier:

549300MRVFOOZGERHC71

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☐ Yes

☐ It will make a minimum of **sustainable investments with an environmental objective**: \_\_\_\_ %

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_ %

☒ ☐ No

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 30% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti - corruption and anti - bribery matters.

What environmental and/or social characteristics are promoted by this financial product?
<p>The following characteristics are promoted by the financial product:</p> <ol style="list-style-type: none"> <li>1) A sustainability profile that is higher than its benchmark's sustainability profile.</li> <li>2) A lower Weighted Average Carbon Intensity (WACI) than the reference benchmark.</li> </ol> <p>The benchmark is a broad market index which does not assess or include constituents according to environmental and/or social characteristics and therefore is not intended to be consistent with the characteristics promoted by the financial product. No ESG reference benchmark has been designated for the purpose of attaining the characteristics promoted by the financial product.</p>
<ul style="list-style-type: none"> <li><b><i>What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?</i></b></li> </ul>
<p>The above characteristics are measured using the following indicators respectively:</p> <p>Characteristic 1):</p> <p>The sustainability profile is measured using the weighted average ESG score. The ESG score is used to identify companies for the investment universe with strong environmental and social performance characteristics, or a strong sustainability profile. The ESG score assesses sustainability factors, such as the performance of the relevant companies with reference to environmental, social and governance (ESG) aspects. These ESG aspects relate to the main areas in which the companies operate and their effectiveness in managing ESG risks. Environmental and social factors can include the following elements: Environmental risk management, climate change, natural resource usage, pollution and waste management, human capital and corporate governance.</p> <p>The individual investments in the sub-fund have a ESG score (on a scale of 0-10, with 10 having the best sustainability profile).</p> <p>Characteristic 2):</p> <p>Scope 1 and 2 Weighted Average Carbon Intensity (WACI):</p> <ul style="list-style-type: none"> <li>- Scope 1 refers to direct carbon emissions and therefore includes all direct greenhouse gas emissions from owned or controlled sources of the relevant entity or issuer.</li> <li>- Scope 2 refers to indirect carbon emissions and therefore includes greenhouse gas emissions from the generation of electricity, thermal energy and/or steam that is consumed by the relevant entity or issuer.</li> </ul>
<ul style="list-style-type: none"> <li><b><i>What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?</i></b></li> </ul>
<p>The objectives of the sustainable investments that the financial product partially intends to make is to contribute to the environmental and/or social characteristic(s) promoted by the financial product.</p>
<ul style="list-style-type: none"> <li><b><i>How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?</i></b></li> </ul>
<p>When assessing "do no significant harm" (DNSH), we consider selected principal adverse impact indicators based on availability and appropriateness. These indicators are combined into a signal based on individual thresholds defined per indicator. A fail on a single indicator leads to an investment failing the DNSH criteria.</p>

<p><i>How have the indicators for adverse impacts on sustainability factors been taken into account?</i></p>
<p>Principal adverse impacts (the “PAI”) are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters. UBS integrates PAI indicators in its decision making process.</p> <p>At present, the following PAI indicators are considered by means of exclusions from the investment universe:</p> <p><u>1.4 “Exposure to companies active in the fossil fuel sector”:</u></p> <ul style="list-style-type: none"> <li>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.</li> <li>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal-based power generation are excluded.</li> </ul> <p><u>1.10 “Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises”:</u></p> <ul style="list-style-type: none"> <li>- Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM’s Stewardship Committee are excluded</li> </ul> <p><u>1.14 “Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)”:</u></p> <ul style="list-style-type: none"> <li>- UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non- Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the company is involved in development, production, storage, maintenance or transport of controversial weapons, or is a majority shareholder (&gt;50% ownership stake) of such a company.</li> </ul> <p>The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.</p> <p>The following PAI indicator is considered by virtue of the promoted characteristics:</p> <p><u>1.3 “GHG intensity of investee companies”</u></p> <ul style="list-style-type: none"> <li>- The Portfolio Manager selects investments based upon a low scope 1+2 carbon intensity, either absolute or relative to a benchmark</li> </ul> <p>The following PAI indicators are additionally part of the DNSH signal:</p> <p><u>1.7 “Activities negatively affecting bio-diversity-sensitive areas”</u></p> <p><u>1.13 “Board gender diversity”</u></p> <p><u>1.15. “GHG Intensity”</u></p> <p><u>1.16. “Investee countries subject to social violations”</u></p>
<p><i>How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?</i></p>
<p>Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM’s Stewardship Committee are excluded.</p>



*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

#### **Does this financial product consider principal adverse impacts on sustainability factors?**

☒ Yes

Principal adverse impacts (the “PAI”) are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters. UBS integrates PAI indicators in its decision making process.

At present, the following PAI indicators are considered by means of exclusions from the investment universe:

##### 1.4 “Exposure to companies active in the fossil fuel sector”:

- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.
- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal-based power generation are excluded.

##### 1.10 “Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises”:

- Companies violating the United Nations Global Compact UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM’s Stewardship Committee are excluded

##### 1.14 “Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)”:

- UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non- Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the company is involved in development, production, storage, maintenance or transport of controversial weapons, or is a majority shareholder (>50% ownership stake) of such a company.

The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.

The following PAI indicator is considered by virtue of the promoted characteristics:

##### 1.3 “GHG intensity of investee companies”

- The Portfolio Manager selects investments based upon a low scope 1+2 carbon intensity, either absolute or relative to a benchmark



**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.



<p>When assessing “do no significant harm” (DNSH), we consider selected principal adverse impact indicators based on availability and appropriateness. These indicators are combined into a signal based on individual thresholds defined per indicator. A fail on a single indicator leads to an investment failing the DNSH criteria. The following PAI indicators are additionally part of this signal:</p> <p><u>1.7 “Activities negatively affecting bio-diversity-sensitive areas”</u></p> <p><u>1.13 “Board gender diversity”</u></p> <p><u>1.15. “GHG Intensity”</u></p> <p><u>1.16. “Investee countries subject to social violations”</u></p> <p>Information on consideration of PAIs on sustainability factors is also available in the sub-fund’s annual report.</p>
<p><input type="checkbox"/> No</p>
<p><b>What investment strategy does this financial product follow?</b></p>
<p><b><u>ESG Integration:</u></b></p> <p>ESG Integration is driven by taking into account material ESG risks as part of the research process. ESG integration enables the Portfolio Manager to identify financially relevant sustainability factors that impact investment decisions and to incorporate ESG considerations when implementing investment decisions, and allows ESG risks to be systematically monitored and compared to risk appetite and constraints. It also assists in portfolio construction through securities selection, investment conviction and portfolio weightings.</p> <ul style="list-style-type: none"> <li>• For corporate issuers, this process utilizes an internal UBS ESG material issues framework which identifies the financially relevant factors per sector that can impact investment decisions. This orientation toward financial materiality ensures that analysts focus on sustainability factors that can impact the financial performance of the company and therefore investment returns. ESG integration can also identify opportunities for engagement to improve the company’s ESG risk profile and thereby mitigate the potential negative impact of ESG issues on the company’s financial performance. The Portfolio Manager employs an internal UBS ESG risk dashboard that combines multiple internal and external ESG data sources in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process.</li> <li>• For non-corporate issuers, the Portfolio Manager applies a qualitative or quantitative ESG risk assessment that integrates data on material ESG factors.</li> </ul> <p>The analysis of material sustainability/ESG considerations can include many different aspects, such as the following among others: the carbon footprint, health and well-being, human rights, supply chain management, fair customer treatment and governance.</p> <p><b><u>Fund specific exclusions:</u></b></p> <p>The sub-fund excludes companies with a sustainability profile that indicates a high or severe ESG risk.</p> <p><b><u>Sustainability Exclusion Policy:</u></b></p> <p>The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.</p>
<ul style="list-style-type: none"> <li>• <b><i>What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?</i></b></li> </ul>
<p>The following binding element(s) of the investment strategy are used to select the investments to attain the characteristic(s) promoted by this financial product:</p>

Characteristic 1):

A sustainability profile that is higher than its benchmark's sustainability profile.

Characteristic 2):

A lower Scope 1 and 2 Weighted Average Carbon Intensity (WACI) than its benchmark.

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

The characteristic(s), the minimum proportion of sustainable investments and the minimum proportion of investments used to meet the environmental and/or social characteristics promoted by the financial product are calculated at quarter end using the average of all business days' values in the quarter.

**Fund specific exclusions:**

The sub-fund excludes companies with a sustainability profile that indicates a high or severe ESG risk as described above in the section "What investment strategy does this financial product follow?".

**Sustainability Exclusion Policy:**

The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed "Sustainability Exclusion Policy" in the main body of the sales prospectus.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

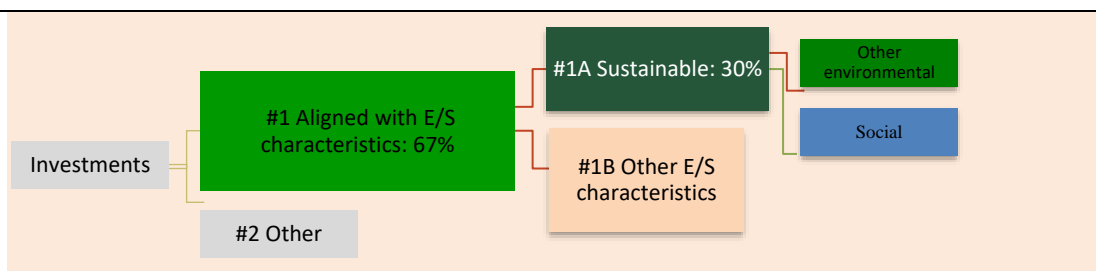
Not applicable.

- ***What is the policy to assess good governance practices of the investee companies?***

Good corporate governance is a key driver of sustainable performance and is therefore embedded in the Portfolio Manager's investment strategy. The Portfolio Manager employs a proprietary ESG Risk Dashboard that combines multiple ESG data sources from internal and recognized external providers in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process. The assessment of good governance includes consideration of board structure and independence, remuneration alignment, transparency of ownership and control, and financial reporting.

**What is the asset allocation planned for this financial product?**

The minimum proportion of the investments used to meet the environmental and/or social characteristics promoted by the financial product is 67%. The minimum proportion of sustainable investments of the financial product is 30%.



**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.



**Asset allocation** describes the share of investments in specific assets.

**Taxonomy-aligned** activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

-The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

-The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives are not used for the attainment of the characteristics promoted by this financial product.

**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

It has not been possible to collect data on the environmental objective(s) set out in Article 9 of the Taxonomy Regulation and on how and to what extent the investments underlying the financial product are in economic activities that qualify as environmentally sustainable under Article 3 of the Taxonomy Regulation ("Taxonomy Aligned Investments"). On that basis, the financial product has 0% Taxonomy Aligned Investments.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>29</sup>?**

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

☒ No


*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*

<sup>29</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

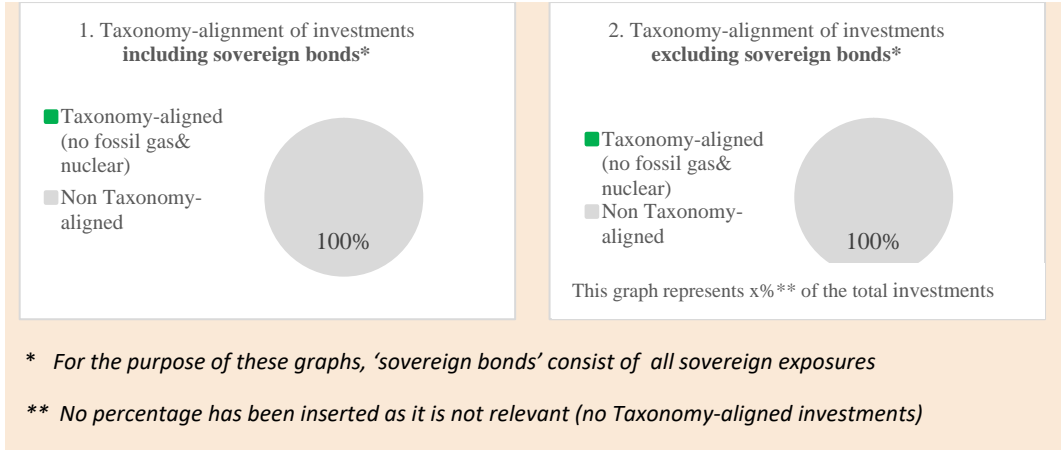
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

 are environmentally sustainable investments **that do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



<ul style="list-style-type: none"><li><b>What is the minimum share of investments in transitional and enabling activities?</b></li></ul>
There is no commitment to a minimum proportion of investments in transitional and enabling activities.
<b>What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?</b>
The sustainable investments made by the financial product will contribute to either environmental or social objectives or both. The financial product does not commit to a predetermined combination of environmental or social objectives, and therefore there is no minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy. Where the financial product does invest in environmentally sustainable investments that are not Taxonomy-aligned, this is due to the absence of necessary data to determine Taxonomy-alignment.
<b>What is the minimum share of socially sustainable investments?</b>
The sustainable investments made by the financial product will contribute to either environmental or social objectives or both. The financial product does not commit a predetermined combination of environmental or social objectives, and therefore there is no minimum share of socially sustainable investments.
<b>What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?</b>
Included in “#2 Other” are cash and unrated instruments for the purpose of liquidity and portfolio risk management. Unrated instruments may also include securities for which data needed for the measurement of attainment of environmental or social characteristics is not available.
<b>Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?</b>
No ESG reference benchmark has been designated for the purpose of determining whether the financial product is aligned with the characteristics that it promotes.



<ul style="list-style-type: none"> <li>• <b><i>How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?</i></b></li> </ul>
Not applicable.
<ul style="list-style-type: none"> <li>• <b><i>How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?</i></b></li> </ul>
Not applicable.
<ul style="list-style-type: none"> <li>• <b><i>How does the designated index differ from a relevant broad market index?</i></b></li> </ul>
Not applicable.
<ul style="list-style-type: none"> <li>• <b><i>Where can the methodology used for the calculation of the designated index be found?</i></b></li> </ul>
Not applicable.
<b>Where can I find more product specific information online?</b> More product-specific information can be found on the website: <a href="http://www.ubs.com/funds">www.ubs.com/funds</a>

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:

UBS (Lux) Equity SICAV - US Total Yield Sustainable (USD)

Legal entity identifier:

549300IB578XK4SQUH95

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☐ Yes

☐ It will make a minimum of **sustainable investments with an environmental objective**: \_\_\_\_ %

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_ %

☒ ☐ No

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 40% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti - corruption and anti - bribery matters.

<p><b>What environmental and/or social characteristics are promoted by this financial product?</b></p>
<p>The following characteristics are promoted by the financial product:</p> <ol style="list-style-type: none"> <li>1) A sustainability profile that is higher than its benchmark's sustainability profile.</li> <li>2) A lower Weighted Average Carbon Intensity (WACI) than the reference benchmark.</li> </ol> <p>The benchmark is a broad market index which does not assess or include constituents according to environmental and/or social characteristics and therefore is not intended to be consistent with the characteristics promoted by the financial product. No ESG reference benchmark has been designated for the purpose of attaining the characteristics promoted by the financial product.</p>
<ul style="list-style-type: none"> <li>• <b><i>What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?</i></b></li> </ul>
<p>The above characteristics are measured using the following indicators respectively:</p> <p>Characteristic 1):</p> <p>The sustainability profile is measured using the weighted average ESG score. The ESG score is used to identify companies for the investment universe with strong environmental and social performance characteristics, or a strong sustainability profile. The ESG score assesses sustainability factors, such as the performance of the relevant companies with reference to environmental, social and governance (ESG) aspects. These ESG aspects relate to the main areas in which the companies operate and their effectiveness in managing ESG risks. Environmental and social factors can include the following elements: Environmental risk management, climate change, natural resource usage, pollution and waste management, human capital and corporate governance.</p> <p>The individual investments in the sub-fund have a ESG score (on a scale of 0-10, with 10 having the best sustainability profile).</p> <p>Characteristic 2):</p> <p>Scope 1 and 2 Weighted Average Carbon Intensity (WACI):</p> <ul style="list-style-type: none"> <li>- Scope 1 refers to direct carbon emissions and therefore includes all direct greenhouse gas emissions from owned or controlled sources of the relevant entity or issuer.</li> <li>- Scope 2 refers to indirect carbon emissions and therefore includes greenhouse gas emissions from the generation of electricity, thermal energy and/or steam that is consumed by the relevant entity or issuer.</li> </ul>
<ul style="list-style-type: none"> <li>• <b><i>What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?</i></b></li> </ul>
<p>The objectives of the sustainable investments that the financial product partially intends to make is to contribute to the environmental and/or social characteristic(s) promoted by the financial product.</p>
<ul style="list-style-type: none"> <li>• <b><i>How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?</i></b></li> </ul>
<p>When assessing "do no significant harm" (DNSH), we consider selected principal adverse impact indicators based on availability and appropriateness. These indicators are combined into a signal based on individual thresholds defined per indicator. A fail on a single indicator leads to an investment failing the DNSH criteria.</p>

<p><i>How have the indicators for adverse impacts on sustainability factors been taken into account?</i></p>
<p>Principal adverse impacts (the “PAI”) are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters. UBS integrates PAI indicators in its decision making process.</p> <p>At present, the following PAI indicators are considered by means of exclusions from the investment universe:</p> <p><u>1.4 “Exposure to companies active in the fossil fuel sector”:</u></p> <ul style="list-style-type: none"> <li>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.</li> <li>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal-based power generation are excluded.</li> </ul> <p><u>1.10 “Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises”:</u></p> <ul style="list-style-type: none"> <li>- Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM’s Stewardship Committee are excluded</li> </ul> <p><u>1.14 “Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)”:</u></p> <ul style="list-style-type: none"> <li>- UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non- Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the company is involved in development, production, storage, maintenance or transport of controversial weapons, or is a majority shareholder (&gt;50% ownership stake) of such a company.</li> </ul> <p>The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.</p> <p>The following PAI indicator is considered by virtue of the promoted characteristics:</p> <p><u>1.3 “GHG intensity of investee companies”</u></p> <ul style="list-style-type: none"> <li>- The Portfolio Manager selects investments based upon a low scope 1+2 carbon intensity, either absolute or relative to a benchmark</li> </ul> <p>The following PAI indicators are additionally part of the DNSH signal:</p> <p><u>1.7 “Activities negatively affecting bio-diversity-sensitive areas”</u></p> <p><u>1.13 “Board gender diversity”</u></p> <p><u>1.15. “GHG Intensity”</u></p> <p><u>1.16. “Investee countries subject to social violations”</u></p>
<p><i>How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?</i></p>
<p>Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM’s Stewardship Committee are excluded.</p>





*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

## Does this financial product consider principal adverse impacts on sustainability factors?



Yes

Principal adverse impacts (the “PAI”) are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters. UBS integrates PAI indicators in its decision making process.

At present, the following PAI indicators are considered by means of exclusions from the investment universe:

### 1.4 “Exposure to companies active in the fossil fuel sector”:

- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.
- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal-based power generation are excluded.

### 1.10 “Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises”:

- Companies violating the United Nations Global Compact UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM’s Stewardship Committee are excluded

### 1.14 “Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)”:

- UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non- Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the company is involved in development, production, storage, maintenance or transport of controversial weapons, or is a majority shareholder (>50% ownership stake) of such a company.

The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.

The following PAI indicator is considered by virtue of the promoted characteristics:

### 1.3 “GHG intensity of investee companies”

- The Portfolio Manager selects investments based upon a low scope 1+2 carbon intensity, either absolute or relative to a benchmark



**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

<p>When assessing “do no significant harm” (DNSH), we consider selected principal adverse impact indicators based on availability and appropriateness. These indicators are combined into a signal based on individual thresholds defined per indicator. A fail on a single indicator leads to an investment failing the DNSH criteria. The following PAI indicators are additionally part of this signal:</p> <p><u>1.7 “Activities negatively affecting bio-diversity-sensitive areas”</u></p> <p><u>1.13 “Board gender diversity”</u></p> <p><u>1.15. “GHG Intensity”</u></p> <p><u>1.16. “Investee countries subject to social violations”</u></p> <p>Information on consideration of PAIs on sustainability factors is also available in the sub-fund’s annual report.</p>
<p><input type="checkbox"/> No</p>
<p><b>What investment strategy does this financial product follow?</b></p>
<p><b><u>ESG Integration:</u></b></p> <p>ESG Integration is driven by taking into account material ESG risks as part of the research process. ESG integration enables the Portfolio Manager to identify financially relevant sustainability factors that impact investment decisions and to incorporate ESG considerations when implementing investment decisions, and allows ESG risks to be systematically monitored and compared to risk appetite and constraints. It also assists in portfolio construction through securities selection, investment conviction and portfolio weightings.</p> <ul style="list-style-type: none"> <li>• For corporate issuers, this process utilizes an internal UBS ESG material issues framework which identifies the financially relevant factors per sector that can impact investment decisions. This orientation toward financial materiality ensures that analysts focus on sustainability factors that can impact the financial performance of the company and therefore investment returns. ESG integration can also identify opportunities for engagement to improve the company’s ESG risk profile and thereby mitigate the potential negative impact of ESG issues on the company’s financial performance. The Portfolio Manager employs an internal UBS ESG risk dashboard that combines multiple internal and external ESG data sources in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process.</li> <li>• For non-corporate issuers, the Portfolio Manager applies a qualitative or quantitative ESG risk assessment that integrates data on material ESG factors.</li> </ul> <p>The analysis of material sustainability/ESG considerations can include many different aspects, such as the following among others: the carbon footprint, health and well-being, human rights, supply chain management, fair customer treatment and governance.</p> <p><b><u>Fund specific exclusions:</u></b></p> <p>The sub-fund excludes companies with a sustainability profile that indicates a high or severe ESG risk.</p> <p><b><u>Sustainability Exclusion Policy:</u></b></p> <p>The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.</p>
<ul style="list-style-type: none"> <li>• <b><i>What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?</i></b></li> </ul>
<p>The following binding element(s) of the investment strategy are used to select the investments to attain the characteristic(s) promoted by this financial product:</p>

Characteristic 1):

A sustainability profile that is higher than its benchmark's sustainability profile.

Characteristic 2):

A lower Scope 1 and 2 Weighted Average Carbon Intensity (WACI) than its benchmark.

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

The characteristic(s), the minimum proportion of sustainable investments and the minimum proportion of investments used to meet the environmental and/or social characteristics promoted by the financial product are calculated at quarter end using the average of all business days' values in the quarter.

**Fund specific exclusions:**

The sub-fund excludes companies with a sustainability profile that indicates a high or severe ESG risk as described above in the section "What investment strategy does this financial product follow?".

**Sustainability Exclusion Policy:**

The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed "Sustainability Exclusion Policy" in the main body of the sales prospectus.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

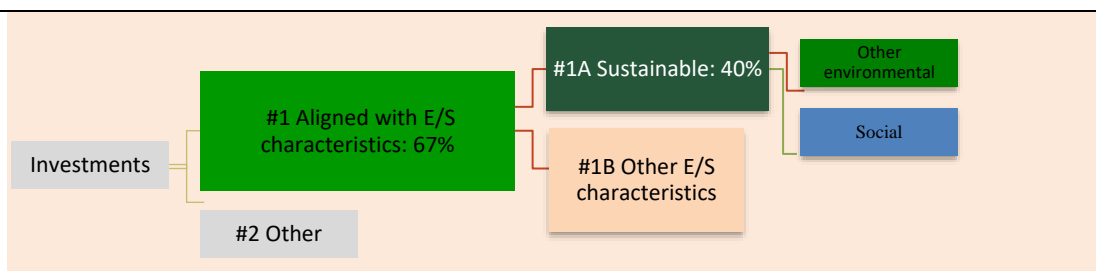
Not applicable.

- ***What is the policy to assess good governance practices of the investee companies?***

Good corporate governance is a key driver of sustainable performance and is therefore embedded in the Portfolio Manager's investment strategy. The Portfolio Manager employs a proprietary ESG Risk Dashboard that combines multiple ESG data sources from internal and recognized external providers in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process. The assessment of good governance includes consideration of board structure and independence, remuneration alignment, transparency of ownership and control, and financial reporting.

**What is the asset allocation planned for this financial product?**

The minimum proportion of the investments used to meet the environmental and/or social characteristics promoted by the financial product is 67%. The minimum proportion of sustainable investments of the financial product is 40%.



**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

**Asset allocation** describes the share of investments in specific assets.



**Taxonomy-aligned** activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies

- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

-The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

-The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives are not used for the attainment of the characteristics promoted by this financial product.

**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

It has not been possible to collect data on the environmental objective(s) set out in Article 9 of the Taxonomy Regulation and on how and to what extent the investments underlying the financial product are in economic activities that qualify as environmentally sustainable under Article 3 of the Taxonomy Regulation ("Taxonomy Aligned Investments"). On that basis, the financial product has 0% Taxonomy Aligned Investments.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>30</sup>?**

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

☒ No

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*

<sup>30</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

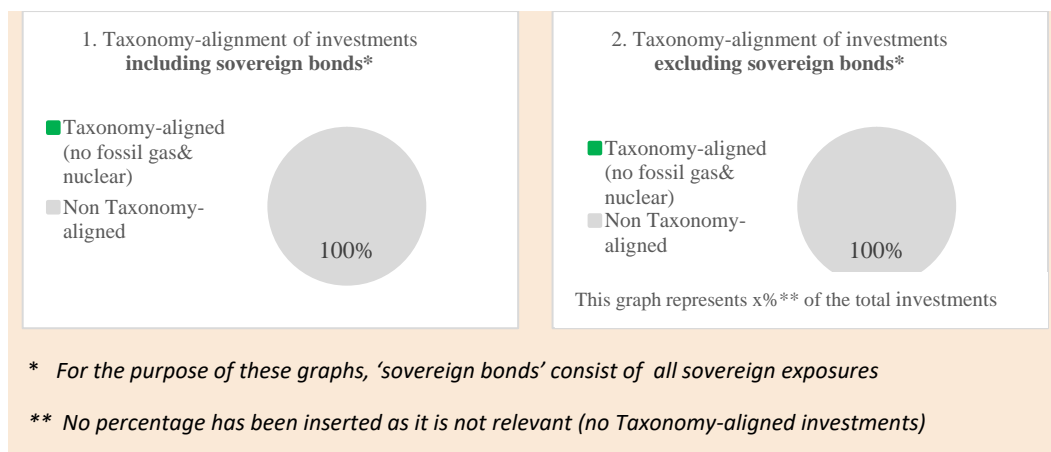
**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



are environmentally sustainable investments **that do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



<ul style="list-style-type: none"> <li><b>What is the minimum share of investments in transitional and enabling activities?</b></li> </ul>	<p>There is no commitment to a minimum proportion of investments in transitional and enabling activities.</p>
<p><b>What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?</b></p>	
	<p>The sustainable investments made by the financial product will contribute to either environmental or social objectives or both. The financial product does not commit to a predetermined combination of environmental or social objectives, and therefore there is no minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy. Where the financial product does invest in environmentally sustainable investments that are not Taxonomy-aligned, this is due to the absence of necessary data to determine Taxonomy-alignment.</p>
<p><b>What is the minimum share of socially sustainable investments?</b></p>	
	<p>The sustainable investments made by the financial product will contribute to either environmental or social objectives or both. The financial product does not commit a predetermined combination of environmental or social objectives, and therefore there is no minimum share of socially sustainable investments.</p>
<p><b>What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?</b></p>	
	<p>Included in “#2 Other” are cash and unrated instruments for the purpose of liquidity and portfolio risk management. Unrated instruments may also include securities for which data needed for the measurement of attainment of environmental or social characteristics is not available.</p>
<p><b>Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?</b></p>	
	<p>No ESG reference benchmark has been designated for the purpose of determining whether the financial product is aligned with the characteristics that it promotes.</p>



<ul style="list-style-type: none"> <li>• <b><i>How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?</i></b></li> </ul>
Not applicable.
<ul style="list-style-type: none"> <li>• <b><i>How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?</i></b></li> </ul>
Not applicable.
<ul style="list-style-type: none"> <li>• <b><i>How does the designated index differ from a relevant broad market index?</i></b></li> </ul>
Not applicable.
<ul style="list-style-type: none"> <li>• <b><i>Where can the methodology used for the calculation of the designated index be found?</i></b></li> </ul>
Not applicable.
<b>Where can I find more product specific information online?</b> More product-specific information can be found on the website: <a href="http://www.ubs.com/funds">www.ubs.com/funds</a>

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name:**

UBS (Lux) Equity SICAV - USA Growth (USD)

**Legal entity identifier:**

549300N14JJ2S3IUEE52

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

☒ ☐ **Yes**

☐ It will make a minimum of **sustainable investments with an environmental objective**: \_\_\_\_ %

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_ %

☒ ☐ **No**

☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_\_% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☒ It promotes E/S characteristics, but **will not make any sustainable investments**



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

## What environmental and/or social characteristics are promoted by this financial product?

The following characteristics are promoted by the financial product:

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

The benchmark is a broad market index which does not assess or include constituents according to environmental and/or social characteristics and therefore is not intended to be consistent with the characteristics promoted by the financial product. No ESG reference benchmark has been designated for the purpose of attaining the characteristics promoted by the financial product.

### • ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

Characteristic 1):

Scope 1 and 2 Weighted Average Carbon Intensity (WACI):

- Scope 1 refers to direct carbon emissions and therefore includes all direct greenhouse gas emissions from owned or controlled sources of the relevant entity or issuer.
- Scope 2 refers to indirect carbon emissions and therefore includes greenhouse gas emissions from the generation of electricity, thermal energy and/or steam that is consumed by the relevant entity or issuer.

Low absolute carbon profile is defined as below 100 tonnes of CO<sub>2</sub> emissions per million US dollars of revenues.

Characteristic 2):

The UBS Blended ESG Score is used to identify issuers/companies for the investment universe with strong environmental and social performance characteristics, or a strong sustainability profile. The UBS Blended ESG Score represents an average of normalized ESG assessment data from UBS and two recognized external ESG data providers, MSCI and Sustainalytics. This blended score approach enhances the quality of the derived sustainability profile by integrating multiple independent ESG assessments, rather than depending solely on one single view. The UBS Blended ESG Score represents an entity's sustainability profile assessing material environmental, social, and governance factors. These factors may include, but are not limited to, environmental footprint and operational efficiency, risk management, climate change response, natural resource utilization, pollution and waste management, employment standards, supply chain oversight, human capital development, board diversity, occupational health and safety, product safety, and anti-fraud and anti-corruption policies. Each assessed entity is assigned a UBS Blended ESG Score, which ranges from 0 to 10, with 10 indicating the best sustainability profile.

There is no minimum UBS Blended ESG Score at individual investment level.

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

### • ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***



**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti - corruption and anti - bribery matters.



Not applicable.
<ul style="list-style-type: none"> <li><b>How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?</b></li> </ul>
Not applicable.
<i>How have the indicators for adverse impacts on sustainability factors been taken into account?</i>
Not applicable.
<i>How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?</i>
Not applicable.
<p><i>The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.</i></p> <p><i>The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.</i></p> <p><i>Any other sustainable investments must also not significantly harm any environmental or social objectives.</i></p>
<b>Does this financial product consider principal adverse impacts on sustainability factors?</b>
<p><input checked="" type="checkbox"/> Yes</p> <p>Principal adverse impacts (the “PAI”) are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti - corruption, and anti - bribery matters. UBS integrates PAI indicators in its decision making process.</p> <p>At present, the following PAI indicators are considered by means of exclusions from the investment universe:</p> <p>1.4 “Exposure to companies active in the fossil fuel sector”:</p> <p>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.</p> <p>1.10 “Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises”:</p> <p>- Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM’s Stewardship Committee are excluded</p> <p>1.14 “Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)”:</p> <p>-UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non- Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the company is involved in development, production, storage, maintenance or transport of controversial weapons, or is a majority shareholder (&gt;50% ownership stake) of such a company.</p>



**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.

The following PAI indicator is considered by virtue of the promoted characteristics:

**1.3 “GHG intensity of investee companies”**

The Portfolio Manager selects investments based upon a low scope 1+2 carbon intensity, either absolute or relative to a benchmark

Information on consideration of PAIs on sustainability factors is also available in the sub-fund’s annual report.

☐ No

## What investment strategy does this financial product follow?

### ESG Integration:

ESG Integration is driven by taking into account material ESG risks as part of the research process. ESG integration enables the Portfolio Manager to identify financially relevant sustainability factors that impact investment decisions and to incorporate ESG considerations when implementing investment decisions, and allows ESG risks to be systematically monitored and compared to risk appetite and constraints. It also assists in portfolio construction through securities selection, investment conviction and portfolio weightings.

- For corporate issuers, this process utilizes an internal UBS ESG material issues framework which identifies the financially relevant factors per sector that can impact investment decisions. This orientation toward financial materiality ensures that analysts focus on sustainability factors that can impact the financial performance of the company and therefore investment returns. ESG integration can also identify opportunities for engagement to improve the company’s ESG risk profile and thereby mitigate the potential negative impact of ESG issues on the company’s financial performance. The Portfolio Manager employs an internal UBS ESG risk dashboard that combines multiple internal and external ESG data sources in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process.

- For non-corporate issuers, the Portfolio Manager applies a qualitative or quantitative ESG risk assessment that integrates data on material ESG factors.

The analysis of material sustainability/ESG considerations can include many different aspects, such as the following among others: the carbon footprint, health and well-being, human rights, supply chain management, fair customer treatment and governance.

### Sustainability Exclusion Policy:

The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The following binding element(s) of the investment strategy are used to select the investments to attain the characteristic(s) promoted by this financial product:

Characteristic 1):

A lower Scope 1 and 2 Weighted Average Carbon Intensity (WACI) than its benchmark or a low absolute carbon profile.

Characteristic 2):

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

**Asset allocation** describes the share of investments in specific assets.

**Taxonomy-aligned** activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



<p>A sustainability profile that is higher than its benchmark’s sustainability profile or a minimum of 51% of assets invested in companies with a sustainability profile in the top half of the benchmark.</p> <p>The calculations do not take account of cash, derivatives and unrated investment instruments.</p> <p>The characteristic(s) the minimum proportion of investments used to meet the environmental and/or social characteristics promoted by the financial product are calculated at quarter end using the average of all business days’ values in the quarter.</p> <p><b><u>Sustainability Exclusion Policy:</u></b></p> <p>The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the sales prospectus.</p>
<ul style="list-style-type: none"> <li>• <b><i>What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?</i></b></li> </ul>
<p>Not applicable.</p>
<ul style="list-style-type: none"> <li>• <b><i>What is the policy to assess good governance practices of the investee companies?</i></b></li> </ul>
<p>Good corporate governance is a key driver of sustainable performance and is therefore embedded in the Portfolio Manager’s investment strategy. The Portfolio Manager employs a proprietary ESG Risk Dashboard that combines multiple ESG data sources from internal and recognized external providers in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process. The assessment of good governance includes consideration of board structure and independence, remuneration alignment, transparency of ownership and control, and financial reporting.</p>
<p><b>What is the asset allocation planned for this financial product?</b></p>
<p>The minimum proportion of the investments used to meet the environmental and/or social characteristics promoted by the financial product is 51%.</p>
<div data-bbox="459 1373 933 1635"> <pre> graph LR     A[Investments] --&gt; B[#1 Aligned with E/S characteristics: 51%]     A --&gt; C[#2 Other]             </pre> </div> <p><b>#1 Aligned with E/S characteristics</b> includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.</p> <p><b>#2 Other</b> includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.</p>

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

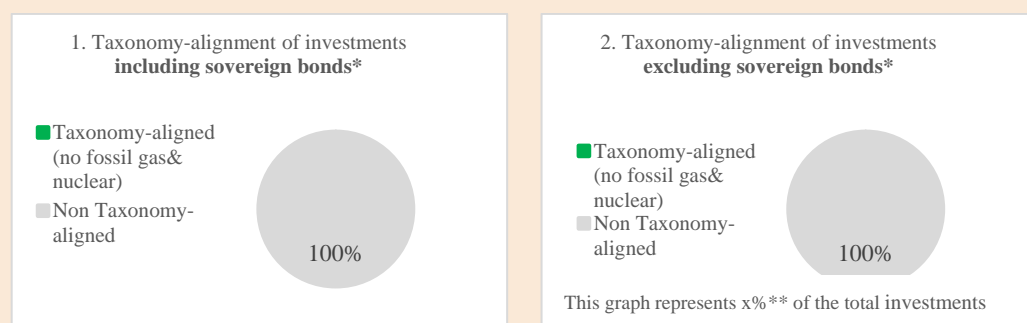
**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



<ul style="list-style-type: none"> <li>How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?</li> </ul>
<p>Derivatives are not used for the attainment of the characteristics promoted by this financial product. Derivatives are primarily used for hedging and liquidity management purposes.</p>
<p>To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?</p>
<p>Not applicable.</p>
<ul style="list-style-type: none"> <li>Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>31</sup>?</li> </ul>
<p> <input type="checkbox"/> Yes:               <input type="checkbox"/> In fossil gas      <input type="checkbox"/> In nuclear energy               <input checked="" type="checkbox"/> No           </p>

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

\*\* No percentage has been inserted as it is not relevant (no Taxonomy-aligned investments)

<sup>31</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

 are environmentally sustainable investments **that do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



<ul style="list-style-type: none"> <li><b><i>What is the minimum share of investments in transitional and enabling activities?</i></b></li> </ul>
Not applicable.
<b>What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?</b>
Not applicable.
<b>What is the minimum share of socially sustainable investments?</b>
Not applicable.
<b>What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?</b>
Included in “#2 Other” are cash and unrated instruments for the purpose of liquidity and portfolio risk management. Unrated instruments may also include securities for which data needed for the measurement of attainment of environmental or social characteristics is not available.
<b>Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?</b>
No ESG reference benchmark has been designated for the purpose of determining whether the financial product is aligned with the characteristics that it promotes.
<ul style="list-style-type: none"> <li><b><i>How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?</i></b></li> </ul>
Not applicable.
<ul style="list-style-type: none"> <li><b><i>How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?</i></b></li> </ul>
Not applicable.
<ul style="list-style-type: none"> <li><b><i>How does the designated index differ from a relevant broad market index?</i></b></li> </ul>
Not applicable.
<ul style="list-style-type: none"> <li><b><i>Where can the methodology used for the calculation of the designated index be found?</i></b></li> </ul>
Not applicable
<b>Where can I find more product specific information online?</b>
More product-specific information can be found on the website: <a href="http://www.ubs.com/funds">www.ubs.com/funds</a>

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name:**

UBS (Lux) Equity SICAV - USA Growth Sustainable (USD)

**Legal entity identifier:**

5493000JV30JXPIYBQ34

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

☒ ☐ **Yes**

☐ It will make a minimum of **sustainable investments with an environmental objective**: \_\_\_\_ %

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_ %

☒ ☐ **No**

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

## What environmental and/or social characteristics are promoted by this financial product?

The following characteristics are promoted by the financial product:

- 1) A sustainability profile that is higher than its benchmark's sustainability profile or a UBS Blended ESG Score between 7 and 10 (indicating a strong sustainability profile).
- 2) A lower Weighted Average Carbon Intensity (WACI) than the reference benchmark or a low absolute carbon profile.

The benchmark is a broad market index which does not assess or include constituents according to environmental and/or social characteristics and therefore is not intended to be consistent with the characteristics promoted by the financial product. No ESG reference benchmark has been designated for the purpose of attaining the characteristics promoted by the financial product.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The above characteristics are measured using the following indicators respectively:

Characteristic 1):

The UBS Blended ESG Score is used to identify issuers/companies for the investment universe with strong environmental and social performance characteristics, or a strong sustainability profile. The UBS Blended ESG Score represents an average of normalized ESG assessment data from UBS and two recognized external ESG data providers, MSCI and Sustainalytics. This blended score approach enhances the quality of the derived sustainability profile by integrating multiple independent ESG assessments, rather than depending solely on one single view. The UBS Blended ESG Score represents an entity's sustainability profile assessing material environmental, social, and governance factors. These factors may include, but are not limited to, environmental footprint and operational efficiency, risk management, climate change response, natural resource utilization, pollution and waste management, employment standards, supply chain oversight, human capital development, board diversity, occupational health and safety, product safety, and anti-fraud and anti-corruption policies. Each assessed entity is assigned a UBS Blended ESG Score, which ranges from 0 to 10, with 10 indicating the best sustainability profile.

There is no minimum UBS Blended ESG Score at individual investment level.

Characteristic 2):

Scope 1 and 2 Weighted Average Carbon Intensity (WACI):

- Scope 1 refers to direct carbon emissions and therefore includes all direct greenhouse gas emissions from owned or controlled sources of the relevant entity or issuer.

- Scope 2 refers to indirect carbon emissions and therefore includes greenhouse gas emissions from the generation of electricity, thermal energy and/or steam that is consumed by the relevant entity or issuer.

Low absolute carbon profile is defined as below 100 tonnes of CO<sub>2</sub> emissions per million US dollars of revenues.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The objectives of the sustainable investments that the financial product partially intends to make is to contribute to the environmental and/or social characteristic(s) promoted by the financial product.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti - corruption and anti - bribery matters.

<ul style="list-style-type: none"> <li>● <b><i>How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?</i></b></li> </ul>	
	<p>When assessing “do no significant harm” (DNSH), we consider selected principal adverse impact indicators based on availability and appropriateness. These indicators are combined into a signal based on individual thresholds defined per indicator. A fail on a single indicator leads to an investment failing the DNSH criteria.</p>
	<p><i>How have the indicators for adverse impacts on sustainability factors been taken into account?</i></p>
	<p>Principal adverse impacts (the “PAI”) are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters. UBS integrates PAI indicators in its decision making process.</p> <p>At present, the following PAI indicators are considered by means of exclusions from the investment universe:</p> <p><u>1.4 “Exposure to companies active in the fossil fuel sector”:</u></p> <ul style="list-style-type: none"> <li>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.</li> <li>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal-based power generation are excluded.</li> </ul> <p><u>1.10 “Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises”:</u></p> <ul style="list-style-type: none"> <li>- Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM’s Stewardship Committee are excluded</li> </ul> <p><u>1.14 “Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)”:</u></p> <ul style="list-style-type: none"> <li>- UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non- Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the company is involved in development, production, storage, maintenance or transport of controversial weapons, or is a majority shareholder (&gt;50% ownership stake) of such a company.</li> </ul> <p>The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.</p> <p>The following PAI indicator is considered by virtue of the promoted characteristics:</p> <p><u>1.3 “GHG intensity of investee companies”</u></p> <ul style="list-style-type: none"> <li>- The Portfolio Manager selects investments based upon a low scope 1+2 carbon intensity, either absolute or relative to a benchmark</li> </ul> <p>The following PAI indicators are additionally part of the DNSH signal:</p> <p><u>1.7 “Activities negatively affecting bio-diversity-sensitive areas”</u></p> <p><u>1.13 “Board gender diversity”</u></p> <p><u>1.15. “GHG Intensity”</u></p>





<p><u>1.16. "Investee countries subject to social violations"</u></p>
<p><i>How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?</i></p>
<p>Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM's Stewardship Committee are excluded.</p>
<p><i>The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.</i></p> <p><i>The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.</i></p> <p><i>Any other sustainable investments must also not significantly harm any environmental or social objectives.</i></p>
<p><b>Does this financial product consider principal adverse impacts on sustainability factors?</b></p>
<p><input checked="" type="checkbox"/> Yes</p> <p>Principal adverse impacts (the "PAI") are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters. UBS integrates PAI indicators in its decision making process.</p> <p>At present, the following PAI indicators are considered by means of exclusions from the investment universe:</p> <p><u>1.4 "Exposure to companies active in the fossil fuel sector":</u></p> <ul style="list-style-type: none"> <li>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.</li> <li>- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal-based power generation are excluded.</li> </ul> <p><u>1.10 "Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises":</u></p> <ul style="list-style-type: none"> <li>- Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM's Stewardship Committee are excluded</li> </ul> <p><u>1.14 "Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)":</u></p> <ul style="list-style-type: none"> <li>- UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non- Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the company is involved in development, production, storage,</li> </ul>

maintenance or transport of controversial weapons, or is a majority shareholder (>50% ownership stake) of such a company.

The link to the Sustainability Exclusion Policy can be found in the section headed "Sustainability Exclusion Policy" in the main body of the Sales Prospectus.

The following PAI indicator is considered by virtue of the promoted characteristics:

1.3 "GHG intensity of investee companies"

- The Portfolio Manager selects investments based upon a low scope 1+2 carbon intensity, either absolute or relative to a benchmark

When assessing "do no significant harm" (DNSH), we consider selected principal adverse impact indicators based on availability and appropriateness. These indicators are combined into a signal based on individual thresholds defined per indicator. A fail on a single indicator leads to an investment failing the DNSH criteria. The following PAI indicators are additionally part of this signal:

1.7 "Activities negatively affecting bio-diversity-sensitive areas"

1.13 "Board gender diversity"

1.15. "GHG Intensity"

1.16. "Investee countries subject to social violations"

Information on consideration of PAIs on sustainability factors is also available in the sub-fund's annual report.

☐

No

**What investment strategy does this financial product follow?**

**ESG Integration:**

ESG Integration is driven by taking into account material ESG risks as part of the research process. ESG integration enables the Portfolio Manager to identify financially relevant sustainability factors that impact investment decisions and to incorporate ESG considerations when implementing investment decisions, and allows ESG risks to be systematically monitored and compared to risk appetite and constraints. It also assists in portfolio construction through securities selection, investment conviction and portfolio weightings.

- For corporate issuers, this process utilizes an internal UBS ESG material issues framework which identifies the financially relevant factors per sector that can impact investment decisions. This orientation toward financial materiality ensures that analysts focus on sustainability factors that can impact the financial performance of the company and therefore investment returns. ESG integration can also identify opportunities for engagement to improve the company's ESG risk profile and thereby mitigate the potential negative impact of ESG issues on the company's financial performance. The Portfolio Manager employs an internal UBS ESG risk dashboard that combines multiple internal and external ESG data sources in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process.

- For non-corporate issuers, the Portfolio Manager applies a qualitative or quantitative ESG risk assessment that integrates data on material ESG factors.

The analysis of material sustainability/ESG considerations can include many different aspects, such as the following among others: the carbon footprint, health and well-being, human rights, supply chain management, fair customer treatment and governance.

**Fund specific exclusions:**



**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The sub-fund excludes companies with a sustainability profile that indicates a high or severe ESG risk, except in special circumstances where a lower weighting is required for this company in order to manage portfolio risk relative to the benchmark weighting.

**Sustainability Exclusion Policy:**

The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The following binding element(s) of the investment strategy are used to select the investments to attain the characteristic(s) promoted by this financial product:

Characteristic 1):

A sustainability profile that is higher than its benchmark’s sustainability profile or a UBS Blended ESG Score between 7 and 10 (indicating a strong sustainability profile).

Characteristic 2):

A lower Scope 1 and 2 Weighted Average Carbon Intensity (WACI) than its benchmark or a low absolute carbon profile.

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

The characteristic(s), the minimum proportion of sustainable investments and the minimum proportion of investments used to meet the environmental and/or social characteristics promoted by the financial product are calculated at quarter end using the average of all business days’ values in the quarter.

**Fund specific exclusions:**

The sub-fund excludes companies with a sustainability profile that indicates a high or severe ESG risk, except in special circumstances where a lower weighting is required for this company in order to manage portfolio risk relative to the benchmark weighting, as described above in the section “What investment strategy does this financial product follow?”.

**Sustainability Exclusion Policy:**

The Sustainability Exclusion Policy of the Portfolio Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the section headed “Sustainability Exclusion Policy” in the main body of the Sales Prospectus.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

Not applicable.

- ***What is the policy to assess good governance practices of the investee companies?***

Good corporate governance is a key driver of sustainable performance and is therefore embedded in the Portfolio Manager’s investment strategy. The Portfolio Manager employs a proprietary ESG Risk Dashboard that combines multiple ESG data sources from internal and recognized external providers in order to identify companies with material ESG risks. An actionable risk signal highlights ESG risks to the Portfolio Manager for incorporation in their investment decision making process. The assessment

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

**Asset allocation** describes the share of investments in specific assets.



**Taxonomy-aligned activities** are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

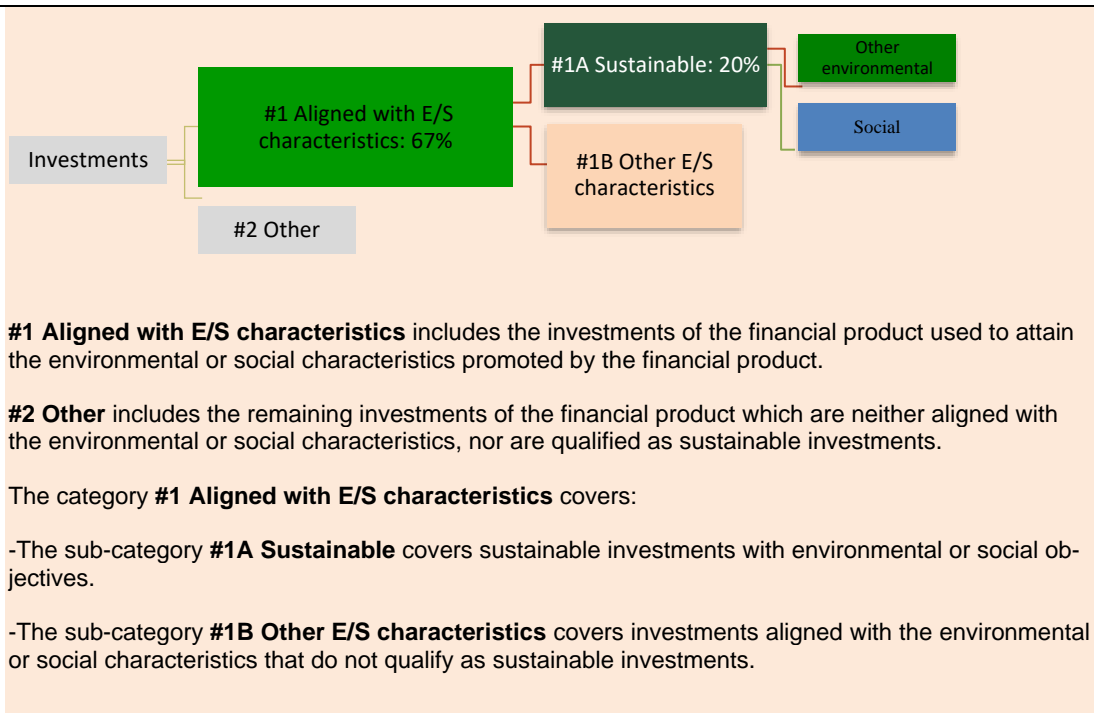
**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

of good governance includes consideration of board structure and independence, remuneration alignment, transparency of ownership and control, and financial reporting.

## What is the asset allocation planned for this financial product?

The minimum proportion of the investments used to meet the environmental and/or social characteristics promoted by the financial product is 67%. The minimum proportion of sustainable investments of the financial product is 20%.



## How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used for the attainment of the characteristics promoted by this financial product. Derivatives are primarily used for hedging and liquidity management purposes.

## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

It has not been possible to collect data on the environmental objective(s) set out in Article 9 of the Taxonomy Regulation and on how and to what extent the investments underlying the financial product are in economic activities that qualify as environmentally sustainable under Article 3 of the Taxonomy Regulation ("Taxonomy Aligned Investments"). On that basis, the financial product has 0% Taxonomy Aligned Investments.

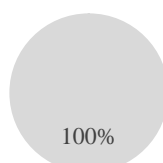
- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>32</sup>?**

☐ Yes:  
☐ In fossil gas    ☐ In nuclear energy  
☒ No

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*

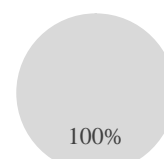
1. Taxonomy-alignment of investments including sovereign bonds\*

☒ Taxonomy-aligned (no fossil gas & nuclear)  
☐ Non Taxonomy-aligned



2. Taxonomy-alignment of investments excluding sovereign bonds\*

☒ Taxonomy-aligned (no fossil gas & nuclear)  
☐ Non Taxonomy-aligned



This graph represents x%\*\* of the total investments

\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

\*\* No percentage has been inserted as it is not relevant (no Taxonomy-aligned investments)

- **What is the minimum share of investments in transitional and enabling activities?**

There is no commitment to a minimum proportion of investments in transitional and enabling activities.

**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The sustainable investments made by the financial product will contribute to either environmental or social objectives or both. The financial product does not commit to a predetermined combination of environmental or social objectives, and therefore there is no minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy. Where the financial product does invest in environmentally sustainable investments that are not Taxonomy-aligned, this is due to the absence of necessary data to determine Taxonomy-alignment.



are environmentally sustainable investments that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.



<sup>32</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



<b>What is the minimum share of socially sustainable investments?</b>	
The sustainable investments made by the financial product will contribute to either environmental or social objectives or both. The financial product does not commit a predetermined combination of environmental or social objectives, and therefore there is no minimum share of socially sustainable investments.	
<b>What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?</b>	
Included in “#2 Other” are cash and unrated instruments for the purpose of liquidity and portfolio risk management. Unrated instruments may also include securities for which data needed for the measurement of attainment of environmental or social characteristics is not available.	
<b>Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?</b>	
No ESG reference benchmark has been designated for the purpose of determining whether the financial product is aligned with the characteristics that it promotes.	
<ul style="list-style-type: none"> <li>• <b><i>How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?</i></b></li> </ul>	
	Not applicable.
<ul style="list-style-type: none"> <li>• <b><i>How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?</i></b></li> </ul>	
	Not applicable.
<ul style="list-style-type: none"> <li>• <b><i>How does the designated index differ from a relevant broad market index?</i></b></li> </ul>	
	Not applicable.
<ul style="list-style-type: none"> <li>• <b><i>Where can the methodology used for the calculation of the designated index be found?</i></b></li> </ul>	
	Not applicable.
<b>Where can I find more product specific information online?</b>	
More product-specific information can be found on the website: <a href="http://www.ubs.com/funds">www.ubs.com/funds</a>	