To accompany base Lux Prospectus "February 2016"

UBS (LUX) EQUITY SICAV
Investment company under Luxembourg law

This document may not be issued, circulated or distributed unless it is accompanied by the prospectus dated February 2016 (the "**Prospectus**"), and the Product Key Fact Statement of the relevant sub-funds set out on this cover page (the "**Sub-Funds**'), which together form the offering documents (collectively the "**Hong Kong Offering Document**") for the purpose of marketing shares of UBS (Lux) Equity SICAV and its Sub-Funds 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.

INFORMATION FOR HONG KONG INVESTORS

Hong Kong Representative:
UBS Asset Management (Hong Kong) Limited
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Hong Kong
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WARNING: In relation to the funds as set out in the Prospectus, only the following Sub-Funds are authorized by the SFC (as defined below) pursuant to section 104 of the SFO (as defined below) and hence may be offered to the public of Hong Kong:

- UBS (Lux) Equity SICAV – Emerging Markets High Dividend (USD)
- UBS (Lux) Equity SICAV– Emerging Markets Sustainable (USD)
- UBS (Lux) Equity SICAV– Russia (USD)
- UBS (Lux) Equity SICAV– USA Growth (USD)
- UBS (Lux) Equity SICAV – US Total Yield (USD)

Please note that the Prospectus is a global offering document and therefore also contains details of the following sub-funds of the Fund which are not authorised by the SFC:.

- UBS (Lux) Equity SICAV – Emerging Markets Growth (USD)
- UBS (Lux) Equity SICAV – Brazil (USD)
- UBS (Lux) Equity SICAV – Small Caps Europe (EUR)
- UBS (Lux) Equity SICAV – Water (USD)
- UBS (Lux) Equity SICAV – Energy Transformation (USD)
- UBS (Lux) Equity SICAV – Swiss Opportunity (CHF)
- UBS (Lux) Equity SICAV – European High Dividend (EUR)
- UBS (Lux) Equity SICAV – Global High Dividend (USD)
- UBS (Lux) Equity SICAV – European Opportunity Unconstrained (EUR)
- UBS (Lux) Equity SICAV – Asia High Dividend (USD)

- UBS (Lux) Equity SICAV – US Opportunity (USD)
- UBS (Lux) Equity SICAV – Emerging Markets Small Caps (USD)
- UBS (Lux) Equity SICAV – Emerging Markets Enhanced (USD)
- UBS (Lux) Equity SICAV – Asian Smaller Companies (USD)
- UBS (Lux) Equity SICAV – Western Winners (USD)
- UBS (Lux) Equity SICAV– USA Enhanced (USD)
- UBS (Lux) Equity SICAV – Emerging Markets Rising Giants (USD)
- UBS (Lux) Equity SICAV – German High Dividend (EUR)
- UBS (Lux) Equity SICAV - Global Income (USD)
- UBS (Lux) Equity SICAV – Solid Consumer Brands (USD)
- UBS (Lux) Equity SICAV – Euro Countries Income (EUR)
- UBS (Lux) Equity SICAV – US Income (USD)
- UBS (Lux) Equity SICAV – Long Term Themes (USD)
- UBS (Lux) Equity SICAV – Global Quantitative (USD)
- UBS (Lux) Equity SICAV – Global Opportunity Unconstrained (USD)
- UBS (Lux) Equity SICAV – US Systematic Defensive (USD)

No offer shall be made to the public of Hong Kong in respect of the above unauthorized sub-funds of the Fund. The issue of the Prospectus was authorized by the SFC only in relation to the offer of the above SFC-authorized Sub-Funds to the public of Hong Kong. **Intermediaries should take note of this restriction.**

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.

UBS (Lux) Equity SICAV (the "**Company**") and the sub-funds set out on the cover page (the "**Sub-Funds**") have been authorized by the Securities and Futures Commission (the "**SFC"**) in Hong Kong pursuant to section 104 of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the "**SFO**"). 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.

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

The Management Company (as defined below) and 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.

1. The Company is a legally independent open ended investment fund with Sub-Funds in the form of a “Société d’Investissement à Capital Variable” (SICAV) incorporated under Luxembourg law for an unlimited duration.

2. The Company previously qualified as an undertaking for collective investment under Part I of Luxembourg law of 30 March 1988 ("**UCITS I**"). Since 1 July 2011, the Company is subject to the provisions of the Law of 17 December 2010 on undertakings for Collective Investment as amended (the “**Law of 2010**”) (“**UCITS IV”**). Effective 15 June 2011, the Company has appointed UBS Fund Management (Luxembourg) S.A. as its Management Company.

3. As a UCITS IV scheme, Hong Kong investors should note that the Company and its Sub-Funds may invest in a wide scope of transferable securities (as defined under UCITS IV) which includes (but is not limited to) use of financial derivative instruments for investment purposes and for efficient portfolio management purposes. The Sub-Funds may use financial derivative instruments for investment management and hedging purposes. However, financial derivative instruments will not be used extensively for investment purposes. In this regard, particular attention should be made of the section in the Prospectus headed “Investment Principles” and in particular “Special techniques and instruments that have securities and money market instruments as underlying assets”, “Risks connected with the use of derivatives” and “Use of futures and options”. If specified as part of a Sub-Fund's investment policy, the Portfolio Manager (as defined in the Prospectus) may buy or sell futures, swaps and options on currencies for the purpose of building up or hedging foreign-exchange positions for the respective Sub-Fund. However, the liabilities arising from such transactions should never exceed the value of the net assets of the Sub-Fund concerned.

   The following risks are associated with the aforementioned wide investment powers permitted by UCITS IV that the Company and the relevant Sub-Fund(s) may utilise:

   Risks connected with the use of derivatives:

   Rather than being independent investment instruments, derivative financial instruments constitute rights whose valuation derives chiefly from the price, the price fluctuations and the expectations of an underlying instrument. Derivative investments are subject to the general market risk, management risk, credit and liquidity risk.

   Special features of derivative financial instruments, however, mean that the risks mentioned can be different and may sometimes be greater than risks entailed by an investment in the underlying instruments.

   Therefore the use of derivatives requires not just an understanding of the underlying instrument, but also sound knowledge of the derivatives themselves.

   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 management companies 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.

4. The Company is compliant with the requirements of UCITS IV. Risk control mechanisms commensurate with the Company's risk profile are in place. In relation to the risks involved as a result of the wider investment powers available under UCITS IV (for which see the section in the Prospectus headed “Investment Principles”), particular attention should be paid to the sections in the Prospectus headed “Risks connected with the use of derivatives”, “Risk management” and “Leverage”.

   By way of summary according to article 42 of the Law of 2010, the Company must implement a risk-management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the portfolio.

   The UBS Risk Management infrastructure provides the Company’s Board of Directors with quantitative information that measures risk exposures from the aggregate level down to the security level of the Company’s portfolio. It assists in measuring and evaluating the following risk dimensions:

   - Counterparty and Settlement Risk
   - Investment Risk
   - Liquidity Risk
   - Operational Risk
   - Derivatives Risk

   Investment risk allocation and control involves proprietary risk models and systems, whereas the other risk dimensions are controlled using investment limits and other fixed rules.

   Information relating to the quantitative limits that apply in the risk management of the Company, to the methods chosen to this end and to the recent evolution of the risks and yields of the main categories of instruments will be available upon request to Hong Kong investors, from the Hong Kong Representative at their offices at the address above.

5. The Company provides investors with a choice of separate investment portfolios in a variety of currency denominations, offering a diverse range of investment objectives through investing in a wide range of transferable securities. As at the date of this document, the only share class(es) of the Sub-Funds available to Hong Kong investors are set out in the Annex to this document. Investors should check with the Hong Kong Representative or the relevant authorized distributors if further information is required. The investment objectives in respect of the various Sub-Funds are summarized in the Prospectus. The investment powers and restrictions (including borrowing restrictions) of the Company are fully set out in the Prospectus. In addition, for so long as the Company and the relevant Sub-Fund remain authorized by the SFC in Hong Kong, the following additional investment restrictions will be adhered to:

Additional Restrictions for Sub-Funds authorized by the SFC in Hong Kong

- where the relevant Sub-Fund invests in any underlying scheme(s) managed by the same management company or its connected persons, all initial charges on the underlying scheme(s) will be waived;

- the Management Company may not obtain a rebate on any fees or charges levied by an underlying scheme or its management company

The relevant portfolio management company currently managing a particular Sub-Fund is named in the Prospectus. The Prospectus provides that the investment management functions may be transferred to other UBS Asset Management entities within the UBS Group. Notwithstanding this, 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. In addition, the Hong Kong Offering Document will be amended (as necessary) to reflect the transfer and affected Hong Kong investors of the Company will be given 1 month's prior notice (or such other notice period as the SFC may approve in advance).

Investors should note that, in respect of issue of shares, the custodian bank of the Company (or its 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.

In respect of redemption of shares, the custodian bank of the Company (or its 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. Any commission, as well as any taxes, commissions and other fees incurred in the respective distribution countries will be charged to the relevant investor and deducted from the redemption proceeds.

In respect of conversion of shares, the custodian bank of the Company (or its 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, in 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. Any commission, as well as any fees, taxes and stamp duties incurred in the individual countries for the Sub-Fund conversion are charged to the shareholders.

6. The Company may permit joint management / pooling of assets from particular Sub-Funds in the interests of efficiency. Pooling and joint management are investment techniques foreseen by the Prospectus and investors may refer to the Prospectus for further details. Notwithstanding the use of such investment techniques, they do not have any impact towards investors' rights and obligations. Investors can subscribe to, and redeem their interests in, the sub-funds of the Company participating in pooling and common management without any restrictions or limitations. Notwithstanding the above, such management techniques are not to be employed until further notice. In the event that such management techniques are to be introduced, prior notice will be given to affected Hong Kong investors of the Company and the Hong Kong Offering Document will be amended (as necessary) to reflect the same.

   The Company may, for any Sub-Fund, also lend portions of securities portfolio to third parties and connected parties. Details of this are set out in the Prospectus under the section headed "Special techniques and instruments that have securities and money market instruments as underlying assets" and a summary of the key points is set out below.

- Any incremental income generated from such securities lending transactions is received by the relevant Sub-Fund of the Company.

- According to the applicable Luxembourg law/ Commission de Surveillance du Secteur Financier ("**CSSF**") circular, in the case of securities lending transactions, the Company must, in principle, receive collateral, and the value of which must at least correspond to the total value of the securities lent and any accrued interest thereon. This collateral must be issued in a form of financial collateral as permitted by the provisions of Luxembourg law (as of the date of this Hong Kong Offering Document, the collateral must be given in the form of cash, equities and/or bonds with a minimal rating of at least AAA or equivalent by a rating agency recognized by the supervisory authority and with a value greater than or equivalent to the value of the securities lent.

- The maximum level of the Sub-Fund's assets available for securities lending transactions is 100%;

- The principal selection criteria for selecting counterparties for securities lending transactions are:

  - Experience / track record in securities lending transactions
  - Degree and quality of market access
  - Size and quality of client network
  - Competitive position: expected level of security lending gross revenue
  - Quality / efficiency of back office processes related to securities lending transactions
  - Interfaces with the Company's custodian bank and administrator
  - Reputation / important market participant
  - Financial standing

- The Company conducts securities lending transactions to UBS AG, Zurich, Switzerland on a principal basis.

  UBS AG has extensive experience in securities lending transactions and is an important actor in international capital markets. UBS AG's set-up for securities lending transactions ensures effective administrative processes, including quick and efficient re-calls of the Company's lent securities.

  Details of the aforementioned connected party transactions, including but not limited to any securities lending fee(s), will be disclosed in the connected party transaction section of the Annual Report and Semi-annual Report of the Company.

The Company may, for any Sub-Fund, engage on an ancillary basis in repurchase / reverse-repurchase transactions, details of which are also set out in the Prospectus under the section headed "Special techniques and instruments that have securities and money market instruments as underlying assets". However, Hong Kong investors should note that the Company is currently not involved in, and does not intend to engage in, any such repurchase or reverse repurchase transactions. 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 there is any change to this policy.

7. Full details relating to the procedures for subscription, redemption and conversion of shares are set out in the Prospectus and subscribers resident or domiciled in Hong Kong should read the relevant sections carefully and in conjunction with this document. Investors in Hong Kong should note that any conversion can only be made into a UBS sub-fund which is authorized for sale in your jurisdiction. 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. Investors may refer to the section in the Prospectus headed "Distribution" for information on the distribution policy of the Sub-Funds. 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.

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. <u>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</u>. 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 Dealing Cut-off point**") will be transmitted as soon as practicable after receipt, and applicants can normally consider that their applications will be notified to the Company on the same day. Applications received after the Hong Kong Dealing Cut-off point will, if accepted, normally be dealt with 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 requests on any one dealing day exceed 10% of the total number of shares in issue, redemption requests in excess of 10% may be deferred to the next business day.

8. The minimum investment and subsequent holding per investor is one share in respect of any Sub-Fund.

   Shares in respect of any Sub-Fund are issued and redeemed on every business day. In this context, "business day" refers to the normal bank business days (i.e. each day on which banks are open during normal business hours) in Luxembourg, with the exception of individual, non-statutory rest days in Luxembourg as well as days on which exchanges in the main countries in which the respective Sub-Fund invests are closed or 50% or more of the investments of the Sub-Fund cannot be adequately valued. "Non-statutory rest days" are days on which banks and financial institutions are closed. No issue or redemption will take place on days on which the Company has decided not to calculate net asset value. In addition, the Company is empowered to reject subscription applications at its discretion. The Company may offer full or partial redemptions in kind at its own discretion. Redemptions in kind are subject to the written consent of the affected individual investor.

   Subscription and redemption applications ("orders") received by the Administrative Agent, (i.e., UBS Fund Services (Luxembourg) S.A., which also acts as the registrar of the Company and whose address is set out in the Prospectus) no later than by 15:00 Central European Time on a business day (order date) will be processed on the following business day (value date) on the basis of the net asset value calculated for that day. All transactions sent by fax must be received by the Administrative Agent one hour prior to the stated cut-off time of the respective Sub-fund on a business day, at the latest. Earlier cut-off times for receipt of orders can apply to orders placed with sales agents in Luxembourg or abroad (including Hong Kong), to ensure punctual forwarding to the Administrative Agent or central settling agent of UBS Investment Bank in Switzerland. The earlier cut-off times can be requested from the relevant authorized distributors. This means that net asset value for settlement purposes is not known when the order is placed (forward pricing). It will be calculated on the value date on the basis of the last known prices (i.e. closing prices or if such do not reflect reasonable market value in the opinion of the Management Company, at the last prices available at the time of valuation).

The Company may 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 the net asset value calculation and of the issue, redemption and conversion of shares”. This section and the section headed “Redemption of shares” also describes the Company’s power to compulsorily redeem shares in certain circumstances. 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, in the same Hong Kong newspapers in which the Company’s net asset value is published as set out in paragraph 10 below. In the event that the directors of the Company exercise the power to compulsorily redeem all shares in a class if the value of the proportion of a share class, in relation to the total net asset value of the respective Sub-Fund, falls below or does not reach a value that the directors of the Company have fixed as the minimum level for the economically efficient management of a share class, the Management Company undertakes to provide up to 1 month’s prior notice (or such other notice period as the SFC may approve in advance) to affected Hong Kong investors of the Company. Such power to compulsorily redeem will be exercised in the best interest of investors as a whole. During the notice period for the compulsory redemption of a share class, affected Hong Kong investors may convert their existing holdings in the Sub-Fund into any other sub-fund within the UBS range of funds which are currently authorised by the SFC without incurring any conversion fees; or redeem their existing holdings in the Sub-Fund free of redemption charges.

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 by the Management Company or the Company and in the best interest of unitholders. Further, the price reporting providers are independent third parties that are involved in determining the fair value calculations.

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. Moreover, as a result of the abolition of Hong Kong estate duty from 11 February 2006, no Hong Kong estate duty will be payable by holders of shares.

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).

9. 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 “Depositing of documents” and a copy of the Hong Kong Representative Agreement 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/asset_management/wholesale.html (which website has not been reviewed by the SFC and may contain information on sub-funds which have not been authorised by the SFC and are not available to the retail public in Hong Kong).

Moreover, 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/asset_management/wholesale.html (which website has not been reviewed by the SFC and may contain information on sub-funds which have not been authorised by the SFC and are not available to the retail public in Hong Kong).

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

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.

10. The net asset value in respect of shares in each of the Sub-Funds will be available daily at the offices of the Hong Kong Representative and will also be published on every business day in The Standard and the Sing Tao Daily and are available online athttps://www.ubs.com/hk/en/asset_management/wholesale/funds/fundprices.html[1].

11. 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:

Payable by Hong Kong investors

Fees and charges currently payable by Hong Kong investors in respect of each share class (calculated on the net asset value of the share class)	
Issuing Commission **(or subscription charge)**	Up to 3% (except for "mdist" share classes which the Hong Kong distributors will only charge up to 5%* of the subscription amount).
Redemption Commission **(or redemption charge)**	Nil.
Conversion Commission **(or switching fee)**	Up to 3% (except for "mdist" share classes which the Hong Kong distributors will only charge up to 5%* of the subscription amount).

* Investors should note that in respect of "mdist" share class, a maximum of up to 6% may be charged upon giving 1 month's prior notice to affected investors.

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

Hong Kong investors should check with the relevant authorized 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

The Management Company receives from the Company's assets a maximum flat fee based on the net asset value of the Company. 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 actual maximum rate applied to the flat fee can be found in the annual and semi-annual reports. The maximum flat fee does not include the following fees and additional expenses which are also charged to the Company, such as but not limited to additional expenses related to management of the Company's asset for the sale and purchase of assets, auditor's fees for annual audit, fees for legal and tax advisers, costs for the Company's legal documents etc. The aforementioned fees and additional expenses are not an exhaustive list, for further details, please refer to the section headed "Expenses paid by the Company" and under the heading "The Subfunds and their special investment policies" and summarized in the Annex to this document.

Unless otherwise agreed with the SFC, 1 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 Sales Prospectus and annual and semi-annual reports.

No annual fee is currently paid 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.

12. 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. Members of the UBS Group adhere to the highest standards in executing transactions for the Company and the Sub-Funds:

    (a) if the Company's cash is deposited with the custodian bank, the Management Company, the portfolio management companies, an investment adviser or with any connected person of these companies (being an institution licensed to accept deposits), interest rate received will not be lower than the prevailing commercial rate for a similar deposit negotiated at arm's length;

    (b) all transactions carried out by or on behalf of the Company will be at arm's length and executed on the best available terms. Transactions between the Company, the Management Company, the portfolio management companies, an investment adviser, directors of the Company or any of their connected persons (including directors of these entities) as principal may be only be made with the prior written consent of the custodian bank;

    (c) the interest charged on money borrowed (if any) from the custodian bank, the Management Company, the portfolio management companies, an investment adviser 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 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 management companies, an investment adviser, directors of the Company 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 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 holders;

(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; and

(iv) Periodic disclosure is made in the Company's annual report in the manner describing the aforementioned soft dollar practices, including a description of the goods and services received by the Management Company;

13. Additional information on Sub-Funds

UBS (Lux) Equity SICAV – Emerging Markets High Dividend (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.

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

Strategy

The Sub-Fund invests at least two-thirds of its assets in listed equities and other equity shares 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. For ancillary and cash management purpose, the Sub-Fund may invest in cash, futures or other investments in order to achieve the Sub-Fund's investment objective. The targeted aggregate exposure (whether direct or indirect) to China A-Share and China B-Share markets for the Sub-Fund will be maintained at 10% or below of its total net asset value.

In general, the Sub-Fund's strategy is to identify high dividend stocks with reference to past dividend and future dividend potential based on in-house research and market consensus/forecast, taking into account factors that may affect dividend sustainability such as corporate governance issues, company's cash/dividend policy etc. The Sub-Fund will not invest more than 10% of its net asset value in securities issued by or guaranteed by any single country that is rated non-investment grade (including its government and a public or local authority of that country).

Emerging markets refers mainly to countries that are included in the MSCI Emerging Markets Index or composite thereof (or any successor index, if revised).

The Sub-Fund may use financial derivative instruments for investment management and hedging purposes. However, financial derivative instruments will not be used extensively for investment 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 reference currency of the Sub-Fund in order to reduce the associated foreign currency risks.

UBS (Lux) Equity SICAV – Emerging Markets Sustainable (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. The Sub-Fund invests at least two-thirds of its assets, following the principle of risk diversification, in equities and other equity shares of companies that are or chiefly active in emerging markets (i.e. more than 50% of the companies' business activities are related to or in emerging markets or take place in emerging markets).

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

Strategy

The Sub-Fund invests a minimum of 70% in innovative companies ("innovators") whose products and services contribute to sustainable development in the emerging markets by combining potentially high financial earnings with particularly high environmental and social benefits. A specialised SRI team at UBS Asset Management is responsible for this selection. The Sub-Fund may also invest its assets in other permissible equity shares as described in the investment policy and guidelines. 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. The targeted aggregate exposure (whether direct or indirect) to China A-Share and China B-Share markets for the Sub-Fund will be maintained at 10% or below of its total net asset value.

The Sub-Fund may use financial derivative instruments ("FDI") for investment management and hedging purposes. However, financial derivative instruments will not be used extensively for investment purposes.

Emerging markets constitute markets with growing economies at the beginning of the industralisation process that show above-average growth potential and evolving financial markets. Compared with more developed economies, they normally show lower per capita income, but also greater economic growth, the latter and other economic indicators usually being subject to greater volatility. The group of countries that are termed "emerging markets" may change in the course of time and the line dividing them from industrialised countries tends to be flexible.

As well as higher currency, interest rate, liquidity and credit risks, the emerging markets often involve exposure to greater political risk. This all serves to increase the country risk, resulting in a lower rating. Investments in emerging markets thus entail risks that are largely absent from well established markets.

UBS (Lux) Equity SICAV – US Total Yield (USD)

Objective

The Sub-Fund is an actively managed equity fund that aims to identify US stocks that deliver high and stable total yields (total yield is defined as yield from capital returned to shareholders via dividends and share buybacks).The strategy seeks to generate a higher total yield than market average.

Strategy

The Sub-Fund invests its assets predominantly (i.e. at least 70% of its net asset value) in equities and other equity shares of companies that are domiciled or chiefly active in the USA. The Sub-Fund aims to select companies with total yields that are stable and above the market average.

The fund manager currently has no intention to enter into any securities lending, repurchase or reverse repurchase agreements or similar over-the-counter transactions in respect of the Sub-Fund.

The Sub-Fund may use financial derivative instruments for investment management and hedging purposes. However, financial derivative instruments will not be used extensively for investment purposes.

Additional information

Investors should note that the fund manager of UBS (Lux) Equity SICAV – US Total Yield (USD) has changed its name from "UBS Global Asset Management (Americas) Inc." to "UBS Asset Management (Americas) Inc.". Notwithstanding the fact that the Prospectus dated October 2015 has yet to be amended, this change of name has taken effect from 30 October 2015.

14. Specific risk and general risk description

Specific risk description

<u>Equities</u>
<u>(Domestic and international)</u>
The returns of listed securities are affected by various factors including the underlying strength of cash flows, balance sheets and management. These factors may impact the ability of the underlying company to meet the challenges of fluctuating economic growth, structural change and competitive forces and the ability to pay dividends to shareholders. 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 countries, commonly referred to as Emerging Markets are riskier 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. 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.

Please refer to the section "Risk information" of the Prospectus for details of the risks associated with Emerging Markets investments.

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

Fixed income
(Domestic and international)
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.

General risk description

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 rate risk
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.

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 the net asset value calculation and of the issue, redemption and conversion of shares" in the Prospectus.

Derivative risk
Derivatives may be used to gain or reduce exposure to markets and currencies as well as to manage risk. Fluctuations in the price of a derivative will reflect movements in the underlying assets, reference rate or index to which the derivatives relate. 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.

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.

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.

Leverage risk
Certain derivatives that the Sub-Funds may use may create leverage. Derivative instruments that involve leverage can result in losses to the Sub-Funds that exceed the amount originally invested in the derivative instruments.

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 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 Subfunds; merger of Subfunds" 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.

In the event that it is proposed to liquidate the Company and/or any of the Sub-Funds or merge the latter with any other Sub-Funds or another undertaking for collective investment established in accordance with the Luxembourg law relating to Undertakings for Collective Investment of 20 December 2002 (as amended from time to time, including but not limited to any amendments / revisions introduced pursuant to the Law of 2010) or otherwise (subject to the authorization of such other scheme in your jurisdiction), this will be done in accordance with any procedures set out in the Company's and the relevant Sub-Fund's constitutive documents or governing law and notice will be given to affected investors as determined by the SFC.

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 signification 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.

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

Suspension risk

It is contemplated that both Hong Kong Stock Exchange ("**SEHK**") and Shanghai Stock Exchange ("SSE") would 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 Shanghai–Hong Kong Stock Connect is effected, the relevant Sub-Fund's ability to invest in A shares or access the PRC market through the program 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 market (i.e. "SSE 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 Fund, for example, when the Investment 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 Securities. Hong Kong and overseas investors (including the relevant 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 Securities may be as short as one business day only. Therefore, the relevant Fund may not be able to participate in some corporate actions in a timely manner.

Hong Kong and overseas investors (including the relevant Fund) are holding SSE 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 day

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 Fund will not be able to access the PRC market via Stock Connect. A Fund may be subject to a risk of price fluctuations in SSE Securities during the time when Stock Connect is not trading as a result.

Operational risk

The Stock Connect provides a new 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") to be 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 Fund's ability to access the SSE 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 novel in nature, and will be 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. There can be no assurance that the Stock Connect will not be abolished. A 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 Securities traded by the Funds under Stock Connect, any capital gains derived from the transfer of such SSE Securities on or after 17 November 2014 would be temporarily exempt from PRC corporate income tax. Prior to this exemption, in respect of China sourced capital gains derived from the transfer of SSE Securities, such gains would have been subject to CIT at 10% in accordance with the CIT law.

Dividends from SSE Securities paid to the Funds would be subject to 10% withholding tax and which is to be withheld at source. If the 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.

Risk of distributions out of capital

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 (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. 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 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/wholesale.html (which website has not been reviewed by the SFC and may contain information on sub-funds which have not been authorised by the SFC and are not available to the retail public in Hong Kong). The Management Company may amend the policy with respect to distribution payment subject to the SFC's prior approval and by giving not less than one month's prior notice to investors. Also, any distributions from the income and/or involving the Capital result in an immediate reduction of the net asset value per share of the Sub-Fund. Investors in certain countries may be subject to higher tax rates on distributed capital than on any capital gains from the sale of 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.

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.

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.

15. 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 Fund and in line with the above UBS procedures.

16. The Company, the Management Company, the Custodian Bank, the Central Administration Agent, the Portfolio Managers and the Hong Kong Representative are all members of the UBS Group.

17. 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.

May 2016

Annex

The following is a summary of the main share classes available to investors in Hong Kong, and their fundamental features:

UBS (Lux) Equity SICAV – Emerging Markets High Dividend (USD)

Currency of account of the Sub-Fund:	USD

Share class	Currency	Initial issue price[1)]	Launch period/-date *	Minimum subscription	Smallest tradable unit	Maximum fee p.a.; (maximum management fee p.a.)	Taxe d'abonnement p.a.	Form of custody	Use of earnings
(CHF hedged) P-dist	CHF	100	9.9.2011	-	0.001	2.200% [2)]; (1.760%)	0.05%	registered	Distributing annually (the Management Company will decide whether and to what extent distributions are to be declared and paid)
(HKD) P-mdist	HKD	1000	31.5.2011	-	0.001	2.200% [2)]; (1.760%)	0.05%	registered	Distributing monthly (the Management Company will decide whether and to what extent distributions are to be declared and paid)
P-acc	USD	100	31.5.2011	-	0.001	2.200% [2)]; (1.760%)	0.05%	registered	accumulating
P-mdist	USD	100	31.5.2011	-	0.001	2.200% [2)]; (1.760%)	0.05%	registered	Distributing monthly (the Management Company will decide whether and to what extent distributions are to be declared and paid)

UBS (Lux) Equity SICAV – Emerging Markets Sustainable (USD)

Currency of account of the Sub-Fund:	USD

Share class	Currency	Initial issue price[1)]	Launch period/-date *	Minimum subscription	Smallest tradable unit	Maximum fee p.a.; (maximum management fee p.a.)	Taxe d'abonnement p.a.	Form of custody	Use of earnings
(EUR hedged) P-dist	EUR	100	not yet known	-	0.001	2.040% [2)]; (1.630%)	0.05%	registered	Distributing annually (the Management Company will decide whether and to what extent distributions are to be declared and paid)

(EUR) P-acc	EUR	100	16.12.2009	-	0.001	2. 040% 2); (1.630%)	0.05%	registered	accumulating
P-dist	USD	100	not yet known	-	0.001	2. 040% 2); (1.630%)	0.05%	registered	Distributing annually (the Management Company will decide whether and to what extent distributions are to be declared and paid)
P-acc	USD	100	30.05.2008	-	0.001	2. 040% 2); (1.630 %)	0.05%	registered	accumulating

UBS (Lux) Equity SICAV – Russia (USD)

Currency of account of the Sub-Fund:	USD

Share class	Currency	Initial issue price[1)]	Launch period/-date *	Minimum subscription	Smallest tradable unit	Maximum fee p.a.; (maximum management fee p.a.)	Taxe d'abonnement p.a.	Form of custody	Use of earnings
(RUB) P-dist	RUB	1,000	not yet known	-	0.001	2.340% 2); (1.870%)	0.05%	registered	Distributing annually (the Management Company will decide whether and to what extent distributions are to be declared and paid)
(RUB) P-acc	RUB	1,000	not yet known	-	0.001	2.340% 2);; (1.870%)	0.05%	registered	accumulating
P-dist	USD	100	not yet known	-	0.001	2.340% 2); (1.870%)	0.05%	registered	Distributing annually (the Management Company will decide whether and to what extent distributions are to be declared and paid)
P-acc	USD	100	16.05.2006	-	0.001	2.340% 2); (1.870%)	0.05%	registered	accumulating

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

Currency of account of the Sub-Fund:	USD

Share class	Currency	Initial issue price[1)]	Launch period/-date *	Minimum subscription	Smallest tradable unit	Maximum fee p.a.; (maximum management fee p.a.)	Taxe d'abonnement p.a.	Form of custody	Use of earnings
P-dist	USD	100	not yet known	-	0.001	2.040% 2); (1.630%)	0.05%	registered	Distributing annually (the Management Company will decide whether and to what extent distributions are to be declared and paid)

P-acc	USD	100	08.10.2004	-	0.001	2.040% [2)]; (1.630%)	0.05%	registered	accumulating

UBS (Lux) Equity SICAV – US Total Yield (USD) C5

Currency of account of the Sub-Fund:	USD

C4, C14(b)

Share class	Currency	Initial issue price[1)]	Launch period/-date *	Minimum subscription	Smallest tradable unit	Maximum fee p.a.; (maximum management fee p.a.)	Taxe d'abonnement p.a.	Form of custody	Use of earnings
P-acc	USD	100	15.02.2013	-	0.001	1.500% [2)]; (1.200%)	0.05%	register register ed ed	accumulating
P-dist	USD	100	15.02.2013	-	0.001	1.500% [2)]; (1.200%)	0.05%	registered	Distributing annually (the Management Company will decide whether and to what extent distributions are to be declared and paid)
P-mdist	USD	100	24.06.2013	-	0.001	1.500% [2)]; (1.200%)	0.05%	registered	Distributing monthly (the Management Company will decide whether and to what extent distributions are to be declared and paid)
(CHF hedged) P-acc	CHF	100	15.02.2013	-	0.001	1.500% [2)]; (1.200%)	0.05%	registered	accumulating
(EUR hedged) P-acc	EUR	100	15.02.2013	-	0.001	1.500% [2)]; (1.200%)	0.05%	registered	accumulating
(EUR hedged) P-dist	EUR	100	15.02.2013	-	0.001	1.500% [2)]; (1.200%)	0.05%	registered	Distributing annually (the Management Company will decide whether and to what extent distributions are to be declared and paid)

Notes:

"P"	Shares in classes with "P" in their name are available to all investors.
*	In the tables above, "Not yet known" is used for share classes which have not yet been launched at the time of publication of this Hong Kong Offering Document and whose launch periods/dates have not yet been determined. Investors are requested to contact their relevant authorized distributor for further information.
1)	Plus issuing commission of 3% (except for "mdist" share classes which the Hong Kong distributors will only charge up to 5% of the subscription amount) maximum and any stamp duties and fees.
2)	Flat fee of the Management Company. This will be used for the management, portfolio management and distribution of the Company (if applicable), as well as for all the tasks of the Custodian Bank, such as the safekeeping and supervision of the Company's assets, the handling of payment transactions and all other tasks listed in the section "Custodian Bank

	and main paying agent" of the Prospectus. The maximum flat fee does not include the fees and additional expenses set out in the section headed "Expenses paid by the Company" in the Prospectus. You are advised to refer to the section headed "Expenses paid by the Company" in the Prospectus for details.
"hedged"	For share classes whose reference currencies are not identical to the currency of account of the Sub-Fund, and which have "hedged" in their name ("**share classes in foreign currencies**"), the fluctuation risk of the reference currency price for those share classes is hedged against the currency of account of the Sub-Fund. Provision is made for the amount of the hedging to be in principal between 90% and 110% of the total net assets of the share class in foreign currency. Changes in the market value of the portfolios, as well as in subscriptions and redemptions of share classes in foreign currencies, can result in the hedging temporarily surpassing the aforementioned range. 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.

Investment company under Luxembourg law (the "Company") **February 2016**

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 to be valid.
Furthermore, a Key Investor Information (**KII**) document is made available to investors before subscribing to shares. Information on whether a Subfund 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).

The issue and redemption of Company shares are subject to the regulations prevailing in the country concerned. The Company keeps all investor information confidential, unless otherwise required by statutory or regulatory provisions.

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

Shares in this Company may not be offered, sold or delivered to citizens of the USA or persons resident in the USA and/or other natural or legal persons whose income and/or returns, regardless of origin, are subject to US income tax, as well as persons who are considered to be US persons pursuant to Regulation S of the US Securities Act of 1933 and/or the US Commodity Exchange Act, each as amended.

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

Chairman	Thomas Rose, Managing Director, UBS AG, Basel and Zurich
Members	Michael Kehl, Managing Director, UBS AG, Basel and Zurich
	Thomas Portmann, Executive Director, UBS Fund Management (Switzerland) AG, Basel
	Kai Gammelin, Executive Director, UBS AG, Basel and Zurich

Management Company
UBS Fund Management (Luxembourg) S.A., R.C.S. Luxembourg 154.210 (the "**Management Company**").
The Management Company was established as a public-limited company in Luxembourg for an unlimited duration on 1 July 2010. 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 is deposited at the Trade and Companies Register (*Registre de Commerce et des Sociétés*) in Luxembourg for inspection. One of the purposes of the Management Company is to manage undertakings for collective investment under Luxembourg law and to issue/redeem units in these products. In addition to this

Company, the Management Company currently manages other undertakings for collective investment as well. The Management Company has fully paid-up equity capital of EUR 13,000,000.

The Management Company shall take all reasonable steps to identify any conflicts of interest which may arise in connection with the management of funds, as well as introduce and keep in place effective organisational and administrative measures to take all reasonable steps to identify, prevent, manage and monitor conflicts of interest, with the aim of preventing these from adversely affecting the interests of the funds and their investors.

In order to adequately identify and manage conflicts of interest, the Management Company has determined a strategy for dealing with conflicts of interest, which includes the following:

- a procedure for identifying potential conflicts of interest;
- provisions on organisational measures for the prevention, suitable regulation and disclosure of conflicts of interest.

The Management Company shall keep records of the details of possible existing or potential conflicts of interest and update these on a regular basis.

The Management Company shall take all reasonable steps to prevent conflicts of interest from harming the interests of investors. If the Management Company cannot exclude the possibility that a conflict of interest may adversely affect investor interests, the Management Company must disclose the source thereof on the following website:
http://www.ubs.com/lu/en/asset_management.html

Board of Directors of the Management Company

Chairman	Andreas Schlatter, Group Managing Director, UBS AG, Basel and Zurich
Members	Martin Thommen, Managing Director, UBS AG, Basel and Zurich
	Gilbert Schintgen, Managing Director, UBS Fund Management (Luxembourg) S.A., Luxembourg
	Pascal Kistler, Managing Director, UBS AG, Basel and Zurich
	Christian Eibel, Executive Director, UBS AG, Basel and Zurich

Executive Board of the Management Company

Members	Gilbert Schintgen, Managing Director, UBS Fund Management (Luxembourg) S.A., Luxembourg
	Valérie Bernard, Executive Director, UBS Fund Management (Luxembourg) S.A., Luxembourg

Portfolio Manager

Subfund	Portfolio Manager
UBS (Lux) Equity SICAV – US Opportunity (USD)	UBS Asset Management (Americas) Inc., Chicago
UBS (Lux) Equity SICAV – USA Growth (USD)	
UBS (Lux) Equity SICAV – Emerging Markets Growth (USD)	
UBS (Lux) Equity SICAV – USA Enhanced (USD)	
UBS (Lux) Equity SICAV – Emerging Markets Sustainable (USD)	
UBS (Lux) Equity SICAV – Emerging Markets Small Caps (USD)	
UBS (Lux) Equity SICAV – Emerging Markets Enhanced (USD)	
UBS (Lux) Equity SICAV – US Total Yield (USD)	
UBS (Lux) Equity SICAV – Emerging Markets Rising Giants (USD)	
UBS (Lux) Equity SICAV – Global Quantitative (USD)	
UBS (Lux) Equity SICAV – Water (USD)	
UBS (Lux) Equity SICAV – Long Term Themes (USD)	
UBS (Lux) Equity SICAV – Brazil (USD)	UBS AG, UBS Asset Management, Basel and Zurich
UBS (Lux) Equity SICAV – Small Caps Europe (EUR)	
UBS (Lux) Equity SICAV – Russia (USD)	
UBS (Lux) Equity SICAV – Energy Transformation (USD)	
UBS (Lux) Equity SICAV – Swiss Opportunity (CHF)	
UBS (Lux) Equity SICAV – European High Dividend (EUR)	
UBS (Lux) Equity SICAV – Global High Dividend (USD)	
UBS (Lux) Equity SICAV – Emerging Markets High Dividend (USD)	
UBS (Lux) Equity SICAV – German High Dividend (EUR)	
UBS (Lux) Equity SICAV – Solid Consumer Brands (USD)	
UBS (Lux) Equity SICAV – Global Income (USD)	
UBS (Lux) Equity SICAV – US Income (USD)	
UBS (Lux) Equity SICAV – European Opportunity Unconstrained (EUR)	UBS Asset Management (UK) Ltd, London
UBS (Lux) Equity SICAV – Global Opportunity Unconstrained (USD)	
UBS (Lux) Equity SICAV – Western Winners (USD)	
UBS (Lux) Equity SICAV – Euro Countries Income (EUR)	
UBS (Lux) Equity SICAV – US Systematic Defensive (USD)	
UBS (Lux) Equity SICAV – Asia High Dividend (USD)	UBS Asset Management (Singapore) Ltd., Singapore
UBS (Lux) Equity SICAV – Asian Smaller Companies (USD)	

The Portfolio Manager is commissioned to manage the securities portfolio under the supervision and responsibility of the Management Company, and carries out all relevant transactions while adhering to the prescribed investment restrictions.

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

Custodian Bank and main paying agent
Pursuant to the Custodian Bank and Paying Agency Agreement entered into with UBS (Luxembourg) S.A., a joint-stock company (*société anonyme*) with its registered office at 33A, avenue J.F. Kennedy, L-1855 Luxembourg (the "**Custodian Bank**"), the Company has appointed the Custodian Bank as Custodian Bank and main paying agent of the Company.

The Custodian Bank fulfils its obligations and assumes the responsibilities arising from the Law of 17 December 2010 on undertakings for collective investment (the "**Law of 2010**") and the custodian bank agreement (the "**Custodian Bank Agreement**"), as amended. Pursuant to the Law of 2010 and the Custodian Bank Agreement, the Custodian Bank is responsible for (i) the general supervision of all Company assets and (ii) the safekeeping of the Company assets entrusted to the Custodian Bank and held by the Custodian Bank or in its name and (iii) administrative activities in connection with the corresponding obligations.

Administrative Agent
UBS Fund Services (Luxembourg) S.A., 33A avenue J.F. Kennedy, L-1855 Luxembourg (B.P. 91, L-2010 Luxembourg).

As the Administrative Agent, UBS Fund Services (Luxembourg) S.A. is responsible for the general administrative duties involved in managing the Company and prescribed by Luxembourg law. These administrative services mainly include the calculation of the net asset value per share and the keeping of the Company's accounts, as well as reporting.

Auditor of the Company
PricewaterhouseCoopers, Société coopérative, 2, rue Gerhard Mercator, L-2182 Luxembourg.

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

Sales agents and distributors, referred to as sales agents in the sales prospectus
UBS AG, Basel and Zurich, and other sales agents in the various distribution countries.

Profile of the typical investor
The Subfunds are suitable as a basic investment for private and institutional investors that have a long-term investment horizon and want to invest in a broadly diversified equity portfolio.

The Subfund UBS (Lux) Equity SICAV – European Opportunity Unconstrained (EUR) is suitable for risk-conscious investors with a long-term investment horizon who wish to invest in a diversified portfolio of equities of European companies.

The Subfund UBS (Lux) Equity SICAV – US Opportunity (USD) is suitable for risk-conscious investors with a long-term investment horizon who wish to invest in a diversified portfolio of equities of US companies.

Historical performance
The historical performance of the individual Subfunds is outlined in the KII or in the corresponding document for the Company's distribution countries in the section relating to each Subfund.

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

By diversifying investments, the Portfolio Manager seeks to partially reduce the negative impact of these risks on the value of the Subfund.

For Subfunds which are subject to specific risks due to their investments, relevant risk alerts are included in the investment policy of the relevant Subfund.

Legal aspects

The Company

The Company offers investors various Subfunds ("**umbrella structure**") which invest in accordance with the investment policy described in this sales prospectus. The specific details on each Subfund are defined in this sales prospectus, which will be updated on the launch of each new Subfund.

<table>
<tr><td colspan="2">Name of the Company:</td><td colspan="2">UBS (Lux) Equity SICAV</td></tr>
<tr><td colspan="2">Legal form:</td><td colspan="2">Open-ended investment fund in the legal form of a "Société d'Investissement à Capital Variable" ("SICAV") established in accordance with Part I of the Law of 2010.</td></tr>
<tr><td colspan="2">Date of incorporation:</td><td colspan="2">7 October 1996</td></tr>
<tr><td colspan="2">Number in the Luxembourg Trade and Companies Register:</td><td colspan="2">R.C.S. B 56.386</td></tr>
<tr><td colspan="2">Financial year:</td><td colspan="2">1 June to 31 May</td></tr>
<tr><td colspan="2">Ordinary general meeting:</td><td colspan="2">Annually at 11:30 on 24 November at the registered office of the Company. Should 24 November occur on a day which 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.</td></tr>
<tr><td colspan="2">Articles of Incorporation:</td><td colspan="2"></td></tr>
<tr><td></td><td>Initial publication</td><td>7 October 1996</td><td>Published in the Mémorial on 8 November 1996</td></tr>
<tr><td></td><td>Amendments</td><td>5 March 1998;
3 March 2005;
10 June 2011
30 October 2015</td><td>Published in the Mémorial on 14 April 1998;
Published in the Mémorial on 22 March 2005;
Published in the Mémorial on 24 August 2011
Published in the Mémorial on 25 November 2015</td></tr>
<tr><td colspan="2">Management Company</td><td colspan="2">UBS Fund Management (Luxembourg) S.A.,
R.C.S. Luxembourg B 154.210.</td></tr>
</table>

The consolidated version of the Articles of Incorporation of the Company is deposited at the Trade and Companies Register (*Registre de Commerce et des Sociétés*) in Luxembourg for inspection. Any amendments are published by means of a notice of deposit in the Mémorial, in a Luxembourg daily newspaper and, if necessary, in the official publications of the individual distribution countries. Amendments become legally binding following their approval by the general meeting of shareholders.

The entirety of the individual Subfunds' net assets forms the total net assets of the Company, which corresponds, at all times, to the share capital of the Company and consists of fully-paid up, no-par value shares (the "**shares**"). The Company asks investors to note that they will only benefit from shareholder rights – particularly the right to participate in general meetings – when they have been entered in their own name in the register of shareholders following their investment in the Company. However, if the investor invests in the Company indirectly via an intermediary body which makes the investment in its own name on behalf of the investor, and as a result, said intermediary is entered into the register of shareholders instead of the investor, the aforementioned shareholder rights may be granted to the intermediary and not the investor. Investors are therefore advised to seek advice on their investor rights before making an investment decision.
At general meetings, shareholders have the right to one vote per share held, irrespective of the difference in value of shares in the respective Subfunds. Shares of a particular Subfund carry the right of one vote per share held when voting at meetings affecting this Subfund.

The Company forms a legal entity. With respect to the shareholders, each Subfund is regarded as being independent from the others. The assets of a Subfund can be used to offset only the liabilities which the subfund concerned has assumed.

The Company is empowered, at all times, to liquidate existing Subfunds and/or to establish new Subfunds as well as different share classes with specific characteristics within these Subfunds. This sales prospectus will be updated each time a new Subfund is launched.

The Company is unlimited with regard to duration and total assets.

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 conform to the provisions of the Law of 2002; it has been subject to the Law of

2010 since 1 July 2011. Effective 15 June 2011, the Company has appointed UBS Fund Management (Luxembourg) S.A. as its Management Company.

Share classes

Various share classes can be offered for the Subfunds. Information on which share classes are available for which Subfund can be obtained from the Administrative Agent or at www.ubs.com/funds.

"P"	Shares in classes with "P" in their name are available to all investors. Their smallest tradable unit is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, CAD 100, CHF 100, CZK 2,000, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100 or USD 100.
"N"	Shares in classes with "N" in their name (shares with restrictions on the distribution partners or countries) are issued exclusively through sales agents domiciled in Spain, Italy, Portugal and Germany authorised by UBS AG, as well as, where appropriate, through sales agents in further distribution countries, provided this has been decided by the Company. Their smallest tradable unit is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, CAD 100, CHF 100, CZK 2,000, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100 or USD 100.
"K-1"	Shares in classes with "K-1" in their name are available to all investors. Their smallest tradable unit is 0.1. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 5 million, CAD 5 million, CHF 5 million, CZK 100 million, EUR 3 million, GBP 2.5 million, HKD 40 million, JPY 500 million, NZD 5 million, PLN 25 million, RMB 35 million, RUB 175 million, SEK 35 million, SGD 5 million or USD 5 million.
"K-X"	Shares in classes with "K-X" in their name are exclusively reserved for investors who have signed a written agreement on investing in one or more Subfunds of this umbrella fund with UBS AG or UBS Asset Management (a business division of UBS AG). The costs for asset management, fund administration (comprising the costs of the Company, administration and Custodian Bank) and distribution are charged to investors under the aforementioned agreements. Their smallest tradable unit is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, CAD 100, CHF 100, CZK 2,000, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100 or USD 100.
"F"	Shares in classes with "F" in their name are exclusively available to UBS AG or one of its subsidiaries. The shares may only be acquired by UBS AG or one of its subsidiaries for their own account or as part of discretionary asset management mandates concluded with UBS AG or one of its subsidiaries. In the latter case, the shares will be returned to the Company at the prevailing net asset value at no charge upon termination of the mandate. The smallest tradable unit of these shares is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, CAD 100, CHF 100, CZK 2,000, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100 or USD 100.
"Q"	Shares in classes with "Q" in their name are available 1) for distribution in an eligible country as defined by "List A"; or 2) to investors domiciled in other countries, if they are professionals of the financial sector and a written agreement exists with UBS AG; and who make the following investments in their own name and: (a) on their own behalf; (b) on behalf of their clients within a (discretionary) asset management agreement; or (c) on behalf of their clients within the framework of an advisory relationship established in writing, in return for payment; or (d) on behalf of a collective investment managed by a professional of the financial sector. In cases (b), (c) and (d), said professional has been duly authorised by the supervisory authority to which he/she is subject to carry out such transactions, and is domiciled in an eligible country as defined by "List B" or is operating in their own name and on behalf of another professional of the financial sector who has been authorised in writing by UBS AG and is domiciled in one of the countries covered by "List B" or "List C" in cases (b) and (c) respectively. Admission of investors in further distribution countries (changes to lists A, B and C) shall be decided by the Board of Directors of the Company at its sole discretion and disclosed on www.ubs.com/funds. The smallest tradable unit of these shares is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, CAD 100, CHF 100, CZK 2,000, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100 or USD 100.
"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. Their smallest tradable unit is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, CAD 100, CHF 100, CZK 2,000, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100 or USD 100.

"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. Their smallest tradable unit is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, CAD 100, CHF 100, CZK 2,000, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100 or USD 100. The minimum subscription amount for these shares is CHF 10 million (or the corresponding currency equivalent). Upon subscription, (i) a minimum subscription must be made pursuant to the list above, (ii) based on a written agreement of the institutional investor with UBS AG (or with one its authorised counterparties), the investor's total assets managed by UBS or its portfolio in collective capital investments of UBS must be more than CHF 30 million (or the corresponding currency equivalent), or (iii) the institutional investor is an occupational pension institution of the UBS Group AG or one of their wholly-owned group companies.
"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. Their smallest tradable unit is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, CAD 100, CHF 100, CZK 2,000, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100 or USD 100. The minimum subscription amount for these shares is CHF 30 million (or the corresponding currency equivalent). Upon subscription, (i) a minimum subscription must be made pursuant to the list above, (ii) based on a written agreement of the institutional investor with UBS AG (or with one its authorised counterparties), the investor's total assets managed by UBS or its portfolio in collective capital investments of UBS must be more than CHF 100 million (or the corresponding currency equivalent), or (iii) the institutional investor is an occupational pension institution of the UBS Group AG or one of their wholly-owned group companies.
"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 AG or one of its authorised counterparties. A fee covering the costs for fund administration (comprising the costs of the Company, administration and Custodian Bank) is charged directly to the Subfund. The costs for asset management and distribution are charged to investors under the aforementioned agreements. Their smallest tradable unit is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, CAD 100, CHF 100, CZK 2,000, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100 or USD 100.
"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 AG or one of its authorised counterparties. The costs for asset management, fund administration (comprising the costs of the Company, administration and Custodian Bank) and distribution are charged to investors under the aforementioned agreements. Their smallest tradable unit is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, CAD 100, CHF 100, CZK 2,000, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100 or USD 100.
"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 AG or one of its authorised counterparties. The costs for asset management, fund administration (comprising the costs of the Company, administration and Custodian Bank) and distribution are charged to investors under the aforementioned agreements. This share class is exclusively geared towards financial products (i.e. fund of funds or other pooled structures in accordance with various legislation). Their smallest tradable unit is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 10,000, CAD 10,000, CHF 10,000, CZK 200,000, EUR 10,000, GBP 10,000, HKD 100,000, JPY 1 million, NZD 10,000, PLN 50,000, RMB 100,000, RUB 350,000, SEK 70,000, SGD 10,000 or USD 10,000.
Additional characteristics:	
Currency	The share classes may be denominated in AUD, CAD, CHF, CZK, EUR, GBP, HKD, JPY, NZD, PLN, RMB, RUB, SEK, SGD or USD. For share classes issued in the currency of account of the respective Subfund, the respective currency will not be included in the share class name. The currency of account features in the name of the relevant Subfund.

"hedged"	For share classes whose reference currencies are not identical to the currency of account of the Subfund, and which have "hedged" in their name ("**share classes in foreign currencies**"), the fluctuation risk of the reference currency price for those share classes is hedged against the currency of account of the Subfund. Provision is made for the amount of the hedging to be in principle between 90% and 110% 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 hedging described has no effect on possible currency risks resulting from investments denominated in a currency other than the Subfund's currency of account.
"RMB hedged"	Investors should note that the renminbi (ISO 4217 currency code: CNY), the official currency of the People's Republic of China (the "**PRC**"), 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. RMB convertibility between offshore RMB (CNH) and onshore RMB (CNY) is a regulated currency process subject to foreign exchange control policies and repatriation restrictions imposed by the PRC government in coordination with offshore regulatory or governmental agencies (e.g. the Hong Kong Monetary Authority). 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. 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 Subfunds offering the RMB classes would be in a currency other than offshore RMB (CNH), the ability of the relevant Subfund to make redemption payments in offshore RMB (CNH) would be subject to the Subfund'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. Potential investors should be aware of the risks of reinvestment, which could arise if the RMB class has to be liquidated early due to political and/or regulatory circumstances. This does not apply to the reinvestment risk due to liquidation of a share class and/or the Subfund in accordance with the section "Liquidation of the Company and its Subfunds; merger of Subfunds".
"PF"	Share classes with "PF" in their name differ from the other share classes in that, in addition to the flat fee, a performance fee is paid to the Portfolio Manager if the conditions set out in the section "Expenses paid by the Company" are met.
"acc"	For share classes with "-acc" in their name, income is not distributed unless the Company decides otherwise.
"dist"	For share classes with "-dist" in their name, income is distributed unless the Company decides otherwise.
"qdist"	Shares in classes with "-qdist" in their name may make quarterly distributions, excluding fees and expenses. They may also make distributions out of capital and realised capital gains. Distributions out of capital result in the reduction of an investor's original capital invested in the Subfund. Furthermore, any distributions from the income and/or involving the capital and/or capital gains result in an immediate reduction of the net asset value per share of the Subfund. 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 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.
"mdist"	Share classes with "-mdist" in their name may make monthly distributions, excluding fees and expenses. They may also make distributions out of capital and realised capital gains. Distributions out of capital result in the reduction of an investor's original capital invested in the Subfund. Furthermore, any distributions from the income and/or involving the capital and/or capital gains result in an immediate reduction of the net asset value per share of the Subfund. Investors in certain countries may be subject to higher tax rates on distributed capital than on any capital gains from the sale of fund units. Some investors may therefore prefer to subscribe to accumulating (-acc) rather than distributing (-dist, -mdist) 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. The maximum issuing commission for shares in classes with "-mdist" in their name is 6%.
"UKdist"	For share classes with "UKdist" in their name, the Company intends to distribute a sum which corresponds to 100% of the reportable income within the meaning of the **UK reporting fund** rules when the share classes are subject to the reporting fund rules. The Company does not intend to make available taxable values in other countries for these share classes, as they are intended for investors whose investment in the share class is liable to tax in the UK.
"2%", "4%", "6%", "8%"	Shares in classes with "2%" / "4%" / "6%" / "8%" in their name may make monthly (-mdist), quarterly (-qdist) or annual (-dist) distributions at the respective aforementioned annual percentage rates, gross of fees and expenses. The distribution amount is calculated based on the net asset value of the respective share class at the end of the month (in the case of monthly distributions), financial quarter (in the case of quarterly distributions) or financial year (in the case of annual distributions). These share classes are suitable for investors who wish for more stable distributions, unrelated to past or expected returns or income. Distributions can thus also be made out of capital and realised capital gains. Distributions out of capital result in the reduction of an investor's original capital invested in the Subfund. Furthermore, any distributions from the income and/or involving the capital and/or capital gains result in an immediate reduction of the net asset value per share of the Subfund. 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 to distributing (-dist, -qdist, -mdist) share classes. Investors should seek their own tax advice.

Investment objective and investment policy of the Subfunds

Investment objective

The aim of the Company is to achieve high growth with a reasonable level of income, while giving due consideration to capital security and the liquidity of the Company's assets.

General investment policy

The UBS (Lux) Equity SICAV Subfunds invest at least two-thirds of their assets in equities, other equity shares, dividend-right certificates and, on ancillary basis, in warrants on equities and other equity shares.
Furthermore, if the name of a Subfund features a country or region, it may invest up to a maximum of one-third of its net assets in countries/regions different to the one contained in its name.
In line with the following guidelines on investment instruments and restrictions, and independently of their respective names, each Subfund may invest up to 25% of its net assets in convertible and warrant issues whose warrants entitle the holder to subscribe to securities, and up to 15% of net assets in bonds, notes and other fixed-income and floating-rate investments (incl. floating rate notes) issued by public authorities, semi-public enterprises or private borrowers, as well as in money market papers and, on an ancillary basis, in options on debt instruments issued by the above borrowers.
Up to 15% of the net assets may be invested in claims of any type whose income may be qualified as "interest" within the meaning of EU Directive 2003/48/EC of 3 June 2003 on the taxation of savings income in the form of interest payments.
The Subfund invests a maximum of 10% of its assets in UCITS or UCI, unless otherwise stipulated in the investment policy of the relevant Subfund.
As stipulated in points 1.1(g) and 5 of the investment principles, the Company may use special techniques and financial instruments whose underlying assets are securities, money market instruments and other financial instruments, within the statutory limits, as a main element in achieving the investment policy for each Subfund.
The markets in derivatives are volatile and both the opportunity to achieve gains as well as the risk of suffering losses are higher than with investments in securities.
Each Subfund may hold liquid funds on an ancillary basis.

The Subfunds and their special investment policies

UBS (Lux) Equity SICAV – US Opportunity (USD)

This Subfund is a securities Subfund that invests at least two-thirds of its total net assets in equities or other capital shares of companies domiciled or predominantly active in the USA. The Subfund may invest directly or indirectly (i.e. via undertakings for collective investments (UCI) or undertakings for collective investment in transferable securities (UCITS) as defined in point 1.1(e) of the section entitled "Permitted investments of the Company" and in compliance with paragraph 2.4 of the section entitled "Risk diversification"). The Subfund may also use exchange-traded derivative instruments to increase or reduce its equity market exposure, as set out in section 5 entitled "Special techniques and instruments that have securities and money market instruments as underlying assets".

Currency of account: USD

Fees

	Maximum flat fee (maximum management fee), p.a.
Share classes with "P" in their name	2.040% (1.630%)
Share classes with "N" in their name	2.500% (2.000%)
Share classes with "K-1" in their name	1.300% (1.040%)
Share classes with "K-X" in their name	0.000% (0.000%)
Share classes with "F" in their name	0.880% (0.700%)
Share classes with "Q" in their name	1.020% (0.820%)
Share classes with "I-A1" in their name	1.050% (0.840%)
Share classes with "I-A2" in their name	0.980% (0.780%)
Share classes with "I-A3" in their name	0.880% (0.700%)
Share classes with "I-B" in their name	0.065% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)

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

This Subfund is a securities Subfund that invests at least two-thirds of its assets following the principle of risk diversification in equities or other capital shares of companies which are domiciled in the USA, are holding companies that own majority shareholdings in companies domiciled in the USA or whose principal business activity is in the USA. 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 can demonstrate above-average potential for growth in profits. The Subfund may also invest its assets in other equity shares as permitted by the Articles of Incorporation of the Company and as described in the investment policy and guidelines.

Currency of account: USD

Fees

	Maximum flat fee (maximum management fee), p.a.
Share classes with "P" in their name	2.040% (1.630%)
Share classes with "N" in their name	2.500% (2.000%)
Share classes with "K-1" in their name	1.080% (0.860%)
Share classes with "K-X" in their name	0.000% (0.000%)
Share classes with "F" in their name	0.560% (0.450%)
Share classes with "Q" in their name	1.020% (0.820%)

Share classes with "I-A1" in their name	0.700% (0.560%)
Share classes with "I-A2" in their name	0.640% (0.510%)
Share classes with "I-A3" in their name	0.560% (0.450%)
Share classes with "I-B" in their name	0.065% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)

UBS (Lux) Equity SICAV – Small Caps Europe (EUR)

This Subfund invests its assets predominantly in equities and other equity shares of small cap companies domiciled or chiefly active in Europe. Such small cap companies may, as a maximum, have a market capitalisation equal to the size of the market capitalisation of the company with the highest market capitalisation that is part of a representative index for small cap European companies. The investments of the Subfund are, however, not restricted to equities or other equity shares of companies that are part of a representative index for small cap European companies. The Subfund may also invest its assets in other investments as permitted by the Articles of Incorporation of the Company and as described in the investment policy and guidelines.

Currency of account: EUR

Fees

	Maximum flat fee (maximum management fee), p.a.
Share classes with "P" in their name	1.920% (1.540%)
Share classes with "N" in their name	2.500% (2.000%)
Share classes with "K-1" in their name	1.020% (0.820%)
Share classes with "K-X" in their name	0.000% (0.000%)
Share classes with "F" in their name	0.700% (0.560%)
Share classes with "Q" in their name	1.020% (0.820%)
Share classes with "I-A1" in their name	0.780% (0.620%)
Share classes with "I-A2" in their name	0.740% (0.590%)
Share classes with "I-A3" in their name	0.700% (0.560%)
Share classes with "I-B" in their name	0.065% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)

UBS (Lux) Equity SICAV – Russia (USD)

This Subfund invests at least two-thirds of its assets in equities and other equity shares of companies with any level of market capitalisation domiciled or chiefly active in the Russian Federation.

The assets of the Fund are invested the following instruments listed on recognised stock exchanges and markets: Global Depository Receipts (GDRs), American Depository 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 section 1.2 of the investment principles.

Investments in the Russian Federation may post a more volatile performance and be more illiquid than investments in other European countries. Moreover, the official regulatory systems may be less

efficient in the country in which the Subfund invests, and the accounting, auditing and reporting methods employed cannot be compared with the standards used in more developed countries.
In addition, investments in companies with low market capitalisation may show greater volatility than investments in companies with medium or high market capitalisation.
For this reason, the Subfund is especially suitable for risk-conscious investors.

Currency of account: USD

Fees

	Maximum flat fee (maximum management fee), p.a.
Share classes with "P" in their name	2.340% (1.870%)
Share classes with "N" in their name	2.750% (2.200%)
Share classes with "K-1" in their name	1.500% (1.200%)
Share classes with "K-X" in their name	0.000% (0.000%)
Share classes with "F" in their name	0.740% (0.590%)
Share classes with "Q" in their name	1.200% (0.960%)
Share classes with "I-A1" in their name	0.880% (0.700%)
Share classes with "I-A2" in their name	0.820% (0.660%)
Share classes with "I-A3" in their name	0.740% (0.590%)
Share classes with "I-B" in their name	0.180% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)

UBS (Lux) Equity SICAV – Brazil (USD)
This Subfund invests at least two-thirds of its assets in equities and other equity shares of companies with any level of market capitalisation domiciled or chiefly active in Brazil.
Investments in Brazil may post a more volatile performance and be more illiquid than investments in other countries. Moreover, the official regulatory systems may be less efficient in the country in which the Subfund invests, and the accounting, auditing and reporting methods employed cannot be compared with the standards used in more developed countries.
In addition, investments in companies with low market capitalisation may show greater volatility than investments in companies with medium or high market capitalisation. The currency of the assets in which the Subfund invests may undergo substantial fluctuations. Such fluctuations may have a negative effect on the Subfund's income. For this reason, the Subfund is especially suitable for risk-conscious investors.

Currency of account: USD

Fees

	Maximum flat fee (maximum management fee), p.a.
Share classes with "P" in their name	2.340% (1.870%)
Share classes with "N" in their name	2.750% (2.200%)
Share classes with "K-1" in their name	1.500% (1.200%)
Share classes with "K-X" in their name	0.000% (0.000%)
Share classes with "F" in their name	0.740% (0.590%)
Share classes with "Q" in their name	1.200% (0.960%)

Share classes with "I-A1" in their name	0.880% (0.700%)
Share classes with "I-A2" in their name	0.820% (0.660%)
Share classes with "I-A3" in their name	0.740% (0.590%)
Share classes with "I-B" in their name	0.180% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)

UBS (Lux) Equity SICAV – Emerging Markets Growth (USD)

This Subfund is a securities Subfund that invests at least two-thirds of its assets following the principle of risk diversification in equities and other equity shares of companies which are domiciled in the emerging markets, are holding companies that own majority shareholdings in companies domiciled in the emerging markets or whose principal business activity is in the emerging markets. The investment process is based on a "growth style" approach. In other words, investments are largely made in companies which can demonstrate above-average potential for growth in profits. The Subfund may also invest its assets in other equity shares as permitted by the Articles of Incorporation of the Company and as described in the investment policy and guidelines. As the Subfund invests in many foreign currencies due to its regional orientation, the portfolio or parts thereof may be hedged against the reference currency of the Subfund in order to reduce the associated foreign currency risks.

Investors should note that the Subfund's investment exposure may also include Chinese A-shares traded via Hong Kong-Shanghai 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.

Emerging markets constitute markets with growing economies at the beginning of the industrialisation process that show above-average growth potential and evolving financial markets. Compared with more developed economies, they normally show lower per capita income, but also greater economic growth, the latter and other economic indicators usually being subject to greater volatility. As well as higher currency, interest rate, liquidity and credit risks, the emerging markets often involve exposure to greater political risk. This all serves to increase the country risk, resulting in a lower rating. Investments in emerging markets thus entail risks that are largely absent from well established markets. The group of countries that are termed "emerging markets" may change in the course of time and the line dividing them from industrialised countries tends to be flexible.

Emerging markets are therefore at an early stage of development and suffer from increased risk of expropriation, nationalisation and social, political and economic insecurity. The risks associated with investments in emerging markets are listed in the section entitled "General risk information". Investors should also read, be aware of and take into account the above-mentioned risks associated with investments traded via Hong Kong-Shanghai Stock Connect. Information relating to these can be found after the section entitled "General risk Information".

For the aforementioned reasons, this Subfund is especially suitable for risk-conscious investors.

Currency of account: USD

Fees

	Maximum flat fee (maximum management fee), p.a.
Share classes with "P" in their name	2.340% (1.870%)
Share classes with "N" in their name	2.750% (2.200%)
Share classes with "K-1" in their name	1.500% (1.200%)
Share classes with "K-X" in their name	0.000% (0.000%)
Share classes with "F" in their name	0.880% (0.700%)
Share classes with "Q" in their name	1.320% (1.060%)
Share classes with "I-A1" in their name	1.050% (0.840%)
Share classes with "I-A2" in their name	0.980% (0.780%)
Share classes with "I-A3" in their name	0.880% (0.700%)

Share classes with "I-B" in their name	0.180% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)

UBS (Lux) Equity SICAV – Emerging Markets Sustainable (USD)
This Subfund invests at least two-thirds of its assets following the principle of risk diversification in equities and other equity shares of companies that are domiciled or chiefly active in emerging markets. The Fund invests a minimum of 70% in innovative companies ("innovators") whose products and services contribute to sustainable development in the emerging markets by combining potentially high financial earnings with particularly high environmental and social benefits. A specialised SRI team at UBS Asset Management is responsible for this selection. The Subfund may also invest its assets in other equity shares as permitted by the Articles of Incorporation of the Company and as described in the investment policy and guidelines. As the Subfund invests in many foreign currencies due to its regional orientation, the portfolio or parts thereof may be hedged against the reference currency of the Subfund in order to reduce the associated foreign currency risks.
Investors should note that the Subfund's investment exposure may also include Chinese A-shares traded via Hong Kong-Shanghai 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.
Emerging markets constitute markets with growing economies at the beginning of the industrialisation process that show above-average growth potential and evolving financial markets. Compared with more developed economies, they normally show lower per capita income, but also greater economic growth, the latter and other economic indicators usually being subject to greater volatility. As well as higher currency, interest rate, liquidity and credit risks, the emerging markets often involve exposure to greater political risk. This all serves to increase the country risk, resulting in a lower rating. Investments in emerging markets thus entail risks that are largely absent from well established markets. The group of countries that are termed "emerging markets" may change in the course of time and the line dividing them from industrialised countries tends to be flexible.
Emerging markets are therefore at an early stage of development and suffer from increased risk of expropriation, nationalisation and social, political and economic insecurity. The risks associated with investments in emerging markets are listed in the section entitled "General risk information". Investors should also read, be aware of and take into account the above-mentioned risks associated with investments traded via Hong Kong-Shanghai Stock Connect. Information relating to these can be found after the section entitled "General risk Information".
For the aforementioned reasons, this Subfund is especially suitable for risk-conscious investors.

Currency of account: USD

Fees

	Maximum flat fee (maximum management fee), p.a.
Share classes with "P" in their name	2.040% (1.630%)
Share classes with "N" in their name	2.750% (2.200%)
Share classes with "K-1" in their name	1.500% (1.200%)
Share classes with "K-X" in their name	0.000% (0.000%)
Share classes with "F" in their name	0.950% (0.760%)
Share classes with "Q" in their name	1.200% (0.960%)
Share classes with "I-A1" in their name	1.150% (0.920%)
Share classes with "I-A2" in their name	1.050% (0.840%)
Share classes with "I-A3" in their name	0.950% (0.760%)
Share classes with "I-B" in their name	0.180% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)

UBS (Lux) Equity SICAV – USA Enhanced (USD)
This Subfund is a securities Subfund that invests at least two-thirds of its assets following the principle of risk diversification in equities or other capital shares of companies which are domiciled in the USA, are holding companies that own majority shareholdings in companies domiciled in the USA or whose principal business activity is in the USA.
The investment process is based on quantitative models that identify differences in valuation while controlling risk. The valuation criteria necessary to do this are based on a selection of statistical data and indicators relevant to the valuations. These quantitative models are then used to make forecasts on the expected price performance of each equity relative to the performance of the overall market and the different sectors. An algorithm is used to process the individual forecasts in order to build a portfolio, with the restriction that no unnecessary risks to individual securities, sectors or factors are created.

Currency of account: USD

Fees

	Maximum flat fee (maximum management fee), p.a.
Share classes with "P" in their name	0.900% (0.720%)
Share classes with "N" in their name	1.200% (0.960%)
Share classes with "K-1" in their name	0.700% (0.560%)
Share classes with "K-X" in their name	0.000% (0.000%)
Share classes with "F" in their name	0.500% (0.400%)
Share classes with "Q" in their name	0.650% (0.520%)
Share classes with "I-A1" in their name	0.600% (0.480%)
Share classes with "I-A2" in their name	0.550% (0.440%)
Share classes with "I-A3" in their name	0.500% (0.400%)
Share classes with "I-B" in their name	0.065% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)

UBS (Lux) Equity SICAV – US Systematic Defensive (USD)
This Subfund invests at least two-thirds of its assets following the principle of risk diversification in equities or other capital shares of companies which are domiciled in the USA, are holding companies that own majority shareholdings in companies domiciled in the USA or whose principal business activity is in the USA.
The investment process is based on quantitative models that identify differences in valuation while controlling risk. The valuation criteria necessary to do this are based on a selection of statistical data and indicators relevant to the valuations. These quantitative models are used to try and reduce the risk of a price decline, thereby maintaining the potential of a price increase. An algorithm is used to process the individual forecasts in order to build a portfolio, with the restriction that no unnecessary risks to individual securities, sectors or factors are created.

Currency of account: USD

Fees

	Maximum flat fee (maximum management fee), p.a.
Share classes with "P" in their name	0.900% (0.720%)
Share classes with "N" in their name	1.200% (0.960%)
Share classes with "K-1" in their name	0.700% (0.560%)
Share classes with "K-X" in their name	0.000% (0.000%)
Share classes with "F" in their name	0.500%

	(0.400%)
Share classes with "Q" in their name	0.650% (0.520%)
Share classes with "I-A1" in their name	0.600% (0.480%)
Share classes with "I-A2" in their name	0.550% (0.440%)
Share classes with "I-A3" in their name	0.500% (0.400%)
Share classes with "I-B" in their name	0.065% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)

UBS (Lux) Equity SICAV – Water (USD)

This Subfund invests at least two-thirds of its assets following the principle of risk diversification in equities or other equity shares in small, medium and large-cap companies whose products and services contribute to the development of solutions linked to water availability, e.g. water supply, treatment, collection, technology and management.
A specialist SRI (Sustainable & Responsible Investments) team at UBS Asset Management is responsible for investment selection. As the Subfund invests in many foreign currencies due to its global orientation, the portfolio or parts thereof may be hedged against the reference currency of the Subfund in order to reduce the associated foreign currency risks.

Currency of account: USD

Fees

	Maximum flat fee (maximum management fee), p.a.
Share classes with "P" in their name	1.800% (1.440%)
Share classes with "N" in their name	2.500% (2.000%)
Share classes with "K-1" in their name	1.080% (0.860%)
Share classes with "K-X" in their name	0.000% (0.000%)
Share classes with "F" in their name	0.620% (0.500%)
Share classes with "Q" in their name	1.020% (0.820%)
Share classes with "I-A1" in their name	0.760% (0.610%)
Share classes with "I-A2" in their name	0.700% (0.560%)
Share classes with "I-A3" in their name	0.620% (0.500%)
Share classes with "I-B" in their name	0.065% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)

UBS (Lux) Equity SICAV – Energy Transformation (USD)

In accordance with the principle of risk diversification, the Subfund invests at least two-thirds of its assets globally in equities and equity instruments of companies in the global energy sector. This includes companies that are active in the areas of energy production, conversion, processing, transfer or distribution, or whose activities are linked with the energy sector in some other way. The term 'transformation' refers to important changes in processes and trends within the energy sector, as well as the resulting opportunities from which the Subfund aims to profit. As the Subfund invests in many foreign currencies due to its global orientation, the portfolio or parts thereof may be hedged against the reference currency of the Subfund in order to reduce the associated foreign currency risks.

Currency of account: USD

Fees

	Maximum flat fee (maximum management fee), p.a.
Share classes with "P" in their name	1.800% (1.440%)
Share classes with "N" in their name	2.500% (2.000%)
Share classes with "K-1" in their name	0.950% (0.760%)
Share classes with "K-X" in their name	0.000% (0.000%)
Share classes with "F" in their name	0.600% (0.480%)
Share classes with "Q" in their name	1.020% (0.820%)
Share classes with "I-A1" in their name	0.720% (0.580%)
Share classes with "I-A2" in their name	0.680% (0.540%)
Share classes with "I-A3" in their name	0.600% (0.480%)
Share classes with "I-B" in their name	0.065% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)

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

This Subfund at least two-thirds of its assets in equities and equity rights of companies with any level of market capitalisation that are domiciled or chiefly active in Switzerland.

Currency of account: CHF

Fees

	Maximum flat fee (maximum management fee), p.a.
Share classes with "P" in their name	1.500% (1.200%)
Share classes with "N" in their name	2.500% (2.000%)
Share classes with "K-1" in their name	0.900% (0.720%)
Share classes with "K-X" in their name	0.000% (0.000%)
Share classes with "F" in their name	0.550% (0.440%)
Share classes with "Q" in their name	1.020% (0.820%)
Share classes with "I-A1" in their name	0.720% (0.580%)
Share classes with "I-A2" in their name	0.660% (0.530%)
Share classes with "I-A3" in their name	0.550% (0.440%)
Share classes with "I-B" in their name	0.065% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)

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

The Subfund predominantly invests in equities, equity rights or other capital shares of companies domiciled or chiefly active in Europe.
Through a combination of long positions and short positions, the Subfund typically aims for a net equity exposure of between 80% and 120% of the total net assets. This net exposure may vary between 50% and 150% of the total net assets. The maximum gross long equity exposure must not exceed 150% of the net assets and the maximum gross short equity exposure is limited to 50% of the total net assets. As defined in section 5 "Special techniques and instruments that have securities and money market instruments as underlying assets", the Subfund may use exchange-traded derivatives, such as equity options and futures, or OTC derivatives, such as equity rights (swaps), to build long equity positions and short equity positions. The Subfund may not engage in the physical short-selling of equities.

Currency of account: EUR

Fees

	Maximum flat fee (maximum management fee), p.a.
Share classes with "P" in their name	2.040% (1.630%)
Share classes with "N" in their name	2.500% (2.000%)
Share classes with "K-1" in their name	1.300% (1.040%)
Share classes with "K-X" in their name	0.000% (0.000%)
Share classes with "F" in their name	0.850% (0.680%)
Share classes with "Q" in their name	1.020% (0.820%)
Share classes with "I-A1" in their name	0.950% (0.760%)
Share classes with "I-A2" in their name	0.900% (0.720%)
Share classes with "I-A3" in their name	0.850% (0.680%)
Share classes with "I-B" in their name	0.065% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)

UBS (Lux) Equity SICAV – Global Opportunity Unconstrained (USD)
This Subfund predominantly invests in equities and other equity shares of companies worldwide.
Through a combination of long positions and short positions, the Subfund typically aims for a net equity exposure of between 80% and 120% of the total net assets. This net exposure may vary between 50% and 150% of the total net assets. The maximum gross long equity exposure must not exceed 150% of the net assets and the maximum gross short equity exposure is limited to 50% of the total net assets. As defined in section 5 "Special techniques and instruments that have securities and money market instruments as underlying assets", the Subfund may use exchange-traded derivatives, such as equity options and futures, or OTC derivatives, such as equity rights (swaps), to build long equity positions and short equity positions. The Subfund may not engage in the physical short-selling of equities.
Due to its global focus, this Subfund may invest in various currencies. The resulting currency risk may be hedged in part or in whole against the Subfund's reference currency.
This Subfund may invest in both developed and emerging market countries. The risks associated with investments in emerging markets are listed in the section entitled "General risk information". For these reasons, the Subfund is especially suitable for risk-conscious investors.

Currency of account: USD

Fees

	Maximum flat fee (maximum management fee), p.a.
Share classes with "P" in their name	2.040% (1.630%)
Share classes with "N" in their name	2.500% (2.000%)
Share classes with "K-1" in their name	1.300% (1.040%)

Share classes with "K-X" in their name	0.000% (0.000%)
Share classes with "F" in their name	0.850% (0.680%)
Share classes with "Q" in their name	1.020% (0.820%)
Share classes with "I-A1" in their name	0.950% (0.760%)
Share classes with "I-A2" in their name	0.900% (0.720%)
Share classes with "I-A3" in their name	0.850% (0.680%)
Share classes with "I-B" in their name	0.065% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)

UBS (Lux) Equity SICAV – European High Dividend (EUR)

This Subfund invests at least two-thirds of its assets following the principle of risk diversification in equities or other equity shares in small, medium and large-cap companies domiciled or chiefly active in Europe. The Fund's strategy is to select companies with high and stable dividend yields. As the Subfund invests in foreign currencies due to its regional orientation, the portfolio or parts thereof may be hedged against the reference currency of the Subfund in order to reduce these foreign currency risks.

Currency of account: EUR

Fees

	Maximum flat fee (maximum management fee), p.a.
Share classes with "P" in their name	1.500% (1.200%)
Share classes with "N" in their name	2.500% (2.000%)
Share classes with "K-1" in their name	0.900% (0.720%)
Share classes with "K-X" in their name	0.000% (0.000%)
Share classes with "F" in their name	0.520% (0.420%)
Share classes with "Q" in their name	0.840% (0.670%)
Share classes with "I-A1" in their name	0.640% (0.510%)
Share classes with "I-A2" in their name	0.600% (0.480%)
Share classes with "I-A3" in their name	0.520% (0.420%)
Share classes with "I-B" in their name	0.065% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)

UBS (Lux) Equity SICAV – Global High Dividend (USD)

This Subfund globally invests at least two-thirds of its assets following the principle of risk diversification in equities or other equity shares of small, medium and large-cap companies in both developed and emerging markets. The Fund's strategy is to select companies with high and stable dividend yields. As the Subfund invests in many foreign currencies due to its global orientation, the portfolio or parts thereof may be hedged against the reference currency of the Subfund in order to reduce the associated foreign currency risks.

Investors should note that the Subfund's investment exposure may also include Chinese A-shares traded via Hong Kong-Shanghai 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.

In general, investments in emerging markets may post a more volatile performance and be more illiquid than investments in other countries. Moreover, the official regulatory systems may be less efficient in the countries in which the Subfund invests, and the accounting, auditing and reporting methods employed cannot be compared with the standards used in more developed countries.
In addition, investments in companies with low market capitalisation may show greater volatility than investments in companies with medium or high market capitalisation. The currency of the assets in which the Subfund invests may undergo substantial fluctuations. Such fluctuations may have a negative effect on the Subfund's income.
The risks associated with investments in emerging markets are listed in the section entitled "General risk information". Investors should also read, be aware of and take into account the above-mentioned risks associated with investments traded via Hong Kong-Shanghai Stock Connect. Information relating to these can be found after the section entitled "General risk Information".
For this reason, the Subfund is especially suitable for risk-conscious investors.

Currency of account: USD

Fees

	Maximum flat fee (maximum management fee), p.a.
Share classes with "P" in their name	1.500% (1.200%)
Share classes with "N" in their name	2.500% (2.000%)
Share classes with "K-1" in their name	0.900% (0.720%)
Share classes with "K-X" in their name	0.000% (0.000%)
Share classes with "F" in their name	0.520% (0.420%)
Share classes with "Q" in their name	0.840% (0.670%)
Share classes with "I-A1" in their name	0.640% (0.510%)
Share classes with "I-A2" in their name	0.600% (0.480%)
Share classes with "I-A3" in their name	0.520% (0.420%)
Share classes with "I-B" in their name	0.065% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)

UBS (Lux) Equity SICAV – Asia High Dividend (USD)

This Subfund invests its assets predominantly in equities and other equity shares of companies that are domiciled or chiefly active in Asian markets (excl. Japan). To a lesser extent, the Subfund may also invest in the aforementioned securities on Pacific markets. The Fund's strategy is to select companies with high and/or increasing dividend yields. As the Subfund invests in many foreign currencies due to its regional orientation, the portfolio or parts thereof may be hedged against the reference currency of the Subfund in order to reduce the associated foreign currency risks.
Investors should note that the Subfund's investment exposure may also include Chinese A-shares traded via Hong Kong-Shanghai 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.
Investments in Asian countries may post a more volatile performance and be more illiquid than investments in European countries. Due to the political and economic situation in various Asian countries, investments in some of these markets may be affected by legal uncertainties, currency restrictions and other concomitant factors. Furthermore, the official regulatory system in the countries in which the Subfund invests may be less efficient and the accounting, auditing and reporting methods employed may not meet the standards used in more developed countries.
This Subfund also makes investments in emerging markets. The risks associated with investments in emerging markets are listed in the section entitled "General risk information". Investors should also read, be aware of and take into account the above-mentioned risks associated with investments traded via Hong Kong-Shanghai Stock Connect. Information relating to these can be found after the section entitled "General risk Information".

For these reasons, the Subfund is especially suitable for risk-conscious investors.

Currency of account: USD

Fees

	Maximum flat fee (maximum management fee), p.a.
Share classes with "P" in their name	1.920% (1.540%)
Share classes with "N" in their name	2.500% (2.000%)
Share classes with "K-1" in their name	1.300% (1.040%)
Share classes with "K-X" in their name	0.000% (0.000%)
Share classes with "F" in their name	0.740% (0.590%)
Share classes with "Q" in their name	1.080% (0.860%)
Share classes with "I-A1" in their name	0.880% (0.700%)
Share classes with "I-A2" in their name	0.820% (0.660%)
Share classes with "I-A3" in their name	0.740% (0.590%)
Share classes with "I-B" in their name	0.180% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)

UBS (Lux) Equity SICAV – Emerging Markets High Dividend (USD)

This Subfund invests at least two-thirds of its assets in equities and other equity shares of companies that are domiciled or chiefly active in emerging markets. The Fund's strategy is to select companies with high and/or increasing dividend yields. As the Subfund invests in many foreign currencies due to its regional orientation, the portfolio or parts thereof may be hedged against the reference currency of the Subfund in order to reduce the associated foreign currency risks.

Investors should note that the Subfund's investment exposure may also include Chinese A-shares traded via Hong Kong-Shanghai 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.

Emerging markets are at an early stage of development and suffer from increased risk of expropriation, nationalisation and social, political and economic insecurity. The risks associated with investments in emerging markets are listed in the section entitled "General risk information". Investors should also read, be aware of and take into account the above-mentioned risks associated with investments traded via Hong Kong-Shanghai Stock Connect. Information relating to these can be found after the section entitled "General risk Information".

For these reasons, the Subfund is especially suitable for risk-conscious investors.

Currency of account: USD

Fees

	Maximum flat fee (maximum management fee), p.a.
Share classes with "P" in their name	2.200% (1.760%)
Share classes with "N" in their name	2.750% (2.200%)
Share classes with "K-1" in their name	1.500% (1.200%)
Share classes with "K-X" in their name	0.000% (0.000%)
Share classes with "F" in their name	0.880% (0.700%)
Share classes with "Q" in their name	1.200%

	(0.960%)
Share classes with "I-A1" in their name	1.050% (0.840%)
Share classes with "I-A2" in their name	0.980% (0.780%)
Share classes with "I-A3" in their name	0.880% (0.700%)
Share classes with "I-B" in their name	0.180% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)

<u>UBS (Lux) Equity SICAV – Emerging Markets Small Caps (USD)</u>

This Subfund primarily invests in equities and other equity shares of small cap companies that are domiciled or chiefly active in emerging markets. Such small cap companies held by the Subfund may, as a maximum, have a market capitalisation twice the size of the company with the greatest market capitalisation in the Subfund's benchmark focussing on small cap companies from emerging markets. Such small cap companies held in this Subfund must fulfil the above size requirement. However, they do not necessarily need to be included in the Subfund's benchmark. As the Subfund invests in many foreign currencies due to its regional orientation, the portfolio or parts thereof may be hedged against the reference currency of the Subfund in order to reduce the associated foreign currency risks.

Investors should note that the Subfund's investment exposure may also include Chinese A-shares traded via Hong Kong-Shanghai 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.

Emerging markets are at an early stage of development and suffer from increased risk of expropriation, nationalisation and social, political and economic insecurity. The risks associated with investments in emerging markets are listed in the section entitled "General risk information". Investors should also read, be aware of and take into account the above-mentioned risks associated with investments traded via Hong Kong-Shanghai Stock Connect. Information relating to these can be found after the section entitled "General risk Information".

For these reasons, the Subfund is especially suitable for risk-conscious investors.

Currency of account: USD

Fees

	Maximum flat fee (maximum management fee), p.a.
Share classes with "P" in their name	2.100% (1.680%)
Share classes with "N" in their name	2.750% (2.200%)
Share classes with "K-1" in their name	1.500% (1.200%)
Share classes with "K-X" in their name	0.000% (0.000%)
Share classes with "F" in their name	0.950% (0.760%)
Share classes with "Q" in their name	1.200% (0.960%)
Share classes with "I-A1" in their name	1.150% (0.920%)
Share classes with "I-A2" in their name	1.050% (0.840%)
Share classes with "I-A3" in their name	0.950% (0.760%)
Share classes with "I-B" in their name	0.180% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)

<u>UBS (Lux) Equity SICAV – Asian Smaller Companies (USD)</u>

This Subfund invests its assets predominantly in equities and other equity shares of small cap companies that are domiciled or chiefly active in Asian markets (excl. Japan). Such small cap companies held by the Subfund may, as a maximum, have the same market capitalisation as the company with the greatest market capitalisation in the small and mid-cap benchmark of this Subfund. However, they do not necessarily need to be included in the Subfund's benchmark. As the Subfund invests in many foreign currencies due to its global orientation, the portfolio or parts thereof may be hedged against the reference currency of the Subfund in order to reduce the associated foreign currency risks.
Investors should note that the Subfund's investment exposure may also include Chinese A-shares traded via Hong Kong-Shanghai 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.
Investments in Asian countries may post a more volatile performance and be more illiquid than investments in European countries. Due to the political and economic situation in various Asian countries, investments in some of these markets may be affected by legal uncertainties, currency restrictions and other concomitant factors. Furthermore, the official regulatory system in the countries in which the Subfund invests may be less efficient and the accounting, auditing and reporting methods employed may not meet the standards used in more developed countries.
This Subfund also makes investments in emerging markets. The risks associated with investments in emerging markets are listed in the section entitled "General risk information". Investors should also read, be aware of and take into account the above-mentioned risks associated with investments traded via Hong Kong-Shanghai Stock Connect. Information relating to these can be found after the section entitled "General risk Information".
For these reasons, the Subfund is especially suitable for risk-conscious investors.

Currency of account: USD

Fees

	Maximum flat fee (maximum management fee), p.a.
Share classes with "P" in their name	1.920% (1.540%)
Share classes with "N" in their name	2.500% (2.000%)
Share classes with "K-1" in their name	1.300% (1.040%)
Share classes with "K-X" in their name	0.000% (0.000%)
Share classes with "F" in their name	0.800% (0.640%)
Share classes with "Q" in their name	1.080% (0.860%)
Share classes with "I-A1" in their name	0.950% (0.760%)
Share classes with "I-A2" in their name	0.900% (0.720%)
Share classes with "I-A3" in their name	0.800% (0.640%)
Share classes with "I-B" in their name	0.180% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)

UBS (Lux) Equity SICAV – German High Dividend (EUR)
This Subfund invests its assets predominantly in equities and other equity shares of companies that are domiciled or chiefly active in Germany. The Subfund's strategy is to select companies with high and/or increasing dividend yields.

Currency of account: EUR

Fees

	Maximum flat fee (maximum management fee), p.a.
Share classes with "P" in their name	1.800% (1.440%)

Share classes with "N" in their name	2.500% (2.000%)
Share classes with "K-1" in their name	0.950% (0.760%)
Share classes with "K-X" in their name	0.000% (0.000%)
Share classes with "F" in their name	0.600% (0.480%)
Share classes with "Q" in their name	1.020% (0.820%)
Share classes with "I-A1" in their name	0.620% (0.500%)
Share classes with "I-A2" in their name	0.570% (0.460%)
Share classes with "I-A3" in their name	0.520% (0.420%)
Share classes with "I-B" in their name	0.065% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)

UBS (Lux) Equity SICAV – Emerging Markets Enhanced (USD)

This Subfund invests its assets predominantly in equities and other equity shares of companies that are domiciled or chiefly active in emerging markets. The investment process is based on quantitative models that identify differences in valuation while controlling risk. The valuation criteria necessary to do this are based on a selection of statistical data and indicators relevant to the valuations. These quantitative models are then used to make forecasts on the expected price performance of each equity relative to the performance of the overall market and the different sectors. An algorithm is used to process the individual forecasts in order to build a portfolio, with the restriction that no unnecessary risks to individual securities, sectors or factors are created. As the Subfund invests in many foreign currencies due to its regional orientation, the portfolio or parts thereof may be hedged against the reference currency of the Subfund in order to reduce the associated foreign currency risks.

Investors should note that the Subfund's investment exposure may also include Chinese A-shares traded via Hong Kong-Shanghai 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.

Emerging markets are at an early stage of development and suffer from increased risk of expropriation, nationalisation and social, political and economic insecurity. The risks associated with investments in emerging markets are listed in the section entitled "General risk information". Investors should also read, be aware of and take into account the above-mentioned risks associated with investments traded via Hong Kong-Shanghai Stock Connect. Information relating to these can be found after the section entitled "General risk Information".

For these reasons, the Subfund is especially suitable for risk-conscious investors.

Currency of account: USD

Fees

	Maximum flat fee (maximum management fee), p.a.
Share classes with "P" in their name	1.400% (1.120%)
Share classes with "N" in their name	2.000% (1.600%)
Share classes with "K-1" in their name	1.080% (0.860%)
Share classes with "K-X" in their name	0.000% (0.000%)
Share classes with "F" in their name	0.650% (0.520%)
Share classes with "Q" in their name	1.020% (0.820%)
Share classes with "I-A1" in their name	0.800% (0.640%)
Share classes with "I-A2" in their name	0.700% (0.560%)

Share classes with "I-A3" in their name	0.650% (0.520%)
Share classes with "I-B" in their name	0.180% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)

UBS (Lux) Equity SICAV – Solid Consumer Brands (USD)

This Subfund invests its assets predominantly in equities and other equity shares of developed and emerging market companies that are active in the consumer goods sector. It aims to select companies with strong brands and solid business models. As the Subfund invests in many foreign currencies due to its global orientation, the portfolio or parts thereof may be hedged against the reference currency of the Subfund in order to reduce the associated foreign currency risks.

This Subfund also makes investments in emerging markets. The risks associated with investments in emerging markets are listed in the section entitled "General risk information".
For these reasons, the Subfund is especially suitable for risk-conscious investors.

Currency of account: USD

Fees

	Maximum flat fee (maximum management fee), p.a.
Share classes with "P" in their name	1.500% (1.200%)
Share classes with "N" in their name	2.500% (2.000%)
Share classes with "K-1" in their name	0.900% (0.720%)
Share classes with "K-X" in their name	0.000% (0.000%)
Share classes with "F" in their name	0.490% (0.390%)
Share classes with "Q" in their name	0.840% (0.670%)
Share classes with "I-A1" in their name	0.550% (0.440%)
Share classes with "I-A2" in their name	0.520% (0.420%)
Share classes with "I-A3" in their name	0.490% (0.390%)
Share classes with "I-B" in their name	0.065% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)

UBS (Lux) Equity SICAV – Western Winners (USD)

This Subfund invests its assets predominantly in equities and other equity shares of companies from developed countries worldwide. It aims to select companies that profit most from the growth in emerging markets. As the Subfund invests in many foreign currencies due to its global orientation, the portfolio or parts thereof may be hedged against the reference currency of the Subfund in order to reduce the associated foreign currency risks.

Currency of account: USD

Fees

	Maximum flat fee (maximum management fee), p.a.
Share classes with "P" in their name	1.800% (1.440%)
Share classes with "N" in their name	2.500% (2.000%)
Share classes with "K-1" in their name	0.950% (0.760%)

Share classes with "K-X" in their name	0.000% (0.000%)
Share classes with "F" in their name	0.580% (0.460%)
Share classes with "Q" in their name	1.020% (0.820%)
Share classes with "I-A1" in their name	0.700% (0.560%)
Share classes with "I-A2" in their name	0.650% (0.520%)
Share classes with "I-A3" in their name	0.580% (0.460%)
Share classes with "I-B" in their name	0.065% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)

UBS (Lux) Equity SICAV – US Total Yield (USD)

This Subfund invests its assets predominantly in equities and other equity shares of companies that are domiciled or chiefly active in the USA. 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 buybacks.

The distributing (-dist) share classes of this Subfund intend to distribute capital as well as income (e.g. from 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. Some investors may therefore choose to invest in the accumulating (-acc) instead of the 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 to distributing (-dist) share classes. Investors should seek their own tax advice.

Currency of account: USD

Fees

	Maximum flat fee (maximum management fee), p.a.
Share classes with "P" in their name	1.500% (1.200%)
Share classes with "N" in their name	2.500% (2.000%)
Share classes with "K-1" in their name	0.900% (0.720%)
Share classes with "K-X" in their name	0.000% (0.000%)
Share classes with "F" in their name	0.520% (0.420%)
Share classes with "Q" in their name	0.840% (0.670%)
Share classes with "I-A1" in their name	0.640% (0.510%)
Share classes with "I-A2" in their name	0.600% (0.480%)
Share classes with "I-A3" in their name	0.520% (0.420%)
Share classes with "I-B" in their name	0.065% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)

UBS (Lux) Equity SICAV – Emerging Markets Rising Giants (USD)

This Subfund invests its assets predominantly in equities and other equity shares of companies that are domiciled or chiefly active in emerging markets. The term "rising giants" refers to companies which, in the opinion of the Portfolio Manager, are well positioned to defend and consolidate their leading role as large companies, or are in the process of becoming such a large, leading company. As the Subfund invests in many foreign currencies due to

its regional orientation, the portfolio or parts thereof may be hedged against the reference currency of the Subfund in order to reduce the associated foreign currency risks.
Investors should note that the Subfund's investment exposure may also include Chinese A-shares traded via Hong Kong-Shanghai 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 Subfund also makes investments in emerging markets. The risks associated with investments in emerging markets are listed in the section entitled "General risk information". Investors should also read, be aware of and take into account the above-mentioned risks associated with investments traded via Hong Kong-Shanghai Stock Connect. Information relating to these can be found after the section entitled "General risk Information".
For these reasons, the Subfund is especially suitable for risk-conscious investors.

Currency of account: USD

Fees

	Maximum flat fee (maximum management fee), p.a.
Share classes with "P" in their name	1.600% (1.280%)
Share classes with "N" in their name	2.000% (1.600%)
Share classes with "K-1" in their name	1.080% (0.860%)
Share classes with "K-X" in their name	0.000% (0.000%)
Share classes with "F" in their name	0.600% (0.480%)
Share classes with "Q" in their name	1.020% (0.820%)
Share classes with "I-A1" in their name	0.750% (0.600%)
Share classes with "I-A2" in their name	0.650% (0.520%)
Share classes with "I-A3" in their name	0.600% (0.480%)
Share classes with "I-B" in their name	0.180% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)

UBS (Lux) Equity SICAV – Global Income (USD)
This Subfund invests its assets predominantly in equities and other equity shares of small, medium and large-cap companies from developed and emerging markets globally.
The aim of the Subfund's investment strategy is to achieve an above average equity yield in comparison to the global equity market yield. Equity yield may originate from dividends, call option premiums and other sources.
Consequently, the Subfund may use derivative financial instruments pursuant to point 1.1(g) for investment purposes.
As the Subfund invests in many foreign currencies due to its global orientation, the portfolio or parts thereof may be hedged against the reference currency of the Subfund in order to reduce the associated foreign currency risks.
The distributing (-dist) share classes of this Subfund may distribute capital as well as income (e.g. from 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. Some investors may therefore choose to invest in the accumulating (-acc) instead of the 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 to distributing (-dist) share classes. Investors should seek their own tax advice.
Investors should note that the Subfund's investment exposure may also include Chinese A-shares traded via Hong Kong-Shanghai 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 Subfund also makes investments in emerging markets. The risks associated therewith are listed in the section entitled "General risk information". Investors should also read, be aware of and take into account the above-mentioned risks associated with investments traded via Hong Kong-Shanghai Stock

Connect. Information relating to these can be found after the section entitled "General risk Information".
For these reasons, the Subfund is especially suitable for risk-conscious investors.

Currency of account: USD

Fees

	Maximum flat fee (maximum management fee), p.a.
Share classes with "P" in their name	1.800% (1.440%)
Share classes with "N" in their name	2.500% (2.000%)
Share classes with "K-1" in their name	1.200% (0.960%)
Share classes with "K-X" in their name	0.000% (0.000%)
Share classes with "F" in their name	0.650% (0.520%)
Share classes with "Q" in their name	1.080% (0.860%)
Share classes with "I-A1" in their name	0.750% (0.600%)
Share classes with "I-A2" in their name	0.700% (0.560%)
Share classes with "I-A3" in their name	0.650% (0.520%)
Share classes with "I-B" in their name	0.065% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)

UBS (Lux) Equity SICAV – Euro Countries Income (EUR)
This Subfund invests its assets predominantly in equities and other equity shares 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 which participate in the EMU and therefore have the euro as their national currency. The aim of the Subfund's investment strategy is to achieve an above average equity yield in comparison to the yields on the equity markets of the eurozone countries. Equity yield may originate from dividends, call option premiums and other sources.
Consequently, the Subfund may use derivative financial instruments pursuant to point 1.1(g) for investment purposes.
The distributing (-dist) share classes of this Subfund may distribute capital as well as income (e.g. from 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. Some investors may therefore choose to invest in the accumulating (-acc) instead of the 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 to distributing (-dist) share classes. Investors should seek their own tax advice.

Currency of account: EUR

Fees

	Maximum flat fee (maximum management fee), p.a.
Share classes with "P" in their name	1.600% (1.280%)
Share classes with "N" in their name	2.250% (1.800%)
Share classes with "K-1" in their name	1.100% (0.880%)
Share classes with "K-X" in their name	0.000% (0.000%)
Share classes with "F" in their name	0.600% (0.480%)
Share classes with "Q" in their name	0.980% (0.780%)
Share classes with "I-A1" in their name	0.700%

	(0.560%)
Share classes with "I-A2" in their name	0.650% (0.520%)
Share classes with "I-A3" in their name	0.600% (0.480%)
Share classes with "I-B" in their name	0.065% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)

UBS (Lux) Equity SICAV – US Income (USD)
This Subfund invests its assets predominantly in equities and other equity shares of companies that are domiciled or chiefly active in the USA. The aim of the Subfund's investment strategy is to achieve an above average equity yield in comparison to the yield on the US equity market. Equity yield may originate from dividends, company profits returned to shareholders in the form of share buybacks, call option premiums and other sources.
Consequently, the Subfund may use derivative financial instruments pursuant to point 1.1(g) for investment purposes.
The distributing (-dist) share classes of this Subfund may distribute capital as well as income (e.g. from 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. Some investors may therefore choose to invest in the accumulating (-acc) instead of the 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 to distributing (-dist) share classes. Investors should seek their own tax advice.

Currency of account: USD

Fees

	Maximum flat fee (maximum management fee), p.a.
Share classes with "P" in their name	1.600% (1.280%)
Share classes with "N" in their name	2.250% (1.800%)
Share classes with "K-1" in their name	1.100% (0.880%)
Share classes with "K-X" in their name	0.000% (0.000%)
Share classes with "F" in their name	0.600% (0.480%)
Share classes with "Q" in their name	0.980% (0.780%)
Share classes with "I-A1" in their name	0.700% (0.560%)
Share classes with "I-A2" in their name	0.650% (0.520%)
Share classes with "I-A3" in their name	0.600% (0.480%)
Share classes with "I-B" in their name	0.065% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)

UBS (Lux) Equity SICAV – Global Quantitative (USD)
This Subfund globally invests its assets in equities or other equity shares of companies, in accordance with the principle of risk diversification. The investment process is based on quantitative models that identify differences in valuation while controlling risk. The valuation criteria necessary to do this are based on a selection of statistical data and indicators relevant to the valuations. These quantitative models are used to try and reduce the risk of a price decline, thereby maintaining the potential of a price increase. An algorithm is used to process the individual forecasts in order to build a portfolio, with the restriction that no unnecessary risks to individual securities, sectors or factors are created.
This Subfund may invest in both developed and emerging market countries. The risks associated therewith are listed in the section entitled "General risk information".

For these reasons, the Subfund is especially suitable for risk-conscious investors.

Currency of account: USD

Fees

	Maximum flat fee (maximum management fee), p.a.
Share classes with "P" in their name	0.900% (0.720%)
Share classes with "N" in their name	1.200% (0.960%)
Share classes with "K-1" in their name	0.700% (0.560%)
Share classes with "K-X" in their name	0.000% (0.000%)
Share classes with "F" in their name	0.500% (0.400%)
Share classes with "Q" in their name	0.650% (0.520%)
Share classes with "I-A1" in their name	0.600% (0.480%)
Share classes with "I-A2" in their name	0.550% (0.440%)
Share classes with "I-A3" in their name	0.500% (0.400%)
Share classes with "I-B" in their name	0.065% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)

UBS (Lux) Equity SICAV – Long Term Themes (USD)
This Subfund invests its assets predominantly in equities and other equity shares of small, medium and large-cap companies from developed and emerging markets globally. The Subfund focuses on long-term aspects which the Portfolio Manager views as attractive from an investment perspective. They can comprise any sectors, countries and company capitalisations and can relate to the global growth in population, the trend towards an ageing population or increasing urbanisation, for instance. As the Subfund invests in many foreign currencies due to its global orientation, the portfolio or parts thereof may be hedged against the reference currency of the Subfund in order to reduce the associated foreign currency risks. Investors should note that the Subfund's investment exposure may also include Chinese A-shares traded via Hong Kong-Shanghai 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 Subfund may invest in both developed and emerging market countries. The risks associated therewith are listed in the section entitled "General risk information". Investors should also read, be aware of and take into account the above-mentioned risks associated with investments traded via Hong Kong-Shanghai Stock Connect. Information relating to these can be found after the section entitled "General risk Information".
For these reasons, the Subfund is especially suitable for risk-conscious investors.

Currency of account: USD

Fees

	Maximum flat fee (maximum management fee), p.a.
Share classes with "P" in their name	1.800% (1.440%)
Share classes with "N" in their name	2.500% (2.000%)
Share classes with "K-1" in their name	1.080% (0.860%)
Share classes with "K-X" in their name	0.000% (0.000%)
Share classes with "F" in their name	0.670% (0.540%)
Share classes with "Q" in their name	1.020% (0.820%)

Share classes with "I-A1" in their name	0.800% (0.640%)
Share classes with "I-A2" in their name	0.750% (0.600%)
Share classes with "I-A3" in their name	0.670% (0.540%)
Share classes with "I-B" in their name	0.065% (0.000%)
Share classes with "I-X" in their name	0.000% (0.000%)
Share classes with "U-X" in their name	0.000% (0.000%)

General risk information

Investing in emerging markets

Emerging markets are at an early stage of development and suffer from increased risk of expropriation, nationalisation and social, political and economic insecurity.
The following is an overview of the general risks entailed by investing in the emerging markets:

- **Counterfeit securities – due to the weakness in supervisory structures, securities purchased by the Subfund may be counterfeit. Hence it is possible to suffer losses.**
- **Liquidity difficulties – the buying and selling of securities can be costlier, lengthier and in general more difficult than is the case in more developed markets. Difficulties with liquidity can also increase price volatility. Many emerging markets are small, have low trading volumes and suffer from low liquidity and high price volatility.**
- **Volatility – Investments in emerging markets may have a more volatile performance than investments in developed markets.**
- **Currency fluctuations – the currencies of countries in which the Subfund invests, compared with the currency of account of the Subfund, can undergo substantial fluctuations once the Subfund has invested in these currencies. Such fluctuations may have a significant effect on the Subfund's income. It is not possible to apply currency risk hedging techniques to all currencies in emerging market countries.**
- **Currency export restrictions – it cannot be excluded that emerging markets may limit or temporarily suspend the export of currencies. Consequently, it would not be possible for the Subfund to draw any sales proceeds without delays. To minimise the possible impact on redemption applications, the Subfund will invest in a large number of markets.**
- **Settlement and custody risks – the settlement and custody systems in emerging market countries are not as well developed as those in developed markets. Standards are not as high and the supervisory authorities not as experienced. Consequently, settlement may be delayed, thereby posing disadvantages for liquidity and securities.**
- **Restrictions on buying and selling – in some cases, emerging markets can place restrictions on the buying of securities by foreign investors. Some equities are thus not available to the Subfund 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 Subfund 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 Subfund will only invest in markets in which the restrictions are acceptable. However, it is not possible to prevent additional restrictions from being imposed.**
- **Accounting – the accounting, auditing and reporting standards, methods, practices and disclosures required by companies in emerging markets differ from those in developed markets in respect of content, quality and the deadlines for providing information to investors. It may thus be difficult to correctly evaluate the investment options.**

The risks described above apply particularly to investments in the PRC.

Risk information on investments traded via Hong Kong-Shanghai Stock Connect ("Stock Connect"):

Risks relating to securities trading in mainland China via Stock Connect
If Subfund investments in mainland China are traded via Stock Connect, there are additional risk factors in relation to these transactions. Shareholders 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 Subfund's ability to perform transactions via Stock Connect in a timely manner. This could impair the Subfund'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**"). 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 Subfund'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
Stock Connect consists of the 'northbound' link, via which investors in Hong Kong and abroad, such as the Subfund, may acquire and hold Chinese A-shares listed on the SSE ("**SSE shares**"), and the 'southbound' link, via which investors in mainland China may acquire and hold shares listed on the Hong Kong Stock Exchange ("**SEHK**"). The Subfund trades in SSE shares via its broker associated with the Company's subcustodian, which is admitted to the SEHK. After settlement by brokers or custodian banks (the clearing agents), these SSE shares shall be held in accounts in the Hong Kong Central Clearing and Settlement System ("**CCASS**") maintained by Hong Kong Securities and Clearing Corporation Limited ("**HKSCC**"), the central securities depository in Hong Kong and the nominee. HKSCC in turn holds the SSE shares of all participants in a "Single Nominee Omnibus Securities Account", which is registered in its name with ChinaClear, the central securities depository in mainland China.

Since HKSCC is merely a nominee and not the beneficial owner of the SSE shares, should HKSCC be wound down in Hong Kong, the SSE shares shall not be deemed to be part of HKSCC's general assets that are available for distribution to creditors, even under PRC law. However, HKSCC is not required to take legal measures or initiate legal proceedings to enforce rights on behalf of investors in SSE shares in mainland China. Foreign investors, such as the Subfund concerned, that invest via Stock Connect and hold SSE shares via HKSCC are the beneficial owners of the assets and are therefore entitled to exercise their rights exclusively via the nominee.

Not protected by the Investor Compensation Fund
Investors should not 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 debt 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.

Depleted quotas
Should the respective overall quota for northbound and southbound transactions be lower than the daily quota, the corresponding purchase orders will be suspended on the next trading day (sell orders will nonetheless be accepted), until the overall quota level returns to the daily quota level. After the daily quota has been used up, 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 by the depletion of the daily quota. Sell orders will continue to be accepted. Depending on the overall quota level, purchases will resume on the following trading day.

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 Subfund and its participation in northbound trading.

Risk of payment default at HKSCC
Non-fulfilment or delayed fulfilment by HKSCC of its obligations may lead to a default when related Stock Connect securities and/or funds are settled or lost. The Subfund and its investors could incur losses as a result. Neither the Subfund 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 Subfund under northbound trading.
The ownership and ownership rights of the Subfund and entitlements to Stock Connect securities (regardless of the legal nature thereof, in equity or otherwise) are subject to the applicable requirements, including the laws on

the disclosure of interests and 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.

Use of derivatives

While observing the restrictions stipulated in Section 2 "Risk diversification", the Company may employ derivative financial instruments for each Subfund. Derivative financial instruments are instruments that derive their value from other finance instruments (so-called underlyings).

Derivatives may be conditional or unconditional. Conditional derivatives (contingent claims) are those that give a party to the legal transaction the right, but not the obligation, to use a derivative instrument (e.g. an option). Unconditional derivatives (futures) impose the obligation on both parties to provide the service owed at a specific time defined in the contract (e.g. forwards, futures, swaps).

The derivatives are traded on stock exchanges (exchange-traded derivatives), as well as over the counter (OTC derivatives). In the case of derivatives traded on a stock exchange (e.g. futures), the stock exchange itself is also one of the parties in each transaction. These transactions are cleared and settled through a clearing house (clearing agent). OTC derivatives (e.g. forwards and swaps) are entered into directly by two parties, whereas exchange-traded derivatives are entered into using a middleman.

Derivative transactions (e.g. credit derivatives), may be used to hedge against the default risk associated with a third party. To do this, the parties may participate in so-called credit default swaps (**CDS**), in which the seller compensates the losses of the buyer associated with the default of a third party and, in return, receives a recurring premium from the buyer. This compensation may be provided through the delivery of defined securities or cash payments. This type of derivative transaction is similar to insurance and can be entered into by any Subfund, either as a buyer or seller. Credit derivatives may thus be used by Subfunds for hedging (from the buyer's point of view) or investment (from the seller's point of view) purposes. Since 2014, CDS have been settled through a central clearing house.

Risks connected with the use of derivatives

Investments in derivatives are subject to general market risk, settlement risk, credit risk and liquidity risk.

However, the nature of these risks may be altered as a result of the special features of the derivative financial instruments, and may in some cases be higher than the risks associated with an investment in the underlying instruments.

For this reason, the use of derivatives requires not only an understanding of the underlying instrument, but also in-depth knowledge of the derivatives themselves.

With derivatives, the credit risk is the risk that a party may not meet (or cannot meet) its obligations under a specific or multiple contracts.

The credit risk for derivatives traded on a stock exchange is, generally speaking, lower than that of OTC derivatives traded on the open market, because the clearing agent that acts as counterparty of every exchange-traded derivative (see above) accepts a settlement guarantee. To reduce the overall risk of default, the guarantee is supported by a daily payment system maintained by the clearing agent, in which the assets required for cover are calculated (see below). Despite derivatives not possessing any such settlement guarantee, their default risk is generally limited by the investment restrictions set out in the section entitled "Investment principles", sub-section "Risk diversification". Even in cases where the difference between the mutually owed payments (e.g. interest rate swaps, total return swaps) is owed, as opposed to the delivery or exchange of the underlying assets (e.g. options, forwards, credit default swaps), the Company's potential loss is limited to this difference in the event of default by the counterparty. The credit risk can be reduced by depositing collateral. To trade derivatives on a stock exchange, participants must deposit collateral with a clearing agent in the form of liquid funds (initial margin). The clearing agent will evaluate (and settle, where appropriate) the outstanding positions of each participant, as well as re-evaluate the existing collateral on a daily basis. If the collateral's value falls below a certain threshold (maintenance margin), the participant in question will be required by the clearing agent to bring this value up to its original level by paying in additional collateral (variation margin). With OTC derivatives, this credit risk may also be reduced by the respective counterparty providing collateral (see below), by offsetting different derivative positions that were entered into with this counterparty, as well as through a careful selection process for counterparties (see the section entitled "Investment principles", sub-section "Permitted investments of the Company", point 1.1(g), indent 4).

There are also liquidity risks, as it may be difficult to buy or sell certain instruments. When derivative transactions are particularly large, or the corresponding market is illiquid (as may be the case with OTC derivatives on the open market), it may in some cases not always be possible to fully execute a transaction, or else it may only be possible to liquidate a position subject to increased costs.

Other risks associated with the use of derivatives include the risk of incorrectly valuing or determining the price of derivatives. There is also the possibility that derivatives may not completely correlate with their underlying assets, interest rates or indices. Many derivatives are complex and are frequently subjectively valued. Inappropriate valuations can result in higher cash payment requirements in relation to counterparties or in a loss of value for the respective Subfund.

Risk management

Risk management in accordance with the commitment approach and the value-at-risk approach is applied pursuant to the applicable laws and regulatory provisions. Pursuant to CSSF circular 13/559 (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 sub-section "Collateral management" below) and the techniques and instruments for the efficient management of the portfolio (see the section entitled "Special techniques and instruments that have 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 Subfund. Shareholders should note that this definition may lead to artificially high leverage which 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 calculated according to the sum-of-notionals approach;
- The duration of interest rate derivatives is not taken into consideration. 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 using the VaR approach is covered by 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 Subfund 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 Subfund in question. Greater leverage amounts may be attained for all Subfunds, under certain circumstances.

Subfund	Global risk calculation method	Expected leverage bandwidth	Reference portfolio
UBS (Lux) Equity SICAV – Asia High Dividend (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 – Brazil (USD)	Commitment approach	n/a	n/a
UBS (Lux) Equity SICAV – Water (USD)	Commitment approach	n/a	n/a
UBS (Lux) Equity SICAV – Emerging Markets Growth (USD)	Commitment approach	n/a	n/a
UBS (Lux) Equity SICAV – Emerging Markets High Dividend (USD)	Commitment approach	n/a	n/a
UBS (Lux) Equity SICAV – Emerging Markets Sustainable (USD)	Commitment approach	n/a	n/a
UBS (Lux) Equity SICAV – Emerging Markets Small Caps (USD)	Commitment approach	n/a	n/a
UBS (Lux) Equity SICAV – Energy Transformation (USD)	Commitment approach	n/a	n/a
UBS (Lux) Equity SICAV – European High Dividend (EUR)	Commitment approach	n/a	n/a
UBS (Lux) Equity SICAV – European Opportunity Unconstrained (EUR)	Relative VaR approach	0–2	The reference portfolio reflects the properties of a broadly diversified portfolio of European medium and large caps.
UBS (Lux) Equity SICAV – Global Opportunity Unconstrained (USD)	Relative VaR approach	0–2	The reference portfolio reflects the properties of a broadly diversified portfolio of international equities.
UBS (Lux) Equity SICAV – Global High Dividend (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 (EUR)	Commitment approach	n/a	n/a
UBS (Lux) Equity SICAV – Swiss Opportunity (CHF)	Commitment approach	n/a	n/a
UBS (Lux) Equity SICAV – USA Growth (USD)	Commitment approach	n/a	n/a
UBS (Lux) Equity SICAV – USA Enhanced (USD)	Commitment approach	n/a	n/a
UBS (Lux) Equity SICAV – US Systematic Defensive (USD)	Commitment approach	n/a	n/a
UBS (Lux) Equity SICAV – US Opportunity (USD)	Commitment approach	n/a	n/a
UBS (Lux) Equity SICAV – German High Dividend (EUR)	Commitment approach	n/a	n/a
UBS (Lux) Equity SICAV – Emerging Markets Enhanced (USD)	Commitment approach	n/a	n/a
UBS (Lux) Equity SICAV – Solid Consumer Brands (USD)	Commitment approach	n/a	n/a
UBS (Lux) Equity SICAV – Western Winners (USD)	Commitment approach	n/a	n/a

UBS (Lux) Equity SICAV – US Total Yield (USD)	Commitment approach	n/a	n/a
UBS (Lux) Equity SICAV – Emerging Markets Rising Giants (USD)	Commitment approach	n/a	n/a
UBS (Lux) Equity SICAV – Global Income (USD)	Relative VaR approach	0–2	The reference portfolio reflects the properties of a broadly diversified portfolio of international equities.
UBS (Lux) Equity SICAV – Euro Countries Income (EUR)	Relative VaR approach	0–2	The reference portfolio reflects the properties of a broadly diversified portfolio of equities from the European Monetary Union (EMU).
UBS (Lux) Equity SICAV – US Income (USD)	Relative VaR approach	0–2	The reference portfolio reflects the properties of a broadly diversified portfolio of US equities.
UBS (Lux) Equity SICAV – Global Quantitative (USD)	Relative VaR approach	0–0.5	The reference portfolio reflects the properties of a broadly diversified portfolio of international equities.
UBS (Lux) Equity SICAV – Long Term Themes (USD)	Commitment approach	n/a	n/a

Collateral management

If the Company enters into OTC transactions, it may be exposed to risks related to the creditworthiness of the OTC counterparties: when the Company enters into futures contracts or options or uses other derivative techniques, it is subject to the risk that an OTC counterparty may not meet (or cannot meet) its obligations under a specific or multiple 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 decide on an internal framework agreement that determines 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, as well as 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 from OTC derivative transactions and determined the following haircuts to be used on these instruments:

The following haircuts are accepted as collateral from OTC derivative transactions:

Asset class	Minimum haircut (% deduction from market value)
Fixed and variable-rate interest-bearing instruments	
Liquid funds in the currencies CHF, EUR, GBP, USD, JPY, CAD and AUD.	0%
Short-term instruments (up to 1 year) issued by one of the following countries (Australia, Austria, Belgium, Denmark, Germany, France, Japan, Norway, Sweden, UK, USA) and the issuing country has a minimum rating of A.	1%
Instruments which fulfil the same criteria as above and have a medium-term maturity (1 – 5 years).	3%
Instruments which fulfil the same criteria as above and have a long-term maturity (5 – 10 years).	4%
Instruments which fulfil the same criteria as above and have a very long-term maturity (more than 10 years).	5%
US TIPS (Treasury inflation protected securities) with a maturity of up to 10 years	7%
US Treasury strips or zero coupon bonds (all maturities)	8%
US TIPS (Treasury inflation protected securities) with a maturity of more than 10 years	10%

The haircuts to be used on collateral from securities lending are, as applicable, described in Section 5 entitled "Special techniques and instruments that have securities and money market instruments as underlying assets". Securities deposited as collateral may not have been issued by the corresponding OTC counterparty nor have a high correlation with this OTC counterparty. For this reason, shares from the finance sector are not accepted as collateral. Securities deposited as collateral are held by the Custodian Bank/Custodian in favour of the Company and may not be sold, invested or pledged by the Company.
The Company shall ensure that the collateral transferred to it is adequately diversified, particularly regarding geographic dispersal, diversification across different markets and diversification of the 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 net assets of the respective Subfund.
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 different transferable securities and money market instruments issued or guaranteed by an EU member state, one or more of its local authorities, a third country, or a public international body to which one or more member states of the European Union 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 Subfund.
The Board of Directors of the Company has decided to make use of the exemption clause described above and accept collateralisation worth up to 50% of the net assets of the respective Subfund in government bonds that are issued or guaranteed by the following countries: USA, 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 transactions within the meaning of Section 5 "Special techniques and instruments that have securities and money market instruments as underlying assets", provided that the counterparty to this transaction 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 diversification of the concentration risk. Bankruptcy and insolvency events or other credit events involving the Custodian Bank or within its subcustodian/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 Custodian Bank or its subcustodian/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 Subfund or share class are expressed in the reference currency of the Subfund or share class concerned and are calculated every business day by dividing the overall net assets of the Subfund attributable to each share class by the number of shares in this share class of the Subfund.
The percentage of the net asset value attributable to each share class of a Subfund changes each time shares are issued or redeemed. It is determined by the ratio of the shares in circulation in each share class to the total number of Subfund shares in circulation, taking into account the fees charged to that share class.
If the total subscriptions or redemptions of all the share classes of a Subfund on a single trading day come to a net capital inflow or outflow, the respective Subfund's net asset value per share may be increased or reduced accordingly (so-called single swing pricing). The maximum adjustment amounts to 2% of the net asset value. Estimated transaction costs and tax charges that may be incurred by the Subfund as well as the estimated bid/offer spread of the assets in which the Subfund invests may be taken into account. The adjustment leads to an increase in the net asset value per share if the net movements result in a net inflow of capital in the Subfund concerned. However, this adjustment leads to a fall in the net asset value per share if the net movements result in a net outflow of capital. The Board of Directors of the Company can set a threshold value for each Subfund. This may consist in the net movement on a trading day in relation to the net fund assets or to an absolute amount in the currency of the Subfund concerned. The net asset value per share would be adjusted only if this threshold were to be exceeded on a trading day.

The value of the assets held by each Subfund is calculated as follows:

a) Liquid funds - whether in the form of cash, bank deposits, bills of exchange and sight securities and receivables, prepaid expenses, cash dividends and declared or accrued interest that has not yet been received - are valued at their full value unless it is unlikely that this value will be fully paid or received, in which case their value is determined by taking into consideration a deduction that seems appropriate in order to portray their true value.

b) Securities, derivatives and other investments listed on a stock exchange are valued at the last-known market prices. If these securities, derivatives or other assets are listed on several stock exchanges, the latest available price on the stock exchange that represents the major market for these investments will apply.
In the case of securities, derivatives and other assets not commonly traded on a stock exchange and for which a secondary market among securities traders exists with pricing in line with the market, the 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 which are traded on another regulated market which operates regularly and is recognised and open to the public are valued at the last available price on this market.
c) Securities and other investments that are not listed on a stock exchange or traded on another regulated market, and for which no appropriate price can be obtained, are valued by the Company according to other principles chosen by it in good faith on the basis of the likely sales prices.
d) Derivatives not listed on a stock exchange (OTC derivatives) are valued on the basis of independent pricing sources. In case only one independent pricing source of a derivative is available, the plausibility of the valuation obtained will be verified by means of calculation methods recognised by the Company and the Company's auditors, based on the market value of the underlying instrument from which the derivative originates.
e) Units of other undertakings for collective investment in transferable securities (UCITS) and/or undertakings for collective investment (UCI) are valued at their last-known net asset value. Certain units or shares of other UCITS and/or UCI can be valued on the basis of an estimation of their value that has been provided by reliable service providers, which are independent from the portfolio manager or the investment advisor (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. The valuation based on the curves refers to the interest rate and credit spread components. The following principles are applied in this process: for each money market instrument, the interest rates nearest the residual maturity are interpolated. The interest rate calculated in this way is converted into a market price by adding a credit spread that reflects the underlying borrower. This credit spread is adjusted if there is a significant change in the credit rating of the borrower.
Interest income earned by Subfunds between the order date concerned and the value date concerned is included in the valuation of the assets of the Subfund concerned. The asset value per share on a given valuation date therefore includes projected interest earnings.
g) Securities, money market instruments, derivatives and other assets denominated in a currency other than the reference currency of the relevant Subfund and not hedged by foreign-exchange transactions, are valued at the middle-market rate of exchange (midway between the bid and offer rate) known in Luxembourg or, if not available, on the most representative market for this currency.
h) Fixed-term deposits and fiduciary investments 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. The calculation is based on the net present value of all cash flows, both inflows and outflows. In some specific cases, internal calculations (based on models and market data made available by Bloomberg), and/or broker statement valuations may be used. The valuation methods depend on the respective security and are determined pursuant to the UBS Global Valuation Policy.

The Company is authorised to apply other generally recognised and verifiable valuation criteria in good faith in order to achieve an appropriate valuation of the net assets if a valuation in accordance with the aforementioned regulations proves to be unfeasible or inaccurate.

As some of the Company's Subfunds may be invested in markets which are closed at the times when the assets are valuated, the Board of Directors of the Company may – by way of derogation from the aforementioned provisions – allow the net asset value per share to be adjusted in order to more accurately reflect the fair value of the Subfunds' assets at the time of valuation. In practice, the securities in which the Subfunds are invested are generally valuated on the basis of the most recently available prices at the valuation time at which the net asset value per share as described above is calculated. There may, however, be a substantial time difference between the close of the markets in which a Fund invests and the valuation time.

As a consequence, developments which may influence the value of these securities and which occur between the closure of the markets and the valuation time are not normally taken into account in the net asset value per share of the Subfund 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 Subfund's portfolio do not reflect their fair value, it may order the net asset value per unit 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 unit classes in the same Subfund.

The Board of Directors of the Company reserves the right to apply this measure to the relevant Subfunds of the Company whenever it deems this appropriate.

Evaluating assets at fair value calls for greater reliability of judgement than when evaluating assets at times when 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 Fund 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 Fund determines the net asset value per unit. As a consequence, if the Fund sells or redeems shares at the net asset value at a time when one or more participations are valuated at fair value, this may lead to a dilution or increase in the economic participation of the existing unitholders.

Furthermore, in exceptional circumstances, additional valuations can be carried out over the course of the day. These new valuations will then be authoritative for subsequent issues, redemptions and conversions of shares. New valuations only take place before publishing the only net asset value for that day. Issues, redemptions and conversions are only processed based on the only net asset value.

Investing in UBS (Lux) Equity SICAV

Conditions for the issue and redemption of shares

Subfund shares are issued and redeemed on every business day. In this context, "business day" refers to normal bank business days in Luxembourg (i.e. each day on which the banks are open during normal business hours) except individual, non-statutory rest days and days on which stock exchanges in the main countries in which the respective Subfund invests are closed, or on which 50% or more of the investments of the Subfund cannot be adequately valued.
"Non-statutory rest days" are days on which banks and financial institutions are closed.
No issues or redemptions will be effected on days on which the Company has decided not to calculate net asset values, as described in "Suspension of the net asset value calculation and of the issue, redemption and conversion of shares". In addition, the Company is empowered to reject subscription applications at its discretion.
The Company does not permit any transactions which it considers could jeopardise the interests of shareholders, such as "market timing" or "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 further entitled to take any actions it deems necessary in order to protect the shareholders from such practices.
Subscription and redemption applications ("orders") registered with the Administrative Agent no later than 15:00 CET (cut-off time) on a business day (order date) will be processed on the following business day (valuation date) on the basis of the net asset value calculated for that day. By way of exception, orders for the following Subfunds may also be processed on the order date on the basis of the net asset value calculated for that day. For these Subfunds, the following cut-off times shall apply:

Subfund	Cut-off time (CET)
UBS (Lux) Equity SICAV – Asia High Dividend (USD)	13:00 CET
UBS (Lux) Equity SICAV – Asian Smaller Companies (USD)	

All orders sent by fax must be received by the Administrative Agent one hour prior to the stated cut-off time of the respective Subfund on a business day, at the latest. However, cut-off times earlier than those specified above may be applied by the central settling agent of UBS AG in Switzerland, the sales agents or other intermediaries vis-à-vis their clients in order to ensure the correct submission of orders to the Administrative Agent.
Information on these may be obtained at the central settling agent of UBS AG in Switzerland, the sales agents concerned or 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 the conversion of shares of a Subfund into shares of another Subfund of the Company, performed on the basis of the net asset values of the Subfunds concerned.
This means that the net asset value for settlement purposes is not known when the order is placed (forward pricing). It will be calculated on the valuation date on the basis of the latest market prices (i.e. closing prices or, if they do not reflect a reasonable market value in the opinion of the Management Company, at the most recent prices available at the time of valuation). The individual valuation principles applied are described in the section above.

Issue of shares

The issue price of shares in the Subfunds is calculated according to the provisions in the section "Net asset value, issue, redemption and conversion price".
After the initial issue, the issue price is based on the net asset value per share plus a maximum issuing commission of 3% of the net asset value in favour of the sales agents, unless otherwise provided for in the section "Share classes". Any taxes, commissions and other fees incurred in the respective distribution countries will also be charged.

Subscriptions for shares in the Company are accepted at the issue price of the Subfunds by the Company, the Administrative Agent and the Custodian Bank as well as at the sales and paying agents, which forward them to the Company.
Subject to applicable laws and regulations, the Custodian Bank 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 Subfund and the subscription currency of 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 subject can be requested from local sales agents.
The issue price of Subfund shares is paid no later than on the third business day following the order date (**value date**) into the Custodian Bank account in favour of the Subfund.
A local Paying Agent will submit transactions on behalf of the final investor on a nominee basis. Costs incurred for such services may be charged to the investor.
At the shareholders' request, the Company may accept full or partial subscriptions in kind at its own discretion. In this case, the capital subscribed in kind must correspond with the investment policy and restrictions of the relevant subfund. These investments will also be audited by the auditor assigned by the Company. The associated costs will be charged to the 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. The shareholders should bear in mind that the registered shares may also be cleared via recognised external clearing houses like Clearstream and Euroclear.
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 Subfund.
Furthermore, fractions of shares can be issued for all Subfunds/share classes. Fractions of shares will be expressed with up to a maximum of three decimal places and do not confer the right to vote at general meetings, but will grant entitlement to a distribution or a proportionate distribution of the liquidation proceeds should the Subfund/share class concerned be liquidated.

Redemption of shares

Redemption orders are accepted by the Management Company, the Administrative Agent, the Custodian Bank or another authorised sales or paying agent.
The countervalue for redeemed Subfund shares is paid at the latest on the third business day after the order date (**value date**) unless legal provisions, such as foreign exchange controls or restrictions on capital movements, or other circumstances beyond the control of the Custodian Bank, make it impossible to transfer the redemption amount to the country in which the redemption application was submitted.
If the value of a share class in relation to the total net asset value of a Subfund has fallen below or not reached 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 of this class are to be redeemed, upon payment of the redemption price, on a business day determined by the Board. Investors of the class/Subfund concerned shall not have to bear any additional costs or other financial burdens as a result of this redemption. Where applicable, the single swing pricing principle described in the section "Net asset value, issue, redemption and conversion price" shall apply.
For Subfunds with several share classes denominated in different currencies, shareholders may, in principle, only receive the equivalent value of their redemption in the currency of the respective share class or currency of account of the respective Subfund.
Subject to applicable laws and regulations, the Custodian Bank 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 Subfund and the currency of the share class redeemed. The exchange rate used will be determined by the respective agent on the basis of the bid-ask spread of the relevant currency pair. Investors shall bear all fees associated with currency exchange. These fees, as well as any taxes, commissions and other fees incurred in the respective distribution countries 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 other currency than RMB (CNH).
Any taxes, commissions and other fees incurred in the respective distribution countries will also be charged.
However, no redemption commission may be levied.
The development of the net asset value determines whether the redemption price is higher or lower than the issue price paid by the shareholder.
In the event of an excessively large volume of redemption orders, the Company may decide to delay execution of redemption orders until the corresponding assets of the Company have been sold without unnecessary delay. Should such a measure be necessary, all redemption orders received on the same day will be calculated at the same price.

A local Paying Agent will submit transactions on behalf of the final investor on a nominee basis. Costs incurred for such services may be charged to the investor.
At the shareholders' request, the Company may offer investors full or partial redemptions in kind at its own discretion. In this case, it must be ensured that even after the capital is redeemed in kind, the remaining portfolio corresponds with the investment policy and restrictions of the relevant Subfund, as well as that the remaining investors in the Subfund are not disadvantaged by the redemption in kind. These payments will also be audited by the auditor assigned by the Company. The associated costs will be charged to the investor.

Conversion of shares
With the exception of share classes denominated in RMB, shareholders may convert from one Subfund into another or from one share class into another share class within the same Subfund at any time. The same procedures apply to the submission of conversion orders as to the issue and redemption of shares.
Conversion of share classes denominated in RMB is only possible between the Subfunds or share classes of which the currency of account or subscription currency is the RMB.

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

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

where:

- α = number of shares of the new Subfund or new share class into which conversion is required
- β = number of shares of the Subfund or share class from which conversion is required
- χ = net asset value of the shares presented for conversion
- δ = foreign-exchange rate between the Subfunds or share classes concerned. If both Subfunds or share classes are valued in the same currency of account, this coefficient equals 1
- ε = net asset value of the shares in the Subfund or share class into which the conversion is to be performed plus any taxes, commissions or other fees

For the conversion, a maximum commission equalling the amount of the maximum issuing commission of the respective Subfund or share class may be charged in favour of the sales agents. In this event, no redemption commission is levied, in accordance with the provisions of the section entitled "Redemption of shares". Subject to applicable laws and regulations, the Custodian Bank 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 Subfund 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 Subfund conversion are charged to the shareholders.

Prevention of money laundering and terrorist financing
The Company's sales agents must observe 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 the applicable circulars of the CSSF.

Accordingly, investors must provide proof of their identity to the sales agent or distributor that accepts their subscription. The sales agent or distributor must request, at a minimum, the following identification documents from subscribers: for individuals – a certified copy of the passport/identity card (certified by the sales agent or distributor or by the local administrative authority); for companies or other legal entities – a certified copy of the articles of incorporation, a certified copy of the extract from the Trade and Companies Register, a copy of the most recently published annual accounts and the full name of the beneficial owner. The sales agent or distributor must request, depending on the case, additional identification documents from investors requesting subscriptions or redemptions.

The sales agent must ensure that the distributors adhere strictly to the aforementioned identification procedures. The Administrative Agent and the Company may, at any time, demand assurance from the sales agent 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 sales agent and its distributors must obey all regulations to prevent money laundering and terrorist financing which are in force in the respective countries.

Suspension of the net asset value calculation and of the issue, redemption and conversion of shares
The Company may temporarily suspend the calculation of the net asset value and hence the issue and redemption of shares for one or more Subfunds, as well as the conversion between individual Subfunds on one or more business days if:

– one or more stock exchanges or other markets which provide the basis for valuing a substantial portion of the net assets, or foreign exchange markets in whose currency the net asset value or a major part of the net assets is denominated, are closed other than for normal holidays or if dealings therein are suspended, or if these stock exchanges or markets are subject to restrictions or to major price fluctuations in the short term;
– events beyond the control, liability or influence of the Company and/or Management Company make it impossible to access the net assets under normal conditions or such access would be detrimental to the interests of the shareholders;
– disruptions in the communications network or any other reason make it impossible to calculate the value of a considerable part of the net assets;
– it is not possible for the Company to repatriate the funds to pay redemption orders in the Subfund in question, or if the transfer of funds from the sale or for the acquisition of investments or for payments resulting from redemptions of shares cannot be carried out, in the view of the Board of Directors of the Company, at normal exchange rates;
– political, economic, military or other circumstances outside the control of the Company make the disposal of the Company's assets impossible under normal conditions without seriously harming the interests of the shareholders;
– for any other reason the prices of investments of a Subfund cannot be promptly or accurately determined;
– the convocation of an extraordinary general shareholders' meeting for the winding up of the Company was published;
– such a suspension is justified for the protection of the shareholders, after the convocation of an extraordinary general shareholders' meeting for the merger of the Company or of a Subfund or a notice to the shareholders on a decision by the Board of Directors of the Company to merge one or more Subfunds was published; and
– the Company can no longer transact its business due to restrictions on foreign exchange and capital movements.

A suspension of the calculation of the net asset value, a suspension of the issue or redemption of shares and a suspension of conversion between Subfunds will be notified without delay to all the responsible authorities in the countries in which shares of the Company are approved for sale to the public in addition to being published in a Luxembourg daily newspaper and, if necessary, in the official publications of the individual distribution countries.

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 redemption of shares; or
b) transfer their shares to a person who meets the aforementioned requirements for acquisition in the share class; or
c) convert their shares into shares in another share class of the relevant Subfund whose acquisition requirements they are able to fulfil.

In addition, the Company is empowered:

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

Distribution
The general meeting of shareholders of the respective Subfund decides, at the proposal of the Board of Directors of the Company and after closing the annual accounts, whether and to what extent distributions are to be paid out by the respective Subfunds or share classes. Distributions may be composed of income (e.g. dividend income and interest income), capital and capital gains and they may include or exclude fees and expenses. Investors in certain countries may be subject to higher tax rates on distributed capital than on any capital gains from the sale of fund units. Some investors may therefore prefer to subscribe to accumulating (-acc) rather than distributing (-dist, -mdist) share classes. Investors may be taxed at a later point in time on income and capital arising on accumulating (-acc) share classes compared to distributing (-dist) share classes. Investors should seek their own tax advice. Any distribution results in an immediate reduction of the net asset value per share of the Subfund. 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 relevant Subfund or its share class. If said Subfund or share class has already been liquidated, the distributions and allocations will accrue to the remaining Subfunds of the Company or the remaining share classes of the Subfund 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 Subfund, 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 *taxe d'abonnement* amounting to 0.01% p.a. for share classes F, I-A1, I-A2, I-A3, I-B, I-X and U-X). This tax is calculated on the total net assets of each Subfund at the end of every quarter.
Shareholders should be aware that the Luxembourg Law of 21 June 2005 has transposed into Luxembourg law Council Directive 2003/48/EC of 3 June 2003 on the taxation of savings income in the form of interest payments. Since 1 July 2005, this Law has provided for the imposition of a withholding tax on cross-border interest payments to individuals domiciled in the EU or for an automatic information exchange. This applies, inter alia, to distributions and dividends payable by investment funds which invest more than 15%, and earnings from the assignment or repayment of shares in investment funds which invest more than 25% in debt instruments and claims as defined by the EU taxation of interest income. Where necessary, the sales agent or distributor may, upon subscription, ask investors to give their tax identification number ("**TIN**") provided by the state in which they are domiciled for tax purposes.
The taxable values shown are based on the most recently available data at the time they were calculated.
Provided the Subfund in question is not subject to EU taxation of interest or the shareholders are not affected thereby, shareholders are not required, under current tax law, to pay any income, gift, inheritance or other tax in Luxembourg unless they are domiciled in Luxembourg, have a residence in Luxembourg or maintain a permanent establishment there, or were previously domiciled in Luxembourg and hold more than 10% of the shares in the Company.
On 13 November 2008, the European Commission accepted a proposal for the amendment of the Savings Taxation Directive. If the amendment proposal is implemented, among other things, (i) the scope of the EU Savings Taxation Directive would be expanded to include payments distributed by certain intermediary structures (regardless of whether their registered office is in an EU Member State or not) and whose final beneficiary is a private person resident in the EU and (ii) the definition of interest that falls within the scope of the EU Savings Taxation Directive would be further extended. At the time of writing of this sales prospectus, it is not yet known if or on what date the proposed amendment will enter into force.
The aforementioned represents a summary of the fiscal effects 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.

Foreign Account Tax Compliance Act ("FATCA")

For the purposes of FATCA, the Company is classed as a "deemed compliant financial institution", in accordance with the terms of the Intergovernmental Agreement ("IGA") between Luxembourg and the United States of America (USA). The main aim of FATCA is to oblige financial institutions to report and disclose information on accounts held by "specified U.S. persons" as defined in the IGA. In order to fulfil this obligation, shareholders may be asked to provide additional personal information. As of 1 July 2014, the Company shall provide information regarding financial accounts held by specified U.S. persons to the Luxembourg tax authorities, who shall pass said information on to the US tax authorities (IRS). Shareholders who refuse to provide the information requested shall also be reported.
Potential investors should consult their personal tax adviser with respect to US tax reporting at federal, state, local and non-US level, as well as regarding certification requirements in connection with investing in the Company.
Furthermore, potential investors should be aware that additional information exchange systems will be introduced in future and these may apply to stakes in the Company.

"Specified U.S. person" as defined by FATCA

The term "specified U.S. person" refers to a US citizen, a resident of the USA, or a corporation or trust company in the form of a partnership or limited company domiciled in the USA or incorporated under US federal or state law, if (i) a US court were allowed, pursuant to applicable law, to issue orders or judgements in connection with any aspect of the management of the trust company, or (ii) one or more specified U.S. persons are authorised to take all essential decisions regarding the trust company or the estate of a testator who was a US citizen or resident of the USA. The section must be in line with the US Internal Revenue Code.

Investments in Chinese A-shares via Stock Connect

On 14 November 2014, the Chinese authorities published Caishui circular [2014] No. 81, stating that with effect from 17 November 2014, capital gains made by foreign investors from trading in Chinese A-shares via the Stock Connect exchange connection would be temporarily exempt from the corporation tax applicable in the PRC as well as personal income and trade taxes. Foreign investors are obliged to pay the 10% dividends withholding tax 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 jurisdiction that has a tax treaty with the PRC can apply for a refund of excess withholding tax paid, provided that the tax treaty in question provides for a lower withholding tax on dividends in the PRC.

The Company is subject to the stamp duty of 0.1% applicable in the PRC when disposing of Chinese A-shares via Stock Connect.

Investors in the United Kingdom

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

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

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

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

The application may be made for one or more Subfunds within the umbrella or for one or more specified share classes issued by a Subfund. For UK tax purposes, an investment in a share class which has distributor or reporting fund status will be treated as an investment in a qualifying offshore fund.

After the transitional period, only an investment in a Subfund, or a share class of a specific Subfund which has reporting fund status will be treated as an investment in a qualifying offshore fund.

The Company may, at its discretion, apply for qualifying offshore fund status for specified Subfunds, or share classes issued by the Subfunds.

Where such an application has been made, the Board of Directors of the Company intends to manage the Company so that an investment in the specified share classes will be treated as an investment in a qualifying offshore fund for each accounting period, and to satisfy HM Revenue & Customs that the relevant requirements have been or will be met. However, the members of the Board of Directors of the Company cannot guarantee that these requirements will be met or that HM Revenue & Customs will confirm that they have been met.

For share classes with "UKdist" in their name and which have "reporting fund" status, the Company intends to distribute, on an annual basis, a sum which corresponds to 100% of the reportable income within the meaning of the UK reporting fund rules. The Company does not intend to make available taxable values in other countries in respect of the "UKdist" share classes.

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 they may be subject to income tax in relation to income and profits arising within a Subfund(s) which is not received or 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 1992, which govern the distribution of chargeable gains of companies which are not resident in the United Kingdom and which would be "close companies" if they were resident in the UK. These gains are distributed to investors who are domiciled or have their ordinary place of abode or residence in the UK. Profits distributed in this manner are taxable for all investors who hold 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 Subfund(s) 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 examining the effects of Section 13 of the Taxation of Chargeable Gains Act 1992, it is important to ensure that the regulations of the double taxation agreement between the United Kingdom and Luxembourg are taken into account.

Expenses paid by the Company

The Company pays a maximum monthly flat fee for share classes "P", "N", "K-1", "F", "Q", "I-A1", "I-A2" and "I-A3", calculated on the average net asset value of the Subfunds. This shall be used as follows:

1. For the management, administration, portfolio management and distribution of the Company (if applicable), as well as for all the tasks of the Custodian Bank, such as the safekeeping and supervision of the Company's assets, the handling of payment transactions and all other tasks listed in the section "Custodian Bank and main paying agent", a maximum flat fee based on the net asset value of the Company is paid from the Company's assets, in accordance with the following provisions: This fee is charged to the Company's assets on a pro rata basis upon every calculation of the net asset value and is paid on a monthly basis (maximum flat fee). 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 seen in "The Subfunds and their special investment policies". The actual maximum rate applied to the flat fee can be found in the annual and semi-annual reports.

2. The maximum flat fee does not include the following fees and additional expenses which are also charged to the Company:

a) all additional expenses related to management of the Company's assets for the sale and purchase of assets (bid/offer spread, brokerage fees in line with the market, commissions, fees, etc.). These expenses are generally calculated upon the purchase or sale of the respective assets. In derogation hereto, these additional expenses, which arise through the sale and purchase of assets in connection with the settlement of the issue and redemption of units, are covered by the application of the single swing pricing principle pursuant to the section entitled "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 fees of the supervisory authorities and any stock exchanges on which the Subfunds 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 auditor for the services it provides in relation to the administration of the Fund and as permissible by law;
d) fees for legal and tax advisers, as well as notaries, in connection with the establishment, registration in distribution countries, 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, KIID, annual and semi-annual reports, as well as all other documents legally required in the countries of domiciliation and distribution);
g) costs for the Company's registration with any foreign supervisory authorities, if applicable, including fees, translation costs and fees for the foreign representative or paying agent;
h) expenses incurred through use of voting or creditors' rights by the Company, including fees for external advisers;
i) costs and fees related to any intellectual property registered in the Company's name or usufructuary rights of the Company;
j) all expenses arising in connection with any extraordinary measures taken by the Management Company, Portfolio Manager or Custodian Bank for protecting the interests of the investors;
k) if the Management Company participates in class-action suits in the interests of investors, it may charge the Company's assets for the expenses arising in connection with third parties (e.g. legal and Custodian Bank costs). Furthermore, the Management Company may charge for all administrative costs, provided these are verifiable and disclosed, and taken into account in the disclosure of the Company's total expense ratio (TER).

3. The Management Company may pay retrocessions in order to cover the distribution activities of the Company.

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, administration and Custodian Bank). 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 or one of its authorised representatives.
For share classes with "PF" in their name, the Portfolio Manager shall be paid a performance fee of 20% of the gains of the outperformance of the daily net asset value per share of the respective Subfund (after deduction of all fees, excluding the performance fee) over the hurdle rate. The Hurdle Rate will be based on an appropriate measure of the short-term cash returns of the respective currencies. The performance of the net asset value per share is measured in relation to the High Water Mark. The yield of the Hurdle Rate is reset to zero at each performance fee payment. In the case of underperformance lasting for multiple calculation periods, the Hurdle Amount is not reset to zero (it continues to increase). The High Water Mark at a given valuation day is equal to the greater of (1) the initial subscription price and (2) the last end-of-period NAV per share at which a performance fee has been paid (high water mark principle). The calculated performance fee is adjusted for subscriptions and redemptions during each time period. In case of redemption, the accrued performance fee attributable to the redeemed shares will be crystallised and paid to the Portfolio Manager.
The performance fee is calculated and paid on a yearly basis, calculated for the last valuation date of December.
Costs in connection with the services to be performed for share classes "I-X", "K-X" and "U-X" pertaining to asset management, fund administration (comprising the costs of the Company, the administration and the Custodian Bank) and distribution will be settled via the compensation to which UBS AG is entitled under a separate contract with the shareholder.
All costs which can be allocated to individual Subfunds will be charged to these Subfunds.
Costs which can be allocated to share classes will be charged to these share classes. If costs pertain to several or all Subfunds/share classes, however, these costs will be charged to the Subfunds/share classes concerned in proportion to their relative net asset values.
In the Subfunds that may invest in other UCI or UCITS under the terms of their investment policies, fees may be incurred both at the level of the Subfund as well as at the level of the relevant target fund. The upper limit for

management fees of the target fund in which the assets of the Subfund are invested amounts to a maximum of 3%, taking into account any trail fees.
In the case of investments in units of funds managed directly or indirectly by the Management Company or another company related to it by common management or control, or by a substantial direct or indirect holding, the Subfunds making the investment may not be charged any of the target fund's issue or redemption commissions.
Details on the ongoing charges of the Company can be found in the KII.

Information to shareholders

Regular reports and publications

An annual report is published for each Subfund and the Company as at 31 May and a semi-annual report as at 30 November. The above-mentioned reports contain a breakdown of each Subfund, 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 focused on by the respective Subfund through the use of derivative financial instruments, the counterparties to these derivative transactions, as well as the collateral (and its scope) provided in favour of the Subfund by its counterparties, in order to reduce credit risk.

These reports are available to shareholders at the registered office of the Company and the Custodian Bank.

The issue and redemption price of shares in each Subfund is made available in Luxembourg at the registered office of the Company and the Custodian Bank.

Notices to shareholders will be sent by post to the shareholder's address stated in the register of shareholders and/or published in a Luxembourg daily newspaper and, if necessary, in foreign daily newspapers.

Depositing of documents

The following documents are lodged at the registered office of the Company and/or Management Company, where they are available for inspection:

1) the Articles of Incorporation of the Company and the Articles of Association of the Management Company;
2) the agreements concluded between the Custodian Bank and the Company. The above-mentioned 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 handling complaints, the strategy for exercising voting rights and best execution on the following website:
http://www.ubs.com/lu/en/asset_management.html

Liquidation of the Company and its Subfunds; merger of Subfunds

Liquidation of the Company and its Subfunds

The Company may be liquidated at any time by the general meeting of shareholders in due observance of the legal provisions governing the quorum and necessary majority.

If the total net assets of the Company fall below two-thirds or one-quarter of the prescribed minimum capital, the Board of Directors of the Company must ask for a vote by the general meeting of shareholders on whether to liquidate the Company. If the Company is dissolved, the liquidation will be carried out by one or more liquidators to be designated by the general meeting of shareholders, which will also determine their sphere of responsibility and remuneration. The liquidators will realise the Company's assets in the best interests of the shareholders and distribute the net proceeds from the liquidation of the Subfunds to the shareholders of said Subfunds 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.

Term Subfunds are automatically wound up and liquidated upon expiry of their respective terms.

If the total net asset value of a Subfund or of a share class within a Subfund has fallen below a value or has not reached that value, which is required for the economically efficient management of that Subfund or that share class, 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

realisation prices and realisation cost of the investment) as at the valuation day or date on which the decision takes effect.
The provisions of the section "General meeting of the Company or of the shareholders of the Subfund concerned" shall be applied accordingly. The Board of Directors of the Company may also dissolve and liquidate a Subfund or share class in accordance with the provisions described in the above paragraph.

The shareholders of the Subfund concerned will be informed of the decision of the general meeting of shareholders or of the Board of Directors of the Company to redeem shares, as described above in the section "Information to shareholders".

Merger of the Company or of Subfunds with another undertaking for collective investment ("UCI") or with its subfunds; merger of Subfunds

"**Mergers**" are transactions in which
a) one or more UCITS or Subfunds of such UCITS, the "**absorbed UCITS**", upon being wound up without liquidation, transfer all assets and liabilities to another existing UCITS or a Subfund 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 Subfunds 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 Subfund 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 Subfunds of such UCITS, the "**absorbed UCITS**", that still exist until liabilities have been paid off, transfer all net assets to another Subfund of the same UCITS, to another UCITS formed by them or to another existing UCITS or a Subfund 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 based on the Law of 2010.

Under the conditions described in the section "Liquidation of the Company and its Subfunds", the Board of Directors of the Company may decide to allocate the assets of a Subfund or of a share class to another existing Subfund 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 the redesignation of the shares of the Subfund or share class in question as shares of another Subfund 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 Subfunds, as described above, may also be taken by the general meeting of the shareholders of the Subfund in question.

The shareholders will be informed of the decision to merge in the same way as previously described for the redemption of shares. During the 30 days following the publication of such a decision, shareholders will have the right to redeem all or a part of their shares at the prevailing net asset value, free of redemption commission or other administration charges, in accordance with the established procedure outlined in "Redemption of shares". Shares not presented for redemption will be exchanged on the basis of the net asset value of the Subfund concerned, calculated for the day for which the exchange ratio is calculated. In the event of the allocation of units in a collective investment fund (*fonds commun de placement*), 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 Subfund concerned
For both the liquidation and merger of Subfunds, no minimum quorum is required at the general meeting of the Company or of the shareholders of the Subfund in question, 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 authoritative language

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

The German version of this sales prospectus is the authoritative version. However, in matters concerning shares sold to investors in the countries in which Company shares may be bought and sold, the Company may recognise translations which it has approved into the languages concerned as binding.

Investment principles

The following conditions also apply to the investments made by each Subfund:

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 which 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 which are traded in a Member State on another market which operates regularly and is recognised and open to the public. The term "**Member State**" designates a Member State of the European Union; states that are parties to the agreement on the European Economic Area but are not Member States of the European Union are considered the same as 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 that the terms of issue contain a clause that an application is made for an official listing on one of the securities exchanges or a licence to trade on one of the regulated markets mentioned under 1.1(a) to 1.1(c), and that this listing/licence is granted within one year of the issue of the securities;

e) units of UCITS admitted pursuant to Directive 2009/65/EC and/or other UCI within the meaning of Article 1(2)(a) and (b) of Directive 2009/65/EC with their registered office in a Member State as defined in the Law of 2010 or a non-Member State, provided that:
   - such other UCI have been approved in accordance with statutory rules subjecting them to 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 UCI is equivalent to that afforded to shareholders in the Company and, in particular, rules apply to the separate holding of fund assets, borrowing, lending and the short-selling of securities and money market instruments that are equivalent to the requirements set forth in Directive 2009/65/EC;
   - the business operations of the other UCI are the subject of annual and semi-annual reports that permit an assessment to be made of the assets and liabilities, income and transactions arising during the reporting period; and
   - -the UCITS or such other UCI, the units of which are to be acquired, may invest, pursuant to its Management Regulations or its founding documents, a maximum of 10% of its assets in units of other UCITS or UCI.

   The Subfund invests a maximum of 10% of its assets in other UCITS or UCI, unless stipulated to the contrary in the investment policy of the relevant Subfund.

f) sight deposits or deposits at notice at credit institutions with a term of up to 12 months, provided the institution concerned has its registered office in an EU Member State, or — if the institution's registered office is located in a non-EU state — it is subject to supervisory regulations which the CSSF authority 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 which 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 Subfund, and is suited towards achieving these;
   - the underlying securities are instruments in accordance with the definition given in points 1.1(a) and 1.1(b) or financial or macroeconomic indices, interest rates, currencies or other underlying instruments in which the Company's investment policy allows it to invest directly or via other existing UCI or UCITS;
   - the Subfunds 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 official 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 relating to inter alia the credit worthiness, reputation and experience of the counterparty in question 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 in a reliable and verifiable manner on a daily basis 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 market value; and

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

h) money market instruments as defined under "Investment policy", which are not traded on a regulated market, provided that the issuance or issuer of these instruments is governed by rules providing protection for investors and investments and on condition that such 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, by a non-Member State, or, in the case of a federal state, a Member State of the federation or by a public international body of which at least one Member State is a member;
   – issued by an undertaking whose securities are traded on the regulated markets mentioned in points 1.1(a), (b) and (c);
   – issued or guaranteed by an institution that is subject to official supervision in accordance with the criteria laid down by Community law or by an institution that is subject to and complies with supervision that, in the opinion of the CSSF, is at least as stringent as that provided for by Community law, or are issued by other issuers belonging to a category approved by the CSSF, provided that investor protection rules apply to investments in such instruments, which are equivalent to those of the first, second or third listed point above and provided the issuers constitute either a company with equity capital amounting to at least 10 million euros (EUR 10,000,000), which prepares and publishes its annual accounts according to the provisions of 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 underlying securities for obligations by the use of a credit line made available by a bank.

1.2 Contrary to the investment restrictions set out in 1.1, each Subfund may invest up to 10% of its net assets in securities and money market instruments other than those named in 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 Subfund may make investments in derivatives within the limits laid down 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 Subfund may hold liquid funds on an ancillary basis.

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 Subfund in securities or money market instruments from a single institution. The Company may not invest more than 20% of the net assets of a Subfund in deposits with a single institution. In transactions by a Subfund in OTC derivatives, the risk of loss must not exceed 10% of the assets of the Subfund concerned if the counterparty is a credit institution as defined in 1.1(f). The maximum allowable risk of loss 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 accounting for more than 5% of the net assets of a Subfund may not exceed 40% of the net assets of the respective Subfund. Such limitation shall not apply to deposits and transactions in OTC derivatives with financial institutions which are subject to supervision.

2.2 Regardless of the maximum limits set out in 2.1, each Subfund may not invest more than 20% of its net assets in a single institution in a combination of:
   - securities and money market instruments issued by such institution,
   - deposits with such institution and/or
   - OTC derivatives traded with such institution.

2.3 Contrary to the above, the following applies:
   a) The limit of 10% mentioned in 2.1 may be raised to 25% for certain debt instruments issued by credit institutions domiciled in an EU Member State and subject, in that particular country, to special legislative supervision by public authorities that would ensure the protection of investors. In particular, funds originating from the issue of such bonds must, in accordance with the law, be invested in assets which provide sufficient cover for the obligations arising from them during the entire term of the bonds and, in the event of insolvency of the borrower, provide a preferential right in respect of the payment of capital and interest. If a Subfund 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 Subfund.
   b) This limit of 10% can be raised to 35% for securities or money market instruments issued or guaranteed by an EU Member State or its central, regional and local authorities, by another approved state, or by international organisations with public-law character of which one or more EU States are members.
   Securities and money market instruments that come under the special ruling given in 2.3(a) and (b) are not counted when calculating the above-mentioned 40% risk-diversification ceiling.
   c) The limits set out in 2.1, 2.2, 2.3(a) and (b) may not be accumulated; therefore, the investments listed in these paragraphs made in securities or money market instruments of a single issuer or in deposits with that institution or in its derivatives may not exceed 35% of the net assets of a given Subfund.
   d) Companies which belong to the same group of companies in that they prepare their consolidated accounts under the rules of Council Directive 83/349/EEC (1) or according to recognised international

accounting principles, must be treated as a single issuer for the calculation of the investment limits set out in this section.
However, investments by a Subfund in securities and money market instruments of a single group of companies may together make up to 20% of the assets of the Subfund concerned.

e) **In the interests of risk diversification, the Company is authorised to invest up to 100% of a Subfund'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, Russia, Brazil, Indonesia or Singapore, or by international organisations under public law to which one or more EU Member States belong. These securities or 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 net assets of a Subfund.**

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 Subfund in units in a single UCITS or other UCI. In implementing this investment limit, each Subfund of a UCI consisting of a number of Subfunds is treated as an independent issuer if it can be guaranteed that said Subfunds are individually liable in respect of third parties.
b) Investments in units of UCI other than UCITS may not exceed 30% of the Subfund's net assets. The assets of the UCITS or other UCI invested in are not included in the calculation of the maximum limits set out in 2.1, 2.2 and 2.3.
c) For Subfunds which, in line with their investment policy, invest a significant portion of their assets in units of other UCITS and/or other UCI, the maximum flat fees chargeable by the Subfund itself and by the other UCITS and/or other UCI in which it intends to invest are described in the section "Expenses paid by the Company".

2.5 The Subfunds may subscribe, acquire and/or hold shares that are to be issued by or have been issued by one or more other subfunds of the Company, provided that:

- the target subfund does not itself invest in the Subfund that is investing in that target subfund; and
- the total share of the assets which the target subfunds to be acquired may invest in units of other UCI may not, in accordance with their sales prospectuses or articles of incorporation, exceed 10%; and
- any voting rights associated with the securities in question is suspended for the period they are held by the Subfund in question, regardless of their appropriate evaluation in the financial statements and periodic reports; and
- in any case, as long as these securities are held by the Subfund, their value is taken into consideration in the calculation of net asset value under the Law of 2010 for the purposes of verifying the minimum net assets under the Law of 2010; and
- there is no multiple charging of fees for administration/subscription or redemption either at the level of the Subfund that has invested in the target subfund or at the level of the target subfund.

2.6 The Company may invest a maximum of 20% of the investments of a Subfund in equities and/or debt securities of a single issuer if the investment policy of the Subfund in question provides for the Subfund objective of replicating a specific equity or debt security index recognised by the CSSF, provided that:

- the composition of the index is sufficiently diversified;
- the index represents an appropriate benchmark for the market to which it refers;
- the index is published appropriately.

The limit is 35% provided this is justified based on exceptional market conditions, and in particular on regulated markets on which certain securities or money market instruments are in a strongly dominant position. 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 due to the exercise of subscription rights, the Company must attach top priority in its sales of securities to normalising the situation while, at the same time, considering the best interests of the shareholders.

Provided that they continue to observe the principle of risk diversification, newly launched subfunds may deviate from the specific restrictions indicated regarding risk diversification for a period of six months after being approved by the authorities.

3 Investment restrictions

The Company is prohibited from:

3.1 acquiring securities, the subsequent sale of which is subject to any restrictions arising from contractual agreements;

3.2. acquiring equities with voting rights that would enable the Company, possibly in collaboration with other investment funds under its supervision, 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 last three cases, the restrictions on acquiring securities need not be observed if the gross amount of the debt instruments or the money market instruments and the net amounts of the issued units cannot be determined at the time of acquisition.

Exempt from the provisions of 3.2 and 3.3 are:

- securities and money market instruments which are issued or guaranteed by an EU Member State or its central, regional and local authorities or by another approved state;
- securities and money market instruments issued or guaranteed by a non-Member State of the European Union;
- securities and money market instruments issued by public international bodies to which one or more Member States of the European Union belong;
- shares held in the capital of a company incorporated in a non-Member State and investing its assets mainly in the securities of issuing bodies domiciled in that non-Member State, where under the legislation of that non-Member State such a stake represents the only way in which investments may be made in the securities of issuing bodies of that non-Member State. In doing so, the provisions of the Law of 2010 must be complied with; and
- shares held in the capital of subsidiary companies, which carry out certain administrative, advisory or sales services with regard to the repurchase of units at shareholders' request in the country they are located and exclusively on behalf of the Company.

3.4 short-selling securities, money market instruments or other instruments listed in 1.1(e), (g) and (h);

3.5 acquiring precious metals or related certificates;

3.6 investing in real estate and purchasing or selling commodities or commodities contracts;

3.7 taking out loans, unless

- these are in the form of a back-to-back loan for the purchase of foreign currency;
- the loan is only temporary and does not exceed 10% of the net assets of the Subfund 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 points 1.1(e), (g) and (h) if these are not fully paid up.

The Company is authorised to introduce further 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 Merging assets

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

Pooling

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

The share of a participating Subfund in the respective asset pool is evaluated by reference to notional units of the same value. When an asset pool is created, the Company shall specify the initial value of the notional units (in a currency that the Company considers appropriate) and allot to each participating Subfund notional units in the total value of the cash (or other assets) it has contributed. The value of the notional units will then be determined 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 participating Subfund concerned increase or diminish by a number, which is determined by dividing the contributed or withdrawn cash amount or assets by the current value of the holding of the participating Subfund in the pool. If cash is contributed to the asset pool, for calculation purposes it is reduced by an amount that the Company considers appropriate in order to take account of any tax expenses as well as the closing charges and acquisition costs relating to the investment of the cash concerned. If cash is withdrawn, a corresponding deduction may be made in order to take account of any costs related to the disposal of securities or other assets of the asset pool.

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

Joint management

To reduce operating and management costs and at the same time to permit broader diversification of investments, the Company may decide to manage part or all of the assets of one or more Subfunds in combination with assets that belong to other Subfunds or to other undertakings for collective investment. In the following paragraphs, the term "**jointly managed entities**" refers to the Company and each of its Subfunds and all entities with or between which a joint management agreement might exist; the term "**jointly managed assets**" refers to the entire assets of these jointly managed entities which are managed according to the aforementioned agreement.

As part of the joint management agreement, the respective Portfolio Manager is entitled, on a consolidated basis for the relevant jointly managed entities, to make decisions on investments and sales of assets which have an influence on the composition of the portfolio of the Company and of its Subfunds. Each jointly managed entity holds a share in the jointly managed assets which is in proportion to the share of its net assets in the aggregate value of the jointly managed assets. This proportionate holding (for this purpose referred to as "**participation arrangement**") applies to all investment categories which are held or acquired within the context of joint management. Decisions regarding investments and/or sales of assets have no effect on this participation arrangement, and further investments are allotted to the jointly managed entities in the same proportions. In the event of a sale of assets, these will be subtracted proportionately from the jointly managed assets held by the individual jointly managed entities.

In the case of new subscriptions for one of the jointly managed entities, the subscription proceeds are to be allocated to the jointly managed entities in accordance with the changed participation arrangement resulting from the increase in net assets of the jointly managed entity having benefited from the subscriptions. The level of the investments will be modified by the transfer of assets from the one jointly managed entity to the other, and thus adapted to suit the altered participation arrangement. Similarly, in the case of redemptions for one of the jointly managed entities, the necessary liquid funds shall be taken from the liquid funds of the jointly managed entities in accordance with the altered participation arrangement resulting from the reduction in net assets of the jointly managed entity which has been the subject of the redemptions, and in this case the particular level of all investments will be adjusted to suit the altered participation arrangement.

Shareholders are alerted to the fact that the joint management agreement may result in the composition of the assets of a particular Subfund being affected by events which concern other jointly managed entities, e.g. subscriptions and redemptions, unless the Company or one of the entities commissioned by the Company resort to special measures. If all other aspects remain unchanged, subscriptions received by an entity under joint management with the Subfund will therefore result in an increase in the cash reserve of this Subfund. Conversely, redemptions of an entity under joint management with the Subfund will result in a reduction of the cash reserves of the Subfund. However, subscriptions and redemptions can be executed on the special account that is opened for each jointly managed entity outside the agreement and through which subscriptions and redemptions must pass. Because of the possibility of posting extensive subscriptions and redemptions to these special accounts, and the possibility that the Company or the entities commissioned by it may decide at any time to terminate the participation of the Subfund in the joint management agreement, the Subfund concerned may avoid rearranging its portfolio if this could adversely affect the interests of the Company and its shareholders.

If a change in the portfolio composition of the Company or one or more of its Subfunds, occurring as a result of redemptions or payments of fees and expenses associated with another jointly managed entity (i.e. which cannot be counted as belonging to the Company or respective Subfund), could result in a violation of the investment restrictions applying to the Company or respective Subfund, the relevant assets before implementing the change will be excluded from the agreement so that they are not affected by the resulting adjustments.

Jointly managed assets of Subfunds will only be managed jointly with assets which are to be invested according to the same investment objectives in order to ensure that investment decisions are reconcilable in all respects with the investment policy of the particular Subfund. Jointly managed assets may only be managed together with assets for which the same Portfolio Manager is authorised to make decisions on investments and the sale of assets, and for which the Custodian Bank also acts as a depositary so as to ensure that the Custodian Bank is capable of performing its functions and responsibilities, assumed in accordance with the Law of 2010 and the applicable statutory requirements, in all respects for the Company and its Subfunds. The Custodian Bank must always keep the assets of the Company separate from those of the other jointly managed entities; this allows it to accurately determine the assets of each individual Subfund at any time. Since the investment policy of the jointly managed entities does not have to correspond exactly with that of the Subfunds, it is possible that their joint investment policy may be more restrictive than that of the individual Subfunds.

The Company may decide to terminate the joint management agreement at any time without giving prior notice.

Shareholders may enquire at any time at the Company's registered office as to the percentage of jointly managed assets and entities with which there is a joint management agreement at the time of their enquiry.

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

Joint management agreements with non-Luxembourg entities are permissible if (i) the agreement in which the non-Luxembourg entity is involved is governed by Luxembourg law and Luxembourg jurisdiction or (ii) each jointly managed entity is equipped with such rights that no creditor and no insolvency or bankruptcy administrator of the non-Luxembourg entity has access to the assets or is authorised to freeze them.

5 Special techniques and instruments that have securities and money market instruments as underlying assets

The Company is entitled to employ techniques and instruments which feature securities and money market instruments, provided such techniques and instruments are used in the interests of efficient portfolio management (the "techniques") subject to the conditions and limits defined by the CSSF. If such transactions relate to the use of derivatives, the terms and limits must comply with the provisions of the Luxembourg Law of 2010. The use of these techniques and instruments must be in accordance with the best interests of the investors.

The Company may under no circumstances deviate from its investment objectives for these transactions. Equally, the use of these techniques may not cause the risk level of the Subfund in question to increase significantly with regard to its original risk level (i.e. without the use of these techniques).
The risks inherent to the use of these techniques are essentially comparable to the risks associated with the use of derivatives (in particular, counterparty risk). For this reason, reference is made here to the information contained in the section entitled "Risks connected with the use of derivatives".

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 and the Management Company is primarily carried out through reviewing the contracts and corresponding processes on a regular basis.
The Company also ensures that, at any time, it can cancel any contract entered into within the framework of the use of the techniques and instruments for the efficient management of the portfolio or that the securities and/or liquid funds transferred to the respective counterparty can be reclaimed by the Company. In addition, the liquid funds should include the interest incurred up to the time of being reclaimed.
Furthermore, the Company ensures that, despite the use of these techniques and instruments, the investors' redemption orders can be processed at any time.
Within the framework of the use of techniques and instruments for the efficient management of the portfolio, the Company may lend portions of its securities portfolio to third parties ("**securities lending**"). In general, securities lending may be effected only via recognised clearing houses such as Clearstream International or Euroclear, or using first-class financial institutions that specialise in such activities and following the procedure specified by them.

In the case of securities lending transactions, the Company must, in principle, receive collateral, the value of which must at least correspond to the total value of the securities lent out and any accrued interest thereon. This collateral must be issued in a form of financial collateral permitted by the provisions of Luxembourg law. Such collateral is not required if the transaction is effected via Clearstream International or Euroclear, or another organisation which guarantees the Company that the value of the securities lent will be refunded.
The provisions of the section entitled "Collateral management" shall apply accordingly to the management of collateral that was left to the Company within the scope of securities lending. In derogation from the provisions of the section entitled "Collateral management", shares from the finance sector are accepted as securities within the framework of securities lending.
Service providers that provide services to the Company in the field of securities lending have the right to receive a fee in return for their services that is line with the market standards. The amount of this fee is reviewed and adapted, where appropriate, by an independent body on an annual basis. The recipients of these and other direct and indirect fees, the amounts of the respective fees, as well as the findings as to whether the fee recipients are associated with the Company, the Management Company and/or Custodian Bank can be found in the respective annual or semi-annual report.
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)**
Fixed and variable-rate interest-bearing instruments	

Instruments issued by a state belonging to the G-10 (apart from the USA, 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 USA, 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%
Shares	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
U.K. (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.
** Non-rated issues by these states are also permissible. No haircut is applied to these either.

The Company may, for a Subfund, also engage in **repurchase transactions** ("repurchase agreements" or "reverse repurchase agreements") involving the sale/purchase of securities, where agreements have been reached to buy back/sell back the sold/bought securities at a (higher) price and within a set time.

Any repurchase transactions are subject to the following conditions:

- securities may only be sold/purchased under a repurchase agreement if the counterparty is a first-class financial institution specialising in this kind of transaction;
- for as long as the repurchase agreement is valid, the securities bought cannot be sold before the right to repurchase the securities has been exercised or the repurchase period has expired;

- securities that serve as underlying assets to derivative financial instruments, are lent or have been taken under terms of reverse repurchase agreements may not be sold under the terms of repurchase agreements.

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