Asset Management

CS Investment Funds 1

Investment Company with Variable Capital under Luxembourg Law

Prospectus
9 April 2025

Contents

1. Information for Prospective Investors

This prospectus ("Prospectus") is valid only if accompanied by the latest key information document for packaged retail and insurance-based investment product in accordance with the provision of the Regulation (EU) No 1286/2014 of 26 November 2014, as amended, ("PRIIPS KID", former Key Investor Information Document), the latest annual report, and also the latest semi-annual report if this was published after the latest annual report. These documents shall be deemed to form part of this Prospectus. Prospective investors shall be provided with the latest version of the PRIIPS KID in good time before their proposed subscription of shares in the CS Investment Funds 1 (the "Company").

This Prospectus does not constitute an offer or solicitation to subscribe shares ("Shares") in the Company by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation.

Information which is not contained in this Prospectus, or in the documents mentioned herein which are available for inspection by the public, shall be deemed unauthorized and cannot be relied upon.

Prospective investors should inform themselves as to the possible tax consequences, the legal requirements and any foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence or domicile and which might be relevant to the subscription, holding, conversion, redemption or disposal of Shares. Further tax considerations are set out in Chapter 9, "Expenses and Taxes".

Prospective investors who are in any doubt about the contents of this Prospectus should consult their bank, broker, solicitor, accountant or other independent financial adviser.

This Prospectus may be translated into other languages. To the extent that there is any inconsistency between the English-language Prospectus and a version in another language, the English-language Prospectus shall prevail, unless stipulated otherwise by the laws of any jurisdiction in which the Shares are sold.

Investors should read and consider the risk discussion in Chapter 7, "Risk Factors", before investing in the Company.

Some of the Share classes may be listed on the Luxembourg Stock Exchange.

The Company's Shares have not been, and will not be, registered under the United States Securities Act of 1933 (the "1933 Act"), any of the securities laws of any of the states of the United States. The Company has not been and will not be registered under the United States Investment Company Act of 1940, as amended, nor under any other US federal laws. Therefore, the Shares in the Subfunds described in this Prospectus may not be offered or sold directly or indirectly in the United States of America, except pursuant to an exemption from the registration requirements of the 1933 Act.

Further, the Board of Directors of the Company has decided that the Shares shall not be offered or sold, directly or indirectly, to any ultimate beneficial owner that constitutes a U.S. Person. As such, the Shares may not be directly or indirectly offered or sold to or for the benefit of a "U.S. Person", which shall be defined as any person who (i) is a United States person within the meaning of Section 7701(a)(30) of the US Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder, (ii) is a US person within the meaning of Regulation S under the 1933 Act (17 CFR § 230.902(k)), (iii) is not a Non-United States person within the meaning of Rule 4.7 of the US Commodity Futures Trading Commission Regulations (17 CFR § 4.7(a)(1)(iv)), (iv) is in the United States within the meaning of Rule 202(a)(30)-1 under the US Investment Advisers Act of 1940, as amended, or (v) is any trust, entity or other structure formed for the purpose of allowing U.S. Persons to invest in the Company.

No prospectus, disclosure document (as defined in the Corporations Act 2001 (Cth) of Australia (the "Act")), offering material or advertisement in relation to the financial product has been or will be lodged with the Australian Securities and Investments Commission ("ASIC") or the ASX Limited ("ASX") (or any successor thereto) or any other regulatory body or agency in Australia. This document is not a product disclosure statement, prospectus or other type of disclosure document for the purposes of the Act. Any offer or invitation is only an offer or invitation to make offers where the offer or invitation does not need disclosure to investors under Part 7.9 or Chapter 6D.2 of the Act. No offer or application made following receipt of this document will be considered unless the offer or invitation does not need disclosure to investors under Part 7.9 or Chapter 6D.2 of the Act. Accordingly, a person may not (a) make, offer or invite applications for the issue, sale or purchase of the financial product within, to or from Australia (including an offer or invitation which is received by a person in Australia) or (b) distribute or publish any information memorandum or any other prospectus, disclosure document (as defined in the Act), offering material or advertisement relating to the financial product in Australia, unless (i) it is satisfied that disclosure is not required as a result of the application of sections 1012C and 761G or section 708 of the Act; (ii) the offeree or invitee is a "wholesale client" in Australia, as defined under section 761G of the Act; (iii) such action complies with all applicable laws, regulations and directives in Australia; and (iv) such action does not require any document to be lodged with ASIC, ASX (or any successor thereto) or any other regulatory body or agency in Australia.

No application has been submitted or will be submitted, nor any registration has been or will be sought, by the Management Company to or from any of the Indian governmental or regulatory authorities in connection with the advertising, offer, distribution or sale of the Shares in or from India and the Management Company does not intend to or will not, directly or indirectly, advertise, offer, distribute or sell the Shares to persons resident in India. Subject to certain limited exceptions, the Shares may not be purchased by persons resident in India and purchase of the Shares by such persons are subject to legal and regulatory restrictions. Persons into whose possession this Prospectus or any Shares may come must inform themselves about, and observe, any such restrictions. Specific provisions may apply with respect to each subfund, as set out in Chapter 23, "Subfunds".

UBS Asset Management (Europe) S.A. is exempt from the requirement to hold an Australian Financial Services Licence under the Corporations Act 2001 (Cth.) (the "Act") in respect of financial services provided to Australian wholesale clients (within the meaning of section 761G of the Act).

In Australia, UBS entities, other than UBS AG, Australia Branch, are not authorised deposit-taking institutions for the purposes of the Banking Act 1959 (Cth.) and their obligations do not represent deposits or other liabilities of UBS AG, Australia Branch. UBS AG, Australia Branch does not guarantee or otherwise provide assurance in respect of the obligations of such UBS entities. An investor is exposed to investment risk including possible delays in repayment and loss of income and principal invested, as relevant. UBS AG does not provide any tax advice; investors should seek their own independent tax advice regarding any tax consequences related to this product before making an investment decision. The Company is not licensed to provide financial product advice in relation to the Shares. Prospective investors should read the Sales Prospectus in full before making a decision to acquire Shares. No cooling-off regime applies in respect of the acquisition of Shares.

The Management Company (as described below) will not disclose any confidential information concerning investors unless it is required to do so by applicable laws or regulations.

Specific provisions may apply with respect to each subfund, as set out in Chapter 23, "Subfunds".

2. The Company

The Company is an undertaking for collective investment in transferable securities in the legal form of an investment company with variable capital (société d'investissement à capital variable, SICAV) subject to Part I of the Law of December 17, 2010 on undertakings for collective investment ("Law of December 17, 2010") transposing Directive 2009/65/EC of the European Parliament and of the Council of July 13, 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities. The Company was originally established under the designation of CS Fixed Income SICAV - SIF on August 21, 2007 as a SICAV in accordance with Luxembourg Law dated February 13, 2007 relating to specialized investment funds ("Law of February 13, 2007"). The Company changed its statute to Part I of the Law of December 17, 2010 on June 21, 2013.

The Company has appointed UBS Asset Management (Europe) S.A. as the management company ("Management Company"). In this capacity, the Management Company acts as investment manager, administrator and distributor of the Company's Shares. The Management Company has delegated the above-mentioned tasks as follows:

Tasks relating to investment advice are performed by the investment managers ("Investment Managers") named in Chapter 23, "Subfunds", and administrative tasks are performed by UBS Fund Administration Services Luxembourg S.A.

The Company is registered with the Luxembourg Trade and Companies Register (registre de commerce et des sociétés) under no. B 131 404. Its articles of incorporation ("Articles of Incorporation") were first published in the Mémorial, Recueil des Sociétés et Associations on September 25, 2007. The last amendments of the Articles of Incorporation took place on September 18, 2018 and have been published in the *Recueil Electronique des Sociétés et Associations* (the "RESA"). The legally binding version is deposited with the Trade and Companies Register. All amendments of the Articles of Incorporation will be announced in accordance with Chapter 14, "Information for Shareholders", and becomes legally binding for all shareholders ("Shareholders") subsequent to their approval by the general meeting of Shareholders. The share capital of the Company corresponds to the total net asset value of the Company and shall at any time exceed EUR 1,250,000.

The Company has an umbrella structure and therefore consists of at least one subfund (a "Subfund"). Each Subfund represents a portfolio containing different assets and liabilities and is considered to be a separate entity in relation to the Shareholders and third parties. The rights of Shareholders and creditors concerning a Subfund or which have arisen in relation to the establishment, operation or liquidation of a Subfund are limited to the assets of that Subfund. No Subfund will be liable with its assets for the liabilities of another Subfund.

The board of directors of the Company ("Board of Directors") may at any time establish new Subfunds with Shares having similar characteristics to the Shares in the existing Subfunds. If the Board of Directors establishes a new Subfund the corresponding details shall be set out in this Prospectus. Various share classes may be offered for each Subfund. Information on the share classes available in each Subfund can be obtained from the Central Administrator or at www.ubs.com/funds. A general description of the types of the share classes is set out in Chapter 3, "Description of Share Classes"". The individual Subfunds shall be denominated in the currency indicated in Chapter 23, "Subfunds".

Information about the performance of the individual Share Classes of the Subfunds is contained in the PRIIPS KID.

3. Description of Share Classes

Various share classes may be offered for each Subfund. Information on the share classes available in each Subfund can be obtained from the Central Administrator 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, BRL 400, CAD 100, CHF 100, CZK 2,000, DKK 700, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NOK 900, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100, USD 100 or ZAR 1,000.
K-1	Shares in classes with "K-1" in their name are available to all investors. Their smallest tradable unit is 0.001. The minimum investment amount is equivalent to the initial issue price of the unit class and is applicable on the level of the clients of financial intermediaries. This minimum investment amount must be met or exceeded with every subscription order that is placed. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 5 million, BRL 20 million, CAD 5 million, CHF 5 million, CZK 100 million, DKK 35 million EUR 3 million, GBP 2.5 million, HKD 40 million, JPY 500 million, NOK 45 million, NZD 5 million, PLN 25 million, RMB 35 million, RUB 175 million, SEK 35 million, SGD 5 million, USD 5 million or ZAR 40 million.
K-1 0.1	Shares in classes with "K-1 0.1" in their name are closed for subscription and are subject to a minimum investment of EUR 100,000 or an equivalent amount in the currency of the share class. The Company launched share classes in EUR, GBP and USD and does not intend to launch any additional share classes in future.
K-B	Shares in classes with "K-B" in their name are exclusively reserved for investors who have signed a written agreement with UBS Asset Management Switzerland AG or one of its authorised distribution partners on investing in one or more Subfunds of the Company. The costs for asset management are charged to investors under the aforementioned agreements. Their smallest tradable unit is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, BRL 400, CAD 100, CHF 100, CZK 2,000, DKK 700, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NOK 900, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100, USD 100 or ZAR 1,000.
K-X	Shares in classes with "K-X" in their name are exclusively reserved for investors who have signed a written agreement with UBS Asset Management Switzerland AG or one of its authorised contractual partners on investing in one or more Subfunds of the Company. The costs for asset management, central administration, the Depositary and distribution are charged to investors under the aforementioned agreements. Their smallest tradable unit is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, BRL 400, CAD 100, CHF 100, CZK 2,000, DKK 700, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NOK 900, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100, USD 100 or ZAR 1,000.
F	Shares in classes with "F" in their name are exclusively reserved for UBS Group AG affiliates. No distribution fee is charged to share classes with "F" in their name. These shares may only be acquired by UBS Group AG affiliates, either for their own account or as part of discretionary asset management mandates concluded with UBS Group AG affiliates. In the latter case, the shares will be returned to the Company upon termination of the mandate at the prevailing net asset value and without being subject to charges. Shares are not transferable without the Company's approval. The smallest tradable unit of these shares is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, BRL 400, CAD 100, CHF 100, CZK 2,000, DKK 700, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NOK 900, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100, USD 100 or ZAR 1,000.
Q	Shares in classes with "Q" in their name are exclusively reserved for financial intermediaries that (i) make investments for their own account, and/or (ii) make investments for the account of their clients and receive no retrocessions in accordance with regulatory requirements and/or (iii) make investments for the account of their clients in Germany, and/or (iv) can only offer their clients classes with no retrocessions, where these are available in the investment fund in question, in accordance with written agreements or agreements on fund savings plans concluded with their clients. Investments that no longer meet the above conditions may be forcibly redeemed at the prevailing net asset value or converted to another class of the Subfund. The Company and the Management Company are not liable for any tax consequences that may result from a forcible redemption or exchange. The smallest tradable unit of these shares is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, BRL 400, CAD 100, CHF 100, CZK 2,000, DKK 700, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NOK 900, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100, USD 100, NZD 100 or ZAR 1,000.
Q 0.1	Shares in classes with "Q 0.1" in their name are exclusively reserved for financial intermediaries that (i) make investments for their own account, and/or (ii) make investments for the account of their clients and receive no retrocessions in accordance with regulatory requirements and/or (iii) make investments for the account of their clients in Germany, and/or (iv) can only offer their clients classes with no retrocessions, where these are available in the investment fund in question, in accordance with written agreements or agreements on fund savings plans concluded with their clients. Investments that no longer meet the above conditions may be forcibly redeemed at the prevailing net asset value or converted to another class of the Subfund. The Company and the Management Company are not liable for any tax consequences that may result from a forcible redemption or exchange. Shares in classes with "Q 0.1" in their name are closed for subscription and are subject to a minimum investment of EUR

	100,000 or an equivalent amount in the currency of the share class. The Management Company may waive the minimum investment temporarily or permanently. The Company launched a share class in USD and does not intend to launch any additional share classes in future.
QL	Shares in classes with "QL" in their name are exclusively reserved for selected financial intermediaries that: (i) have received approval from the Management Company prior to first subscription, and (ii) receive no retrocessions in accordance with regulatory requirements and/or (iii) can only offer their clients classes with no retrocessions, where these are available in the investment fund in question, in accordance with written agreements concluded with their clients. The Management Company will require a minimum investment of CHF 200 million (or the equivalent in another currency). The Management Company may waive the minimum investment temporarily or permanently. Investments that no longer meet the above conditions may be forcibly redeemed at the prevailing net asset value or exchanged for another class of the Subfund. The Company and the Management Company are not liable for any tax consequences that may result from a forcible redemption or exchange. The smallest tradable unit of these shares is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, BRL 400, CAD 100, CHF 100, CZK 2,000, DKK 700, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NOK 900, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100, USD 100 or ZAR 1,000.
I-A1	Shares in classes with "I-A1" in their name are exclusively reserved for institutional investors within the meaning of Article 174(2)(c) of the Law of 2010. No distribution fee is charged to shares with "I-A1" in their name. The smallest tradable unit of these shares is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, BRL 400, CAD 100, CHF 100, CZK 2,000, DKK 700, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NOK 900, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100, USD 100 or ZAR 1,000.
I-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. No distribution fee is charged to shares with "I-A2" in their name. The smallest tradable unit of these shares is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, BRL 400, CAD 100, CHF 100, CZK 2,000, DKK 700, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NOK 900, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100, USD 100 or ZAR 1,000. The minimum subscription amount for these shares is CHF 10 million (or foreign currency equivalent). Upon subscription (i) a minimum subscription must be made in accordance with the minimum subscription amount specified above; or (ii) based on a written agreement between the institutional investor and UBS Asset Management Switzerland AG (or one of its authorised contractual partners) or on the written approval of UBS Asset Management Switzerland AG (or one of its authorised contractual partners), the investor's total assets managed by UBS or its holdings in UBS collective investment schemes must be more than CHF 30 million (or foreign currency equivalent); or (iii) the institutional investor must be an institution for occupational retirement provision that is part of UBS Group AG or must be one of its wholly-owned group companies. Investments that no longer meet the above conditions may be forcibly redeemed at the prevailing net asset value or exchanged for another class of the Subfund. The Company and the Management Company are not liable for any tax consequences that may result from a forcible redemption or exchange.
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. No distribution fee is charged to share classes with "I-A3" in their name. The smallest tradable unit of these shares is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, BRL 400, CAD 100, CHF 100, CZK 2,000, DKK 700, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NOK 900, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100, USD 100 or ZAR 1,000. The minimum subscription amount for these shares is CHF 30 million (or foreign currency equivalent). Upon subscription (i) a minimum subscription must be made in accordance with the minimum subscription amount specified above; or (ii) based on a written agreement between the institutional investor and UBS Asset Management Switzerland AG (or one of its authorised contractual partners) or on the written approval of UBS Asset Management Switzerland AG (or one of its authorised contractual partners), the investor's total assets managed by UBS or its holdings in UBS collective investment schemes must be more than CHF 100 million (or foreign currency equivalent); or (iii) the institutional investor must be an institution for occupational retirement provision that is part of UBS Group AG or must be one of its wholly-owned group companies. Investments that no longer meet the above conditions may be forcibly redeemed at the prevailing net asset value or exchanged for another class of the Subfund. The Company and the Management Company are not liable for any tax consequences that may result from a forcible redemption or exchange.
I-A4	Shares in classes with "I-A4" in their name are exclusively reserved for institutional investors within the meaning of Article 174(2)(c) of the Law of 2010. No distribution fee is charged to share classes with "I-A4" in their name. The smallest tradable unit of these shares is 0.001. Unless the Management Company decides otherwise, the initial issue price of these shares amounts to AUD 100, BRL 400, CAD 100, CHF 100, CZK 2,000, DKK 700 EUR 100,

	GBP 100, HKD 1,000, JPY 10,000, NOK 900, NZD 100, PLN 500, RUB 3,500, SEK 700, SGD 100, USD 100 or ZAR 1,000. The minimum subscription amount for these shares is CHF 100 million (or foreign currency equivalent). Upon subscription: (i) a minimum subscription must be made in accordance with the minimum subscription amount specified above; or (ii) based on a written agreement between the institutional investor and UBS Asset Management Switzerland AG (or one of its authorised contractual partners) or on the written approval of UBS Asset Management Switzerland AG (or one of its authorised contractual partners), the investor's total assets managed by UBS or its holdings in UBS collective investment schemes must be more than CHF 500 million (or foreign currency equivalent); or (iii) the institutional investor must be an institution for occupational retirement provision that is part of UBS Group AG or must be one of its wholly-owned group companies. Investments that no longer meet the above conditions may be forcibly redeemed at the prevailing net asset value or exchanged for another class of the Subfund. The Company and the Management Company are not liable for any tax consequences that may result from a forcible redemption or exchange.
I-B	Shares in classes with "I-B" in their name are exclusively reserved for institutional investors within the meaning of Article 174(2)(c) of the Law of 2010 who a) have entered into a written agreement (excluding asset management and investment advisory agreement) with a UBS Group entity for the explicit purpose of investment in the I-B share class of the assets, or b) have entered into a written asset management agreement with a UBS Group entity belonging to the Asset Management Division, or c) have entered into a written asset management agreement with a UBS group entity provided that such entity has delegated asset management to a UBS Group entity belonging to the Asset Management Division. Shares are not transferable without the Company's approval. These shares are not subject to a management fee, but only to a management service fee, payable by the Company to the Management Company covering all fees and expenses as described in Chapter 9, "Expenses and Taxes", of not more than 0.35% p.a. Additional fees will be charged directly to the investor upon the conditions of the above mentioned agreement. Their smallest tradable unit is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, BRL 400, CAD 100, CHF 100, CZK 2,000, DKK 700, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NOK 900, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100, USD 100 or ZAR 1,000.
I-X	Shares in classes with "I-X" in their name are exclusively reserved for institutional investors within the meaning of Article 174(2)(c) of the Law of 2010 who a) have entered into a written agreement (excluding asset management and investment advisory agreement) with a UBS Group entity for the explicit purpose of investment in the I-X share class of the assets, or b) have entered into a written asset management agreement with a UBS Group entity belonging to the Asset Management Division, or c) have entered into a written asset management agreement with a UBS group entity provided that such entity has delegated asset management to a UBS Group entity belonging to the Asset Management Division. The costs for asset management, central administration, the Depositary and distribution are charged to investors under the aforementioned agreements. Their smallest tradable unit is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, BRL 400, CAD 100, CHF 100, CZK 2,000, DKK 700, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NOK 900, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100, USD 100 or ZAR 1,000.
U-X	Shares in classes with "U-X" in their name are exclusively reserved for institutional investors within the meaning of Article 174(2)(c) of the Law of 2010 who have signed a written asset management agreement or a written agreement with UBS Asset Management Switzerland AG or one of its authorised contractual partners on investing in one or more Subfunds of the Company. The costs for asset management, central administration, the Depositary and distribution are charged to investors under the aforementioned agreements This share class is exclusively geared towards financial products (i.e. funds of funds or other pooled structures under various legislative frameworks). Their smallest tradable unit is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 10,000, BRL 40,000, CAD 10,000, CHF 10,000, CZK 200,000, DKK 70,000, EUR 10,000, GBP 10,000, HKD 100,000, JPY 1 million, NOK 90,000 NZD 10,000, PLN 50,000, RMB 100,000, RUB 350,000, SEK 70,000, SGD 10,000, USD 10,000 or ZAR 100,000.

Additional characteristics:

Currencies	The share classes may be denominated in AUD, BRL, CAD, CHF, CZK, DKK, EUR, GBP, HKD, JPY, NOK, NZD, PLN, RMB, RUB, SEK, SGD, USD or ZAR. For share classes issued in the currency of account of the Subfund, this 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 with “hedged” in their name and with reference currencies different to the Subfund’s currency of account (“classes in foreign currencies”), the risk of fluctuations in the value of the reference currency is hedged against the Subfund’s currency of account. The amount of the hedging shall in principle be between 95% and 105% of the total net assets of the share class in foreign currency. Changes in the market value of the portfolio, as well as subscriptions and redemptions of share classes in foreign currencies, can result in the hedging temporarily surpassing the aforementioned range. The Company and the Investment Manager will take all necessary steps to bring the hedging back within the aforementioned limits. The hedging described has no effect on possible currency risks resulting from investments denominated in a currency other than the Subfund’s currency of account.
“portfolio hedged”	For share classes with “portfolio hedged” in their name, the currency risk of the Subfund’s investments is hedged against the reference currency of the share class as follows: Systematically, between 95% and 105% of the proportion of investments in developed nation foreign currencies relative to the share class’ total net assets is hedged, except where this is unfeasible or not cost-effective. Emerging market foreign currency investments are not hedged. Changes in the market value of the Subfund’s investments, as well as subscriptions and redemptions of share classes, can cause the hedge to temporarily exceed the range specified by the Investment Manager. The Company and the Investment Manager will take all necessary steps to bring the hedging back within the aforementioned limits. The hedging described is used to hedge the currency risk resulting from investments denominated in a currency other than the share class’ reference currency, as described above.
“BRL hedged”	The Brazilian real (ISO 4217 currency code: BRL) may be subject to exchange control regulations and repatriation limits set by the Brazilian government. Prior to investing in BRL classes, investors should also bear in mind that the availability and tradability of BRL classes, and the conditions under which they may be available or traded, depend to a large extent on the political and regulatory developments in Brazil. The risk of fluctuations is hedged as described above under “hedged”. Potential investors should be aware of the risks of reinvestment, which could arise if the BRL class has to be liquidated early due to political and/or regulatory circumstances. This does not apply to the risk associated with reinvestment due to liquidation of a share class and/or the Subfund in accordance with the section “Liquidation and merger of the Company and its Subfunds; merger of Subfunds”.
“RMB” and “RMB hedged”	Investors should note that the renminbi (“RMB”) (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. For share classes denominated in RMB and/or RMB hedged (the “RMB classes”), the net asset value is calculated in offshore RMB. Onshore RMB is not a freely convertible currency and is subject to foreign exchange control policies and repatriation and conversion restrictions imposed by the PRC government. Offshore RMB, on the other hand, may be traded freely against other currencies, particularly EUR, CHF and USD. Convertibility between offshore RMB and onshore RMB is a regulated process subject to foreign exchange control policies and repatriation restrictions imposed by the PRC government in coordination with offshore supervisory and governmental agencies (e.g. the Hong Kong Monetary Authority). Prior to investing in RMB classes, investors should bear in mind that the requirements relating to regulatory reporting and fund accounting of RMB are not clearly regulated. Furthermore, investors should be aware that offshore RMB and onshore RMB have different exchange rates against other currencies. The value of offshore RMB can potentially differ significantly from that of onshore RMB 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 RMB against other currencies could adversely affect the value of investors’ investments in the RMB classes if denominated in another currency. Investors should therefore take these factors into account when calculating the conversion of their investments and the ensuing returns from RMB 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 RMB or the RMB classes will be offered and/or traded in future, nor can there be any guarantee as to the conditions under which RMB and/or RMB classes may be made available or traded. If the currency of account of the relevant Subfunds offering the RMB classes were in a currency other than RMB, the ability of the relevant Subfund to make redemption payments in

	RMB would be subject to the Subfund's ability to convert its currency of account into RMB, which may be restricted by the availability of RMB or other circumstances beyond the control of the 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 risk associated with reinvestment 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". The risk of fluctuations for RMB-hedged share classes is hedged as described above under "hedged".
"acc"	The income of share classes with "-acc" in their name is not distributed unless the Company decides otherwise. Details of the characteristics of accumulating Shares are included in Chapter 11, "Appropriation of Net Income and Capital Gains".
"dist"	The income of share classes with "-dist" in their name is distributed unless the Company decides otherwise. Details of the characteristics of distributing Shares are included in Chapter 11, "Appropriation of Net Income and Capital Gains".
"qdist"	Shares in classes with "-qdist" in their name may make quarterly distributions, gross of fees and expenses. Distributions may also be made out of the capital (this may include, inter alia, realised and unrealised net gains in net asset value) ("capital"). 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 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 at a later point in time on income and capital arising on accumulating (-acc) share classes compared with distributing (-dist) share classes. Investors should consult qualified experts for tax advice regarding their individual situation.
"mdist"	Shares in classes with "-mdist" in their name may make monthly distributions, gross of fees and expenses. Distributions may also be made out of capital. Distributions out of capital result in the reduction of an investor's original capital invested in the Subfund. Furthermore, any distributions from the income and/or involving the capital result in an immediate reduction of the net asset value per share of the 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 invest in accumulating (-acc) rather than distributing (-dist, -mdist) share classes. Investors may be taxed at a later point in time on income and capital arising on accumulating (-acc) share classes compared with distributing (-dist) share classes. Investors should consult qualified experts for tax advice regarding their individual situation. The maximum entry costs for shares in classes with "-mdist" in their name are 6%.
"UKdist"	The aforementioned share classes can be issued as those with "UKdist" in their name. In these cases, the Company intends to distribute a sum that corresponds to 100% of the reportable income within the meaning of the **UK reporting fund** rules when the share classes are subject to these reporting fund rules. The Company does not intend to make taxable values for these share classes available in other countries, as they are intended for investors whose investment in the share class is liable to tax in the UK.
"2%", "4%", "6%", "8%"	Shares in classes with "2%" / "4%" / "6%" / "8%" in their name may make monthly (-mdist), quarterly (-qdist) or annual (-dist) distributions at the respective aforementioned annual percentage rates, gross of fees and expenses. The distribution amount is calculated based on the net asset value of the respective share class at the end of the month (in the case of monthly distributions), financial quarter (in the case of quarterly distributions) or financial year (in the case of annual distributions). These share classes are suitable for investors who wish for more stable distributions, unrelated to past or expected returns or income of the relevant Subfund. Distributions may thus also be made from the capital. Distributions out of capital result in the reduction of an investor's original capital invested in the Subfund. Furthermore, any distributions from the income and/or involving the capital result in an immediate reduction of the net asset value per share of the 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 with distributing (-dist, -qdist, -mdist) share classes. Investors should consult qualified experts for tax advice regarding their individual situation.
"seeding"	Shares with "seeding" in their name are only offered for a limited period of time. At the end of this period, no further subscriptions are permitted unless the Company decides otherwise. However, shares can still be redeemed in accordance with the conditions for share redemptions. Unless otherwise decided by the Company, the smallest tradeable unit, the initial issue price and the minimum subscription amount shall correspond to the characteristics of the share classes listed above.

4. Investment Policy

The primary objective of the Company is to provide investors with an opportunity to invest in professionally managed portfolios. The assets of the Subfunds are invested, in accordance with the principle of risk diversification, in transferable securities and other assets as specified in Article 41 of the Law of December 17, 2010.
The investment objective and policy of the individual Subfunds are described in Chapter 23, "Subfunds". The assets of the individual Subfunds will be invested in accordance with the investment restrictions as stipulated by the Law of December 17, 2010 and set out in this Prospectus in Chapter 6, "Investment Restrictions".
The investment objective for each Subfund is to maximize the appreciation of the assets invested. In order to achieve this, the Company shall assume a fair and reasonable degree of risk. However, in consideration of market fluctuations and other risks (see Chapter 7, "Risk Factors") there can be no guarantee that the investment objective of the relevant Subfunds will be achieved. The value of investments may go down as well as up and investors may not recover the value of their initial investment.

Reference Currency
The reference currency is the currency in which the performance and the net asset value of the Subfunds are calculated ("Reference Currency"). The Reference Currencies of the individual Subfunds are specified in Chapter 23, "Subfunds".

Ancillary Liquid Assets
The Subfunds may hold ancillary liquid assets within a limit of 20% of their total net assets. Subject to any additional restrictions as specified in Chapter 23 "Subfunds", the above mentioned 20% limit may only be temporarily breached for a period of time strictly necessary when, because of exceptionally unfavorable market conditions, circumstances so require and where such breach is justified having regard to the interests of the investors, for instance in highly serious circumstances. Liquid assets held to cover exposure to financial derivative instruments do not fall under this restriction. Bank deposits, money market instruments or money market funds that meet the criteria of Article 41(1) of the Law of December 17, 2010 are not considered to be included in the ancillary liquid assets under Article 41(2) b) of the Law of December 17, 2010. Ancillary liquid assets are limited to bank deposits at sight, such as cash held in current accounts with a bank accessible at any time, in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets provided under Article 41(1) of the Law of December 17, 2010 or for a period of time strictly necessary in case of unfavourable market conditions.

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

Unless otherwise specified with respect to any of the Subfunds in Chapter 23 "Subfunds", ESG integration is driven by taking into account material Sustainability Risks (as defined in the Chapter 7 "Risk Factors" under section "Sustainability Risks") as part of the research process. For corporate issuers, this process utilises the ESG Material Issues framework which identifies the financially relevant factors per sector that can impact investment decisions. This orientation toward financial materiality ensures that analysts focus on sustainability factors that can impact the financial performance of the company and therefore investment returns. ESG integration can also identify opportunities for engagement to improve the company's Sustainability Risk profile and thereby mitigate the potential negative impact of ESG issues on the company's financial performance. The Investment Manager employs a proprietary ESG Risk Dashboard that combines multiple ESG data sources in order to identify companies with material Sustainability Risks. An actionable risk signal highlights Sustainability Risks to the Investment Manager for incorporation in their investment decision making process. For non-corporate issuers, the Investment Manager may apply a qualitative or quantitative Sustainability Risk assessment that integrates data on the most material ESG factors. The analysis of material sustainability/ESG considerations can include many different aspects, such as the following among others: the carbon footprint, health and well-being, human rights, supply chain management, fair customer treatment and governance.

Sustainability Exclusion Policy
The Sustainability Exclusion Policy of the Investment Manager outlines the exclusions applied to the investment universe of the Subfunds.
https://www.ubs.com/global/en/assetmanagement/capabilities/sustainable-investing.html

Sustainability Annual Reporting
The "UBS Sustainability Report" is the medium for UBS' sustainability disclosures. Published annually, the report aims to openly and transparently disclose UBS' sustainability approach and activities, consistently applying UBS' information policy and disclosure principles.
https://www.ubs.com/global/en/assetmanagement/capabilities/sustainable-investing.html

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

Engagement Program
The engagement program aims to prioritize/select companies where UBS Asset Management has identified concerns or thematic topics on particular ESG factors. These companies are selected from across the universe of companies in which UBS Asset Management invests using a top-down approach in accordance with our principles, as outlined in the Global Stewardship Policy. The prioritization process determines if and when engagement with a company is required. If a company is selected for the Engagement Program, engagement dialogue will generally last for at least two years. This is not an indication that sustainability related engagement has taken place with respect to companies in this portfolio during any given time period or that the companies in this portfolio were chosen with the goal to actively engage. Information on UBS Asset Management's selection of companies, engagement activities, prioritization process and understanding of concerns can be found in the UBS Asset Management Stewardship Annual Report and Stewardship Policy.
https://www.ubs.com/global/en/assetmanagement/capabilities/sustainable-investing/stewardship-engagement.html .

Voting
UBS will actively exercise voting rights based on the principles outlined in the UBS Asset Management Proxy Voting policy and UBS Asset Management Stewardship policy, with two fundamental objectives:

1. To act in the best financial interests of our Subfunds to enhance the long-term value of their investments.
2. To promote best practice in the boardroom and encourage strong sustainability practices.

This is not an indication that voting on sustainability related topics has taken place with respect to companies held by a Subfund during any given time period. For information about voting activities with specific companies please refer to the UBS Asset Management Stewardship Annual Report.
https://www.ubs.com/global/en/assetmanagement/capabilities/sustainable-investing/stewardship-engagement.html .

Securities Lending

Subject to the investment restrictions set out below, a Subfund may from time to time enter into securities lending transactions for the purpose of efficient portfolio management. The decision to enter into securities lending transactions (or to stop securities lending transactions, temporarily or permanently) will be made on the basis of costs and benefits analysis carried out in the best interest of the shareholders of the relevant Subfunds (e.g., at the occasion of large subscriptions or redemptions).

A securities lending agreement is an agreement whereby title to the "loaned" securities is transferred by a "lender" to a "borrower" with the borrower contracting to deliver "equivalent securities" to the lender at a later date ("securities lending").
Securities lending may be effected only via recognised clearing houses such as Clearstream International or Euroclear, or using first-class financial institutions that specialise in such activities and following the procedure specified by them.

In the case of securities lending transactions, the Company must, in principle, receive collateral, the value of which must at least correspond to the total value of the securities lent out and any accrued interest thereon. This collateral must be issued in a form of financial collateral permitted by the provisions of Luxembourg law. Such collateral is not required if the transaction is effected via Clearstream International or Euroclear, or another organisation which guarantees the Company that the value of the securities lent will be refunded.
The provisions of the section entitled "Collateral management" shall apply accordingly to the management of collateral that was left to the Company within the scope of securities lending. In derogation of the provisions of the section entitled “Collateral management”, shares from the finance sector are accepted as securities within the framework of securities lending.
The Management Company has appointed UBS Europe SE, Luxembourg Branch as securities lending agent to enter into, for and on behalf of the Company, securities lending transactions with UBS Switzerland AG. In its capacity as securities lending agent, UBS Europe SE, Luxembourg Branch is also responsible for management of collateral provided by UBS Switzerland AG, including daily valuation, performing controls regarding the collateral quality, ensuring compliance of UBS Switzerland AG with the collateral terms agreed in the global master securities lending agreement between UBS Europe SE, Luxembourg branch, as agent, and UBS Switzerland AG, as well as other related administrative services. UBS Switzerland AG, in its capacity as lending principal in its own name and for its own account lends the securities borrowed from the Company to other market participants and also performs, to the benefit of the Company certain agent-type activities not performed by the securities lending agent (such as finding ultimate securities lending counterparties and negotiating arm`s length lending terms). By acting as principal, UBS Switzerland AG also provides credit risk intermediation to the benefit of the Company.

UBS Switzerland AG and UBS Europe SE, Luxembourg Branch are remunerated for their services from the gross revenues received from securities lending transactions entered into by UBS Switzerland AG with third party borrowers as follows: UBS Switzerland AG and UBS Europe SE, Luxembourg Branch first deduct from such gross revenues a cost component of 6 bps p.a., calculated on the value of the lent securities (4.5 bps of such cost component are attributed to UBS Switzerland AG and 1.5 bps are attributed to UBS Europe SE, Luxembourg Branch). The remaining portion of the gross revenues is then split as follows: 80% is returned to the relevant Subfund, 15% is retained by UBS Switzerland AG and 5% is retained by UBS Europe SE, Luxembourg Branch. The investors should therefore note that the effective portion of the overall gross revenue returned to the Subfund generated on all securities lending transactions effected with respect to such Subfund in any accounting year will be lower than 80%, however, will in no case be lower than 50% . Such effective portion of the overall gross revenues returned to the Subfund will depend on the lending fees at which underlying securities are lent by UBS Switzerland AG, and will be disclosed in the Subfund’s annual report. Despite acting as principal UBS Switzerland AG will not retain any own margin on the lending fees generated with third parties and only deduct the aforementioned cost components but otherwise fully pass through to the Company the respective proportion of gross revenues generated in the market.

All other fees for operating the securities lending program are paid from the securities lending agent's portion of the gross revenues. This covers all direct and indirect costs incurred through securities lending activities. UBS Europe SE, Luxembourg Branch and UBS Switzerland AG are part of the UBS Group. Furthermore, the Company has drawn up internal framework agreements regarding securities lending. These framework agreements contain, among other things, the relevant definitions, the description of the principles and standards of the contractual management of the securities lending transactions, the quality of the collateral, the approved counterparties, the risk management, the fees to be paid to third parties and fees to be received by the Company, as well as the information to be published in the annual and semi-annual reports.

The Board of Directors of the Company has approved instruments of the following asset classes as collateral from securities lending transactions and determined the following haircuts to be used on these instruments:

Asset class	**Minimum haircut (% deduction from market value)**
Fixed and variable-rate interest-bearing instruments	
Instruments issued by a state belonging to the G-10 (excluding the US, Japan, the UK, Germany and Switzerland, including their federal states and cantons as issuers) and with a minimum rating of A*	2%
Instruments issued by the US, Japan, the UK, Germany and Switzerland, including their federal states and cantons**	0%
Bonds with a minimum rating of A	2%
Instruments issued by supranational organisations	2%
Instruments issued by an entity and belonging to an issue with a minimum rating of A	4%
Instruments issued by a local authority and with a minimum rating of A	4%
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
UK (FTSE 100 INDEX)	UKX
U.S. (DOW JONES INDUS. AVG)	INDU
U.S. (NASDAQ 100 STOCK INDX)	NDX
U.S. (S&P 500 INDEX)	SPX
U.S. (RUSSELL 1000 INDEX)	RIY

* In this table, "rating" refers to the rating scale used by S&P. Ratings by S&P, Moody's and Fitch are used with their corresponding scales. If the ratings given to a certain issuer by these rating agencies are not uniform, then the lowest rating shall apply.
** Unrated issues by these states are also permissible. No haircut is applied to these either.

In general, the following requirements apply to securities lending agreements:

(i) Counterparties to a securities lending agreement will be entities with legal personality typically located in OECD jurisdictions. These counterparties will be subject to a credit assessment. Where the counterparty is subject to a credit rating by any agency registered and supervised by ESMA, that rating shall be taken into account in the credit assessment. Where a counterparty is downgraded to A2 or below (or comparable rating) by such a credit rating agency, a new credit assessment in respect of the counterparty will be undertaken without delay.

(ii) The Company must be able at any time to recall any security that has been lent out or terminate any securities lending agreement into which it has entered.

(iii) securities lending agreements do not constitute borrowing or lending for the purposes of the UCITS Directive.

(iv) All the revenues arising from securities lending transactions, net of direct and indirect operational costs/fees, will be returned to the relevant Subfund.

(v) Any direct and indirect operational costs/fees arising from securities lending transactions that may be deducted from the revenue delivered to the relevant Subfund must not include hidden revenue. Such direct and indirect operational costs/fees will be paid to the entities outlined in the respective annual or semi-annual report of the Company, which shall indicate the amounts of the respective fees and whether the entities are related to the Management Company or the Depositary.

The Company and its Subfunds may under no circumstances deviate from their investment objectives as a result of the securities lending transactions. Equally, the use of these transactions 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 transactions). With regards to the risks inherent to the use of these transactions, reference is made here to the information contained in the paragraph entitled "Securities Lending" in the section 7 “Risk Factors”. The Company ensures that it or one of its appointed service providers will monitor and manage the risks incurred through the use of these transactions, particularly counterparty risk, as part of the risk management procedure. The monitoring of potential conflicts of interest arising from transactions with companies associated with the Company, the Management Company and the Depositary is primarily carried out through reviewing the contracts and corresponding processes on a regular basis. Furthermore, the Company ensures that, despite the use of these transactions, the investors' redemption orders can be processed at any time.

Exposure to securities financing transactions
The Subfunds’ expected exposure to securities lending transactions ranges between 0 – 30% of the Subfunds’ NAV, and the maximum exposure shall be 70% of the Subfunds’ NAV.

Total Return Swaps
A total return swap (“TRS”) is an OTC derivative contract in which one counterparty (the total return payer) transfers the total economic performance, including income from interest and fees, gains and losses from price movements, and credit losses, of a reference obligation to another counterparty (the total return receiver). Total return swaps can be either funded or unfunded.
The Subfunds may from time to time enter into total return swap transactions for the purpose of efficient portfolio management and, when applicable, as part of their respective investment policies as described in Chapter 23, “Subfunds”. The Subfunds will get 100 % of the net revenues generated from total return swaps after deduction of costs, including in particular transaction fees and costs for collateral paid to the swap counterparty. For unfunded total return swaps, such transaction fees are typically paid under the form of an agreed interest rate, which may be either fixed or floating. For funded total return swaps, the Subfund will make an upfront payment of the notional amount of the total return swap, typically with no further periodic transaction costs. A partially funded total return swap combines the characteristics and cost profile of both funded and unfunded total return swaps, in the relevant proportions. Costs for collateral typically take the form of a periodic fixed payment, depending on the amounts and frequency of collateral being exchanged. Information on costs and fees incurred by each Subfund in this respect, as well as the identity of the entities to which such costs and fees are paid and any affiliation they may have with the Management Company, if applicable, will be available in the semi-annual and annual reports.
The Subfunds will receive cash and non-cash collateral for total return swap transactions, in accordance with the Company’s collateral policy as further described in Chapter 19, “Regulatory Disclosure”. The collateral received will be valued mark-to-market on a daily basis, as is common industry standard, and in accordance with Chapter 8 “Net Asset Value”. The collateral received will be adjusted on a daily basis. The collateral received will be held in a separate collateral account and is therefore segregated from the other assets of the Subfund.
The Subfunds may only enter into TRS in respect of eligible assets under the Law of December 17, 2010 which fall within their investment policies.
The Subfunds may only enter into total return swap transactions through a regulated first class financial institution of any legal form with a minimum credit rating of investment grade quality specialised in this type of transaction which has its registered office in one of the OECD countries.
The Subfunds may use total returns swaps where further specified in Chapter 23, “Subfunds”.

Other Securities Financing Transactions
Apart from securities lending transactions and TRS, the Subfunds do not intend to make use of the other securities financing transactions (“SFTs”) covered by Regulation (EU) 2015/2365 of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012.

Collective Management of Assets
For the purpose of efficient management of the Company and where the investment policies so permit, the Company’s Board of Directors may opt to manage all or part of the assets of certain Subfunds in common. Assets so managed shall be referred to hereinafter as a “pool”. Such pools are created solely for internal management purposes and do not constitute a separate legal entity. Therefore, they cannot be directly accessed by investors. Each of the jointly managed Subfunds shall remain entitled to its own specific assets. The assets jointly managed in the pools may be divided and transferred to all the participating Subfunds at any time.
If the assets of several Subfunds are pooled in order to be managed jointly, a written record is kept of that portion of the assets in the pool which can be allocated to each of the Subfunds concerned, with reference to the Subfund’s original share in this pool. The rights of each participating Subfund to the jointly managed assets shall relate to each individual position in the respective pool. Additional investments made for the jointly managed Subfunds shall be allocated to these Subfunds in an amount proportionate to their participation while assets, which have been sold, shall be deducted from each participating Subfund’s assets accordingly.

Cross-investments between Subfunds of the Company
The Subfunds of the Company may, subject to the conditions provided for in the Law of December 17, 2010, subscribe, acquire and/or hold securities to be issued or issued by one or more Subfunds of the Company under the following conditions:

– the target Subfund does not, in turn, invest in the Subfund invested in this target Subfund; and
– no more than 10% of the assets of the target Subfund whose acquisition is contemplated may be invested in aggregate in units/shares of other target Subfunds of the Company; and
– voting rights, if any, attaching to the relevant securities are suspended for as long as they are held by the Subfund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
– in any event, for as long as these securities are held by the Company, their value will not be taken into consideration for the calculation of the net assets of the Company for the purposes of verifying the minimum threshold of the net assets imposed by the Law of December 17, 2010.

5. Investment in CS Investment Funds 1

i. Subscription of Shares

Shares may be subscribed on any day on which banks are open for business in Luxembourg (“Banking Day”), as further described in Chapter 23, “Subfunds” (except on 24 December and 31 December where the Subfunds are closed for new subscription applications), at the Net Asset Value per Share of the relevant Share Class of the Subfund, which is calculated on the date that is defined as valuation day in Chapter 8, “Net Asset Value” (“Valuation Day”) according to the method described in Chapter 8, “Net Asset Value”, plus the applicable initial subscription fee and any taxes. The maximum subscription fee levied in connection to the Shares of the Company is 5%.
The Subscription applications must be submitted in written form to the UCI Administrator or a distributor authorized by the Company to accept applications for the subscription or redemption of Shares (“Distributor”) before the cut-off time as specified for the relevant Subfund in Chapter 23, “Subfunds”.

The Subscription applications shall be settled as defined in Chapter 23, "Subfunds", for the relevant Subfund.
The Subscription applications received after the cut-off time shall be deemed to have been received prior to the cut-off time on the following Banking Day.
Payment must be received within the time period specified for the relevant Subfund in Chapter 23, "Subfunds".
Investors may, at the discretion of the depositary bank of the Company ("Depositary Bank"), pay the subscription monies for Shares in a convertible currency other than the currency in which the relevant Share Class is denominated. As soon as the receipt is determined by the Depositary Dank, such subscription monies shall be automatically converted by the Depositary Bank into the currency in which the relevant Shares are denominated. Further details are set out in Chapter 5 i., "Subscription of Shares".
Charges to be paid due to the subscription of Shares shall accrue to the banks and other financial institutions engaged in the distribution of the Shares. Any taxes incurred on the issue of Shares shall also be charged to the investor. Subscription amounts shall be paid in the currency in which the relevant Shares are denominated or, if requested by the investor and at the sole discretion of the UCI Administrator, in another convertible currency. Payment shall be effected by bank transfer to the Company's bank accounts. Further details are set out in the subscription application form.
The Company may in the interest of the Shareholders accept transferable securities and other assets permitted by Part I of the Law of December 17, 2010 as payment for subscription ("contribution in kind"), provided the offered transferable securities and assets correspond to the investment policy and restrictions of the relevant Subfund. Each payment of Shares in return for a contribution in kind is part of a valuation report issued by the auditor of the Company. The Board of Directors may, at its sole discretion, reject all or several offered transferable securities and assets without giving reasons. All costs caused by such contribution in kind (including the costs for the valuation report, broker fees, expenses, commissions, etc.) shall be borne by the investor.
The Shares shall be issued by the Company upon receipt of the issue price with the correct value date by the Depositary Bank.
Notwithstanding the above, the Company may, at its own discretion, decide that the subscription application will only be accepted once these monies are received by the Depositary Bank.
If the payment is made in a currency other than the one in which the relevant Shares are denominated, the proceeds of conversion from the currency of payment to the currency of denomination less fees and exchange commission shall be allocated to the purchase of Shares.
Shares are issued in registered form only. Shares may be held through collective depositories. In such cases, Shareholders shall receive a confirmation in relation to their Shares from the depository of their choice (for example, their bank or broker), or Shares may be held by Shareholders directly in a registered account kept for the Company and its Shareholders by the Company's UCI Administrator. These Shareholders will be registered by the UCI Administrator. Shares held by a depository may be transferred to an account of the Shareholder with the UCI Administrator or to an account with other depositories approved by the Company or with an institution participating in the securities and fund clearing systems. Conversely, Shares held in a Shareholder's account kept by the UCI Administrator may at any time be transferred to an account with a depository.
The minimum value or number of Shares which must be held by a Shareholder in a particular Share Class is set out in Chapter 3, "Description of Share Classes", if applicable. Such minimum initial investment and holding requirement may be waived in any particular case at the sole discretion of the Company.
Subscriptions and redemptions of fractions of Shares shall be permitted up to three decimal places. Fractional Shares shall not be entitled to voting rights. A holding of fractional Shares shall entitle the Shareholder to proportional rights in relation to such Shares. It might occur clearing institutions will be unable to process holdings of fractional Shares. Investors should verify whether this is the case.
The Company is entitled to refuse at its own discretion subscription applications and temporarily or permanently suspend or limit the sale of Shares. The UCI Administrator is entitled to refuse any subscription, transfer or conversion in whole or in part for any reason, and may in particular prohibit or limit the sale, transfer or conversion of Shares to individuals or corporate bodies in certain countries if such transaction might be detrimental to the Company or result in the Shares being held directly or indirectly by a Prohibited Person (included but not limited to any U.S. Person) or if such subscription, transfer or conversion in the relevant country is in contravention of applicable laws. The subscription, transfer or conversion for Shares and any future transactions shall not be processed until the information required by the UCI Administrator, included but not limited to know your customer and anti-money laundering checks, is received.

ii. Redemption of Shares

The Company shall in principle redeem Shares on any day on which banks are open for business in Luxembourg ("Banking Day"), as further described in Chapter 23, "Subfunds" (except on 24 December and 31 December where the Subfunds are closed for new redemption applications), at the Net Asset Value per Share of the relevant Share Class of the Subfund, which is calculated on the date which is defined as valuation day in Chapter 8, "Net Asset Value" ("Valuation Day") according to the method described in Chapter 8, "Net Asset Value". A redemption fee will not be charged.
Redemption applications must be submitted to the UCI Administrator or a Distributor. Redemption applications for Shares held through a depository must be submitted to the depository concerned. The redemption applications must be received by the UCI Administrator or the Distributor before the cut-off time as specified for the relevant Subfund in Chapter 23, "Subfunds". Redemption applications received after the cut-off time shall be deemed to have been received prior to the cut-off time on the following Banking Day.
If the execution of a redemption application would result in the investor's holding in a particular Share Class falling below the minimum investment requirement for that Class as set out in Chapter 3, "Description of Share Classes", the Company may, without further notice to the Shareholder, treat such redemption application as though it were an application for the redemption of all Shares of the Class held by the Shareholder.
Share Classes with "I-B" in their name, which may only be purchased by institutional investors fulfilling the conditions specified in this Prospectus, shall be either compulsorily redeemed or, according to the request of investor, converted into another Share Class if the eligibility conditions for such share classes are no longer met.
Whether and to what extent the redemption price is lower or higher than the issue price paid depends on the development of the Net Asset Value of the relevant Share Class.
Payment of the redemption price of the Shares shall be made within the time period specified for the relevant Subfund in Chapter 23, "Subfunds". This does not apply where specific statutory provisions such as foreign exchange or other transfer restrictions or other circumstances beyond the Depositary Bank's control make it impossible to transfer the redemption price.
In the case of large redemption applications, the Company may decide to settle redemption applications once it has sold corresponding assets without undue delay. Where such a measure is necessary, if not otherwise specified in Chapter 23, "Subfunds", all redemption applications received on the same day shall be settled at the same price.
Payment shall be made by means of remittance to a bank account or, if possible, by cash in the currency that is legal tender in the country where payment is to be made, after conversion of the amount in question. If, at the sole discretion of the Depositary Bank, payment is to be made in a currency other than the one in which the relevant Shares are denominated, the amount to be paid shall be the proceeds of conversion from the currency of denomination to the currency of payment less all fees and exchange commission.
Upon payment of the redemption price, the corresponding Share shall cease to be valid.
The Company is entitled to compulsorily redeem all Shares held by a Prohibited Person, as set out below.
The Company reserves the right not to accept instructions to redeem or to convert Shares on any one Banking Day representing more than 10% of the net assets of any Subfund. In these circumstances, the Board of Directors may declare that the redemption of part or all Shares in excess of 10% for which a redemption or a conversion has been requested will be deferred until the next Banking Day and will be valued at the Net Asset Value per Share prevailing on that Banking Day. On such Banking Day, deferred requests will be dealt with in priority to later requests and in the order that requests were initially received by the Transfer Agent.
During a period of suspension or deferral, a Shareholder may withdraw their request in respect of any Shares not redeemed or converted, by notice in writing received by the Transfer Agent before the end of such period.
The Company reserves the right to extend the period of payment of redemption proceeds to such period, not exceeding ten (10) Banking Days, as shall be necessary to repatriate proceeds of the sale of investments in the event of impediments due to exchange control regulations or similar constraints in the markets in which a substantial part of the assets of a Subfund are invested or in exceptional circumstances where the liquidity of a Subfund is not sufficient to meet the redemption requests.

iii. Conversion of Shares

Unless otherwise specified in Chapter 23, "Subfunds", Shareholders in a particular Share Class of a Subfund may at any time convert all or part of their Shares into Shares of the same Class of another Subfund or into

Shares of another Class in the same Subfund, provided that the requirement for the Share Class into which such Shares are converted (see Chapter 3, "Description of Share Classes") are complied with. Conversions of other Share Classes into Share Classes with "seeding" in their name are not permitted. The fee charged for such conversions shall not exceed half the initial subscription fee of the Class into which the Shares are converted. Unless otherwise specified in Chapter 23, "Subfunds", conversion applications must be completed and submitted to the UCI Administrator or the Distributor before the cut-off time as specified for the relevant Subfund in Chapter 23, "Subfunds" on a Banking Day, (except on 24 December and 31 December where the Subfunds are closed for new conversion applications). Conversion applications received after the cut-off time shall be deemed to have been received prior to the cut-off time on the following Banking Day. Conversion shall take place on the basis of the applicable Net Asset Value per Share calculated on the date which is defined as valuation day in Chapter 8, "Net Asset Value" ("Valuation Day") according to the method described in Chapter 8, "Net Asset Value". Conversions of Shares will only be made on a Valuation Day, if the Net Asset Value in both relevant Share Classes is calculated.
Where processing an application for the conversion of Shares would result in the relevant Shareholder's holding in a particular Share Class falling below the minimum investment requirement for that Class set out in Chapter 3, "Description of Share Classes", the Company may, without further notice to the Shareholder, treat such conversion application as though it were an application for the conversion of all Shares held by the Shareholder in that Share Class.
Where Shares denominated in one currency are converted into Shares denominated in another currency, the foreign exchange and conversion fees incurred will be taken into consideration and deducted.

iv. Suspension of the Subscription, Redemption and Conversion of Shares and the Calculation of the Net Asset Value

The Company may suspend the calculation of the Net Asset Value and/or the issue, redemption and conversion of Shares of a Subfund:

a) where a substantial proportion of the assets of the Subfund cannot be valued, because a stock exchange or market is closed on a day other than usual public holiday, or when trading on such stock exchange or market is restricted or suspended; or
b) where a substantial proportion of the assets of the Subfund is not freely disposable because a political, economic, military, monetary or any other event beyond the control of the Company does not permit the disposal of the Subfund's assets, or such disposal would be detrimental to the interests of Shareholders; or
c) where a substantial proportion of the assets of the Subfund cannot be valued because disruption to the communications network or any other factor makes a valuation impossible; or
d) where for any other reason the value of the assets of the Subfund cannot be promptly and/or accurately ascertained; or
e) where a substantial proportion of the assets of the Subfund is not available for transactions because restrictions on foreign exchange or other types of restrictions make asset transfers impracticable or it can be objectively demonstrated that transactions cannot be effected at normal foreign exchange rates; or
f) where the Company or a Subfund is being or may be wound-up, on or following the date on which such decision is taken by the Board of Directors or on which notice is given to the Shareholders of a general meeting of Shareholders at which a decision to wind-up the Company or a Subfund is to be proposed; or
g) in the case of a merger of the Company or a Subfund, where the Board of Directors considers this justified for the protection of the Shareholders; or
h) where the net asset value of one or more investment funds in which the Subfund a substantial part of its assets invests is suspended; or
i) in any other circumstance or circumstances beyond the control and responsibility of the Board of Directors, where a failure to do so might result in the Company or its Shareholders incurring any liability to taxation or suffering other pecuniary disadvantages or other detriment which the Company or its Shareholders might not otherwise have suffered.

Investors applying for, or who have already applied for, the subscription, redemption or conversion of Shares in the respective Subfund shall be notified of the suspension without delay. Notice of the suspension shall be published as described in Chapter 14, "Information for Shareholders" if, in the opinion of the Board of Directors of the Company, the suspension is likely to last for longer than one week.
Suspension of the calculation of the Net Asset Value of one Subfund shall not affect the calculation of the Net Asset Value of the other Subfunds if none of the above conditions apply to such other Subfunds.

v. Market Timing

The Company does not permit practices related to "Market Timing" (i.e. a method through which an investor systematically subscribes and redeems or converts Shares of Classes within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the Net Asset Value. It therefore reserves the right to reject subscription and conversion applications from an investor who the Company suspects of using such practices and to take, if appropriate, the necessary measures to protect the other investors of the Company.

vi. Measures to Combat Money Laundering

Pursuant to the applicable provisions of Luxembourg laws and regulations in relation to the fight against money laundering and terrorist financing ("AML/CTF"), obligations have been imposed on the Company as well as on other professionals of the financial sector to prevent the use of funds for money laundering and financing of terrorism purposes.
The Company and the Management Company will ensure their compliance with the applicable provisions of the relevant Luxembourg laws and regulations, including but not limited to the Luxembourg law of 12 November 2004 on the fight against money laundering and terrorist financing (the "2004 AML/CTF Law"), the Grand-Ducal Regulation of 10 February 2010 providing detail on certain provisions of the 2004 AML/CFT Law (the "2010 AML/CTF Regulation"), CSSF Regulation N°12-02 of 14 December 2012 on the fight against money laundering and terrorist financing ("CSSF Regulation 12-02") and relevant CSSF Circulars in the field of AML/CFT, including but not limited to CSSF Circular 18/698 on the authorization and organization of investment fund managers incorporated under Luxembourg law ("CSSF Circular 18/698", and the above, all as amended from time to time, collectively referred to as the "AML/CTF Rules").
In accordance with the AML/CTF Rules, the Company and the Management Company are required to apply due diligence measures on the investors (including on their ultimate beneficial owner(s)), their delegates and the assets of the Company in accordance with their respective policies and procedures put in place from time to time, and to apply enhanced customer due diligence measures on intermediaries acting on behalf of investors, if required by applicable laws and regulations.
Among others, the AML/CTF Rules require a detailed verification of a prospective investor's identity. In this context, the Company and the Management Company, or the UCI Administrator or any Distributor, nominee or any other type of intermediary (as the case may be), acting under the responsibility and supervision of the Company and the Management Company will require prospective investors to provide them with any information, confirmation and documentation deemed necessary in their reasonable judgment, applying a risk-based approach, to proceed such identification.
The Company and the Management Company reserve the right to request such information as is necessary to verify the identity of a prospective or current investor. In the event of delay or failure by a prospective investor to produce any information required for verification purposes, the Company and the Management Company are entitled to refuse the application and will not be liable for any interest, costs or compensation. Similarly, when Shares are issued, they cannot be redeemed or converted until full details of registration and anti-money laundering documents have been completed.
The Company and the Management Company moreover reserve the right to reject an application, for any reason, in whole or in part in which event the application monies (if any) or any balance thereof will, to the extent permissible, be returned without unnecessary delay to the prospective investor by transfer to the prospective investor's designated account or by post at the prospective investor's risk, provided the identity of the prospective investor can be properly verified pursuant to the AML/CTF Rules. In such event, the Company and the Management Company will not be liable for any interest, costs or compensation.
In addition, the Company and the Management Company, or the UCI Administrator or any Distributor, nominee or any other type of intermediary (as the case may be), acting under the responsibility and supervision of the Company and the Management Company, may request investors to provide additional or updated identification documents from time to time pursuant to on-going client due diligence requirements under the AML/CTF Rules, and investors shall be required and accept to comply with such requests.
Failure to provide proper information, confirmation or documentation may, among others, result in (i) the rejection of subscriptions, (ii) the withholding of redemption proceeds by the Company or (iii) the withholding of outstanding dividend payments. Moreover, prospective or current investors who fail to comply with the above requirements may be subject to additional administrative or criminal sanctions under applicable laws, including but not limited to the laws of the Grand Duchy of Luxembourg. None of the Company, the Management Company, the UCI Administrator or any

Distributor, nominee or any other type of intermediary (as the case may be) has any liability to an investor for delays or failure to process subscriptions, redemptions or dividend payments as a result of the investor providing no or only incomplete documentation. The Company and the Management Company moreover reserve all rights and remedies available under applicable law to ensure their compliance with the AML/CTF Rules.

Pursuant to the Luxembourg law of 13 January 2019 on the register of beneficial owners (the "RBO Law"), the Company is required to collect and make available certain information on its beneficial owner(s) (as defined in the AML/CTF Rules). Such information includes, among others, first and last name, nationality, country of residence, personal or professional address, national identification number and information on the nature and the scope of the beneficial ownership interest held by each beneficial owner in the Company. The Company is further required, among others, (i) to make such information available upon request to certain Luxembourg national authorities (including the Commission de Surveillance du Secteur Financier, the Commissariat aux Assurances, the Cellule de Renseignement Financier, Luxembourg tax and other national authorities as defined in the RBO Law) and upon motivated request of other professionals of the financial sector subject to the AML/CTF Rules, and (ii) to register such information in a publicly available central register of beneficial owners (the "RBO").

That being said, the Company or a beneficial owner may however, on a case by case basis and in accordance with the provisions of the RBO Law, formulate a motivated request with the administrator of the RBO to limit the access to the information relating to them, e.g. in cases where such access could cause a disproportionate risk to the beneficial owner, a risk of fraud, kidnapping, blackmail, extorsion, harassment or intimidation towards the beneficial owner, or where the beneficial owner is a minor or otherwise incapacitated. The decision to restrict access to the RBO does, however, not apply to the Luxembourg national authorities, nor to credit instructions, financial institutions, bailiffs and notaries acting in their capacity as public officers, which can thus always consult the RBO.

In light of the above RBO Law requirements, any persons willing to invest in the Company and any beneficial owner(s) of such persons (i) are required to provide, and agree to provide, the Company and the case being the Management Company, the UCI Administrator or their Distributor, nominee or any other type of intermediary (as the case may be), with the necessary information in order to allow the Company to comply with its obligations in terms of beneficial owner identification, registration and publication under the RBO Law (regardless of applicable rules regarding professional secrecy, banking secrecy, confidentiality or other similar rules or arrangements), and (ii) accept that such information will be made available among others to Luxembourg national authorities and other professionals of the financial sector as well as to the public, with certain limitations, through the RBO.

Under the RBO Law, criminal sanctions may be imposed on the Company in case of its failure to comply with the obligations to collect and make available the required information, but also on any beneficial owner(s) that fail to make all relevant necessary information available to the Company.

vii. Prohibited Persons, Compulsory Redemption and Transfer of Shares

For the purpose of this section a "Prohibited Person" means any person, corporation, limited liability company, trust, partnership, estate or other corporate body, if in the sole opinion of the Management Company, the holding of Shares of the relevant Subfund may be detrimental to the interests of the existing Shareholders or of the relevant Subfund, if it may result in a breach of any law or regulation, whether Luxembourg or otherwise, or if as a result thereof the relevant Subfund or any subsidiary or investment structure (if any) may become exposed to tax or other legal, regulatory or administrative disadvantages, fines or penalties that it would not have otherwise incurred or, if as a result thereof the relevant Subfund or any subsidiary or investment structure (if any), the Management Company and/or the Company, may become required to comply with any registration or filing requirements in any jurisdiction with which it would not otherwise be required to comply. The term "Prohibited Person" includes (i) any investor which does not meet the definition of Eligible Investors as defined for the respective Subfund in Chapter 5, "Investment in CS Investment Funds 1" (if any), (ii) any U.S. Person or (iii) any person who has failed to provide any information or declaration required by the Management Company or the Company within one calendar month of being requested to do so. The term "Prohibited Person" moreover includes natural persons or entities acting, directly or indirectly, in contravention of any applicable AML/CTF Rules or who are the subject of sanctions, including those persons or entities that are included on any relevant lists maintained by the United Nations, the North Atlantic Treaty Organisation, the Organisation for Economic Cooperation and Development, the Financial Action Task Force, the U.S. Central Intelligence Agency, and the U.S. Internal Revenue Service, all as may be amended from time to time.

The Company will not accept investments by or on behalf of Prohibited Persons. The subscriber represents and warrants that the proposed subscription for Shares, whether made on the subscriber's own behalf or, if applicable, as an agent, trustee, representative, intermediary, nominee, or in a similar capacity on behalf of any other beneficial owner), is not a Prohibited Person and further represents and warrants that the investor will promptly notify the Company of any change in its status or the status of any underlying beneficial owner(s) with respect to its representations and warranties regarding Prohibited Person.

If the Board of Directors discovers at any time that any beneficial owner of the Shares is a Prohibited Person, either alone or in conjunction with any other person, whether directly or indirectly, the Board of Directors may at its discretion and without liability, compulsorily redeem the Shares in accordance with the rules set out in the Articles of Incorporation of the Company and upon redemption, the Prohibited Person will cease to be the owner of those Shares.

The Board of Directors may require any Shareholder of the Company to provide it with any information that it may consider necessary for the purpose of determining whether or not such owner of Shares is or will be a Prohibited Person.

Further, Shareholders shall have the obligation to immediately inform the Company to the extent the ultimate beneficial owner of the Shares held by such Shareholders becomes or will become a Prohibited Person.

The Board of Directors has the right to refuse any transfer, assignment or sale of Shares in its sole discretion if the Board of Directors reasonably determines that it would result in a Prohibited Person holding Shares, either as an immediate consequence or in the future.

Any transfer of Shares may be rejected by the UCI Administrator and the transfer shall not become effective until the transferee has provided the required information under the applicable know your customer and anti-money laundering rules.

6. Investment Restrictions

For the purpose of this Chapter, each Subfund shall be regarded as a separate UCITS within the meaning of Article 40 of the Law of December 17, 2010.

The following provisions shall apply to the investments made by each Subfund:

1) Each Subfunds' investments may comprise only one or more of the following:
   a) transferable securities and money market instruments admitted to or dealt in on a regulated market; for these purposes, a regulated market is any market for financial instruments within the meaning of Directive 2004/39/EC of the European Parliament and of the Council of April 21, 2004 on markets in financial instruments as amended;
   b) transferable securities and money market instruments dealt in on another market in a Member State which is regulated, operates regularly and is recognized and open to the public; for the purpose of this Chapter "Member State" means a Member State of the European Union ("EU") or the States of the European Economic Area ("EEA") other than the Member States of the EU;
   c) transferable securities and money market instruments admitted to official listing on a stock exchange in a non-Member State of the European Union or dealt in on another market in a non-Member State of the European Union which is regulated, operates regularly and is recognized and open to the public, and is established in a country in Europe, America, Asia, Africa or Oceania;
   d) recently issued transferable securities and money market instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on stock exchanges or markets as per paragraphs a), b) or c) above and provided such admission takes place within one year of issue;
   e) units or shares of undertakings for collective investment in transferable securities authorized according to Directive 2009/65/EC ("UCITS") and/or other undertakings for collective investment within the meaning of Article 1, paragraph 2, points a) and b) of Directive 2009/65/EC ("UCI"), whether or not established in a Member State, provided that:
      – these other UCI are authorized under laws which provide that they are subject to supervision considered by the supervisory authority responsible for the Company, to be equivalent to that required by EU law and that cooperation between the supervisory authorities is sufficiently ensured,
      – the level of protection for share-/unitholders of the other UCIs is equivalent to that provided for share-/unitholders in a UCITS, and in particular that the rules on asset segregation, borrowing, lending and uncovered sales of transferable

securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC,
- the business activities of the other UCIs are reported in semi-annual and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period,
- the UCITS or other UCIs whose units/shares are to be acquired, may not, pursuant to their management regulations or instruments of incorporation, invest more than 10% of their total net assets in units/shares of other UCITS or other UCIs;

f) deposits with a credit institution which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in a third country, provided that it is subject to prudential rules considered by the supervisory authority responsible for the Company, as equivalent to those laid down in EU law;

g) financial derivative instruments, including equivalent cash-settled instruments which are dealt in on a regulated market referred to under paragraphs a), b) and c) above and/or financial derivative instruments which are dealt in over-the-counter ("OTC derivatives"), provided that:
- the underlying consists of instruments within the meaning of Article 41, paragraph (1) of the Law of December 17, 2010, financial indices, interest rates, foreign exchange rates or currencies, in which the Company may invest according to its investment objectives,
- the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the supervisory authority responsible for the Company, and
- the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative;

h) money market instruments other than those dealt in on a regulated market and which are normally traded on the money market and are liquid, and whose value can be precisely determined at any time, provided the issue or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that these investments are:
- issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a non-Member State or, in case of a federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or
- issued by an undertaking any securities of which are dealt in on regulated markets referred to in paragraphs a), b) or c) above, or
- issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or issued or guaranteed by an establishment that is subject to and complies with supervisory rules considered by the supervisory authority responsible for the Company, to be at least as stringent as those required by EU law, or
- issued by other bodies belonging to the categories approved by the supervisory authority responsible for the Company, provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent of this paragraph h) and provided that the issuer is a company whose capital and reserves amount to at least ten million euro (EUR 10,000,000) and which presents and publishes its annual financial statements in accordance with the fourth Directive 78/660/EEC or is an entity, which within a group of companies comprising one or several listed companies, is dedicated to the financing of the group, or is an entity which is dedicated to the financing of securitization vehicles which benefit from a banking liquidity line.

2) Each Subfund shall not, however, invest more than 10% of its total net assets in transferable securities or money market instruments other than those referred to in section 1).

3) The Management Company applies a risk management process which enables it to monitor and measure at any time the risk of the investment positions and their contribution to the overall risk profile of the portfolio and a process for accurate and independent assessment of the value of OTC derivatives.
Each Subfund may, for the purpose of (i) hedging, (ii) efficient portfolio management and/or (iii) implementing its investment strategy, use all financial derivative instruments within the limits laid down by Part I of the Law of December 17, 2010.
The global exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions. This shall also apply to the following subparagraphs.
As part of its investment policy and within the limits laid down in section 4) paragraph e), each Subfund may invest in financial derivative instruments, provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in section 4). If a Subfund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in section 4). When a transferable security or a money market instrument embeds a derivative instrument, the derivative instrument shall be taken into account when complying with the requirements of this section.
The global exposure may be calculated through the commitment approach or the Value-at-Risk (VaR) methodology as specified for each Subfund in Chapter 23, "Subfunds".
The standard commitment approach calculation converts the financial derivative position into the market value of an equivalent position in the underlying asset of that derivative. When calculating global exposure using the commitment approach, the Company may benefit from the effects of netting and hedging arrangements.
VaR provides a measure of the potential loss that could arise over a given time interval under normal market conditions, and at a given confidence level. The Law of December 17, 2010 provides for a confidence level of 99% with a time horizon of one month.
Unless otherwise specified in Chapter 23, "Subfunds", each Subfund shall ensure that its global exposure to financial derivative instruments computed on a commitment basis does not exceed 100% of its total net assets or that the global exposure computed based on a VaR method does not exceed either (i) 200% of the reference portfolio (benchmark) or (ii) 20% of the total net assets.
The risk management of the Management Company supervises the compliance of these provision in accordance with the requirements of applicable circulars or regulation issued by the Luxembourg supervisory authority (Commission de Surveillance du Secteur Financier, "CSSF") or any other European authority authorized to issue related regulation or technical standards.

4) a) No more than 10% of the total net assets of each Subfund may be invested in transferable securities or money market instruments issued by the same issuer. In addition, the total value of transferable securities and money market instruments issued by those issuers in which a Subfund invests more than 5% of its total net assets, shall not exceed 40% of the value of its total net assets. No Subfund may invest more than 20% of its total net assets in deposits made with the same body. The risk exposure to a counterparty of a Subfund in an OTC derivative transaction and/or efficient portfolio management techniques may in aggregate not exceed the following percentages:
- 10% of total net assets if the counterparty is a credit institution referred to in Chapter 6, "Investment Restrictions", section 1) paragraph f), or
- 5% of total net assets in other cases.

b) The 40% limit specified in section 4) paragraph a) is not applicable to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.
Irrespective of the limits specified in section 4) paragraph a), each Subfund shall not combine, where this would lead to investing more than 20% of its total net assets in a single body, any of the following:
- investments in transferable securities or money market instruments issued by that body, or
- deposits made with that body, or
- exposures arising from OTC derivatives transactions undertaken with that body.

c) The limit of 10% stipulated in section 4) paragraph a) is raised to a maximum of 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State, by its public local authorities, by a non-Member State or by public international bodies to which one or more Member States belong.

d) The 10% limit stipulated in section 4) paragraph a) is raised to 25% for bonds issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of those bonds must be invested in accordance with the legal requirements in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest. If a Subfund invests more than 5% of its total net assets in bonds referred to in this paragraph which are issued by a single issuer, the total value of these investments may not exceed 80% of that Subfund's total net assets.

e) The transferable securities and money market instruments referred to in paragraphs c) and d) of this section 4) shall not be taken into account for the purpose of applying the limit of 40% referred to under paragraph a) of this section. The limits specified under paragraphs a), b), c) and d) shall not be combined; thus investments in transferable securities or money market instruments issued by the same issuer or in deposits or derivative instruments made with this body carried out in accordance with paragraphs a), b), c) and d) shall not exceed in total 35% of each Subfund's total net assets. Companies which belong to the same group for the purposes of the preparation of consolidated financial statements in accordance with Directive 83/349/EEC as amended or restated or in accordance with internationally recognized accounting rules, shall be regarded as a single issuer for the purpose of calculating the investment limits specified in the present section 4). Each Subfund may cumulatively invest up to a limit of 20% of its total net assets in transferable securities and money market instruments within the same group.

f) **The limit of 10% stipulated in section 4) paragraph a) is raised to 100% if the transferable securities and money market instruments involved are issued or guaranteed by a Member State, one or more of its local authorities, by any other state which is a member of the Organisation for Economic Cooperation and Development ("OECD") or by Brazil or Singapore, or by a public international body to which one or more Member States of the European Union belong. In such case, the Subfund concerned must hold securities or money market instruments from at least six different issues, and the securities or money market instruments of any single issue shall not exceed 30% of that Subfund's total assets.**

g) Without prejudice to the limits laid down in section 7), the limits laid down in the present section 4) are raised to a maximum of 20% for investments in shares and/or debt securities issued by the same body, when the aim of the Subfund's investment policy is to replicate the composition of a certain stock or debt securities index which is recognized by the supervisory authority responsible for the Company, on the following basis:
- the composition of the index is sufficiently diversified,
- the index represents an adequate benchmark for the market to which it relates,
- it is published in an appropriate manner.

The aforementioned limit of 20% may be raised to a maximum of 35% where that proves to be justified by exceptional market conditions in particular in regulated markets where certain transferable securities or money market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

5) The Company will not invest more than 10% of the total net assets of any Subfund in units/shares of other UCITS and/or in other UCIs (including other Subfunds) ("Target Funds") pursuant to section 1) paragraph e), unless otherwise specified in the investment policy applicable to a Subfund as described in Chapter 23, "Subfunds".
Where a higher limit as 10% is specified in Chapter 23, "Subfunds", the following restrictions shall apply:
- No more than 20% of a Subfund's total net assets may be invested in units/shares of a single UCITS or other UCI. For the purpose of application of this investment limit, each compartment of a UCITS or other UCI with multiple compartments is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various compartments vis-à-vis third parties is ensured.
- Investments made in units/shares of UCI other than UCITS may not in aggregate exceed 30% of the total net assets of a Subfund.

Where a Subfund invests in units/shares of other UCITS and/or other UCI that are managed, directly or by delegation, by the same management company or by any other company with which the Company is linked by common management or control, or by a direct or indirect holding of more than 10% of the capital or votes ("Affiliated Funds"), the Company or the other company may not charge subscription or redemption fees on account of the Subfund's investment in the units/shares of such Affiliated Funds.
Besides the expenses incurred by the Management Company in managing the Subfund, a management fee may also be charged for investments in Target Funds considered to be Affiliated Funds and be indirectly charged from the assets of the Subfund in respect of the Target Funds contained therein. In addition to such management fee, a performance fee may be indirectly charged from the assets of the Subfund in respect of the Target Funds contained therein.
Investors should note that for investments in units/shares of other UCITS and/or other UCI costs may generally arise both at the Subfund level and at the level of the other UCITS and/or UCI itself.
The cumulative management fee at Subfund and Target Fund level for Subfunds investing more than 10% of the total net assets in Target Funds is specified in Chapter 23, "Subfunds", if applicable.

6) a) The Company's assets may not be invested in securities carrying voting rights which enable the Company to exercise significant influence over the management of an issuer.
b) Moreover, the Company may not acquire more than
- 10% of the non-voting shares of the same issuer;
- 10% of the debt securities of the same issuer;
- 25% of the units/shares of the same UCITS or other UCI;
- 10% of the money market instruments of a single issuer.

In the last three cases, the restriction shall not apply if the gross amount of bonds or money market instruments, or the net amount of the instruments in issue cannot be calculated at the time of acquisition.

c) The restrictions set out under paragraphs a) and b) shall not apply to:
- transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities,
- transferable securities and money market instruments issued or guaranteed by a non-Member State of the European Union,
- transferable securities and money market instruments issued by public international bodies to which one or more Member States of the European Union belong,
- shares held by the Company in the capital of a company which is incorporated in a non-Member State of the European Union and which invests its assets mainly in securities of issuing bodies having their registered office in that State, where under the legislation of that State, such a holding represents the only way in which the Company can invest in the securities of issuing bodies of that State. This derogation, however, shall apply only if in its investment policy the company from the non-Member State of the European Union complies with the limits stipulated in section 4, paragraphs a) to e), section 5, and section 7 paragraphs a) and b).

7) The Company may not borrow any money for any Subfund except for:
a) the purchase of foreign currency using a back-to-back loan;
b) an amount equivalent to not more than 10% of the Subfund's total net assets and borrowed on a temporary basis.

8) The Company may not grant loans or act as guarantor for third parties.

9) To ensure efficient portfolio management, however, each Subfund may, in compliance with the provisions of the applicable Luxembourg regulations, enter into securities lending transactions.

10) The Company may not invest its assets directly in real estate, precious metals or certificates representing precious metals and goods.

11) The Company may not carry out uncovered sales of transferable securities, money market instruments or other financial instruments referred to in section 1) paragraph e), g) and h).

12) a) In relation to borrowing conducted within the limitations set out in the Prospectus, the Company may pledge or assign the assets of the Subfund concerned as collateral.
b) Furthermore, the Company may pledge or assign the assets of the Subfund concerned as collateral to counterparties of transactions involving OTC derivatives or financial derivative instruments which are dealt in on a regulated market referred to under paragraphs a), b) and c) of number 1) above in order to secure the payment and performance by such Subfund of its obligations to the relevant counterparty. To the extent counterparties require the provision of collateral exceeding the value of the risk to be covered by collateral or where the overcollateralization is caused by other circumstances (e.g. performance of the assets posted as collateral or provisions of customary framework documentation), such (excess) collateral may – also in respect of non-cash collateral – expose the relevant Subfund to the counterparty risk of such counterparty and the Subfund may only have an unsecured claim in respect of such assets.

The restrictions set out above shall not apply to the exercise of subscription rights.
During the first six months following official authorization of a Subfund in Luxembourg, the restrictions set out in section 4) and 5) above need not be complied with, provided that the principle of risk-spreading is observed.
If the limits referred to above are exceeded for reasons beyond the control of the Company or as a result of the exercise of subscription rights, the Company shall as a matter of priority remedy that situation, taking due account of the interests of the Shareholders.
The Company is entitled to issue, at any time, further investment restrictions, in the interests of the Shareholders, if for example such restrictions are necessary to comply with the legislation and regulations in those countries in which the Company's Shares are or will be offered for sale.

7. Risk Factors

Prospective investors should consider the following risk factors before investing in the Company. However, the risk factors set out below do not purport to be an exhaustive list of risks related to investments in the Company. Prospective investors should read the entire Prospectus, and where appropriate consult with their legal, tax and investment advisers, in particular regarding the tax consequences of subscribing, holding, converting, redeeming or otherwise disposing of Shares under the law of their country of citizenship, residence or domicile (further details are set out in Chapter 9, "Expenses and Taxes"). Investors should be aware that the investments of the Company are subject to market fluctuations and other risks associated with investments in transferable securities and other financial instruments. The value of the investments and the resulting income may go up or down and it is possible that investors will not recoup the amount originally invested in the Company, including the risk of loss of the entire amount invested. There is no assurance that the investment objective of a particular Subfund will be achieved or that any increase in the value of the assets will occur. Past performance is not a reliable indicator of future results.
The Net Asset Value of a Subfund may vary as a result of fluctuations in the value of the underlying assets and the resulting income. Investors are reminded that in certain circumstances their right to redeem Shares may be suspended.
Depending on the currency of the investor's domicile, exchange-rate fluctuations may adversely affect the value of an investment in one or more of the Subfunds. Moreover, in the case of an Alternate Currency Class in which the currency risk is not hedged, the result of the associated foreign exchange transactions may have a negative influence on the performance of the corresponding Share Class.

Market Risk
Market risk is a general risk which may affect all investments to the effect that the value of a particular investment could change in a way that is detrimental to the Company's interests. In particular, the value of investments may be affected by uncertainties such as international, political and economic developments or changes in government policies.

Interest Rate Risk
Subfunds investing in fixed income securities may fall in value due to fluctuations in interest rates. Generally, the value of fixed income securities rises when interest rates fall. Conversely, when interest rates rise, the value of fixed income securities can generally be expected to decrease. Long-term fixed income securities will normally be subject to greater price volatility than short-term fixed income securities.

Foreign Exchange Risk
The Subfunds' investments may be made in other currencies than the relevant Reference Currency and therefore be subject to currency fluctuations, which may affect the Net Asset Value of the relevant Subfunds favorably or unfavorably.
Currencies of certain countries may be volatile and therefore affect the value of securities denominated in such currencies. If the currency in which an investment is denominated appreciates against the Reference Currency of the relevant Subfund, the value of the investment will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the investment.
The Subfunds may enter into hedging transactions on currencies to protect against a decline in the value of investments denominated in currencies other than the Reference Currency, and against any increase in the cost of investments denominated in currencies other than the Reference Currency. However, there is no guarantee that the hedging will be successful.
Although it is the policy of the Company to hedge the currency exposure of Subfunds against their respective Reference Currencies, hedging transactions may not always be possible and currency risks cannot therefore be excluded.

Credit Risk
Subfunds investing in fixed income securities are subject to the risk that issuers may not make payments on such securities. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security may also offset the security's liquidity. Subfunds investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

Counterparty Risk
The Company may enter into over-the-counter transactions which will expose the Subfunds to the risk that the counterparty may default on its obligation to perform under such contracts. In the event of bankruptcy of the counterparty, the Subfunds could experience delays in liquidating the position and significant losses.

EU Bank Recovery and Resolution Directive
Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms (the "BRRD") was published in the Official Journal of the European Union on June 12, 2014 and entered into force on July 2, 2014. The stated aim of the BRRD is to provide resolution authorities, including the relevant Luxembourg resolution authority, with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimize taxpayers' exposure to losses.
In accordance with the BRRD and relevant implementing laws, national prudential supervisory authorities can assert certain powers over credit institutions and certain investment firms which are failing or are likely to fail and where normal insolvency would cause financial instability. These powers comprise write-down, conversion, transfer, modification, or suspension powers existing from time to time under, and exercised in compliance with any laws, regulations, rules or requirements in effect in the relevant EU Member State relating to the implementation of BRRD (the "Bank Resolution Tools").
The use of any such Bank Resolution Tools may affect or restrain the ability of counterparties subject to BRRD to honour their obligations towards the Subfunds, thereby exposing the Subfunds to potential losses.
The exercise of Bank Resolution Tools against investors of a Subfund may also lead to the mandatory sale of part of the assets of these investors, including their shares/units in that Subfund. Accordingly, there is a risk that a Subfund may experience reduced or even insufficient liquidity because of such an unusually high volume of redemption requests. In such case the Company may not be able to pay redemption proceeds within the time period stated in this Prospectus.
Furthermore, exercising certain Bank Resolution Tools in respect of a particular type of securities may, under certain circumstances, trigger a drying-up of liquidity in specific securities markets, thereby causing potential liquidity problems for the Subfunds.

Liquidity Risk
There is a risk that the Company will suffer liquidity issues because of unusual market conditions, an unusually high volume of redemption requests or other reasons. In such case the Company may not be able to pay redemption proceeds within the time period stated in this Prospectus.

Custody Risk
All assets of the Company comprising the portfolios of the various Subfunds, and any collateral held by the Company (as applicable) for those Subfunds, will be held under the custody or supervision of the Depositary Bank.
In accordance with the Law of December 17, 2010, the Depositary Bank may delegate parts of its custody functions to third parties only where (i) the Depositary Bank has exercised due skill, care and diligence in the selection and appointment of any third parties to whom it intends to delegate parts of its tasks, (ii) the Depositary Bank continues to exercise all due skill, care and diligence in the periodic review and ongoing monitoring of these third party delegates in respect of the matters delegated to it, (iii) such third party delegate, at all times during the performance of the tasks delegated to it, segregates the assets of the clients of the Depositary Bank from its own assets and from the assets of the Depositary Bank in such a way that they can, at any time, be clearly identified as belonging to clients of a particular depositary, and (iv) such third party delegate takes all necessary steps to ensure that, in the event of insolvency of a third-party delegate, the assets of the Company held by such third party delegate are unavailable for distribution among, or realization for the benefit of, the creditors of such third-party delegate.
Despite the foregoing, custody risk may nevertheless arise from the possibility that, to the detriment of a Subfund, such Subfund could be denied access, in whole or in part, to assets held in custody in circumstances that arise as a result of an external event beyond the

Depositary Bank's reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. When the Depositary Bank is holding cash or a third party custodian is holding cash collateral for the benefit of the relevant Subfund as further described in Chapter 19, “Regulatory Disclosure” and "Collateral Management" under this Chapter 7, "Risk Factors", the latter will be exposed to the credit risk of the Depositary Bank and/or any sub-custodian used by the Depositary Bank or the third party custodian holding cash collateral for the benefit of the relevant Subfund. Cash held by the Depositary Bank and sub-custodians or the third party custodian holding cash collateral for the benefit of the relevant Subfund will not be segregated in practice but will be a debt owing from the Depositary Bank and/or other sub-custodians or any third party custodian holding cash collateral for the benefit of the relevant Subfund to the relevant Subfunds as a depositor. Such cash will be co-mingled with cash belonging to other clients of the Depositary Bank or sub-custodians or third party custodian holding cash collateral for the benefit of the relevant Subfund. In the event of the insolvency of the Depositary Bank and/or sub-custodians or third party custodian holding cash collateral for the benefit of the relevant Subfund, the Fund will be treated as a general unsecured creditor of the Depositary Bank and/or sub-custodians or third party custodian holding cash collateral for the benefit of the relevant Subfund in relation to cash holdings of the Fund and its Subfunds. The Fund may face difficulties and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the relevant Subfund(s) will lose some or all of their cash. To mitigate the Fund’s exposure to the Depositary Bank and/or sub-custodian or third party custodian holding cash collateral for the benefit of the relevant Subfund, the Management Company employs specific procedures to ensure that the Depositary Bank or third party custodian holding cash collateral for the benefit of the relevant Subfund is each a reputable institution and that the credit risk is acceptable to the Fund. Investors are invited to consider Chapter 17, “Depositary Bank” for further information on the liability of the Depositary Bank.

Management Risk

The Company is actively managed and the Subfunds may therefore be subject to management risks. The Company will apply its investment strategy (including investment techniques and risk analysis) when making investment decisions for the Subfunds, however, no assurance can be given that the investment decision will achieve the desired results. The Company may in certain cases decide not to use investment techniques, such as derivative instruments, or they may not be available, even under market conditions where their use could be beneficial for the relevant Subfund.

Sustainability Risks

Pursuant to the Sustainable Finance Disclosure Regulation (Regulation (EU) 2019/2088) (“SFDR”), the Subfunds are required to disclose the manner in which Sustainability Risks (as defined hereafter) are integrated into the investment decision and the results of the assessment of the likely impacts of Sustainability Risks on the returns of the Subfunds.

Sustainability risks means an environmental, social or governance event or condition that, if it occurs, could have a material negative impact on the value of the investment. The materiality of Sustainability Risks is determined by the likelihood, magnitude and time-horizon of the risk materializing.

Environmental events or conditions that could result in a sustainability risk generally include climate-related risks due to, for example, global warming and changing weather patterns and extreme weather events such as heatwaves, droughts, floods, storms, hail and forest fires. Those events or conditions can lead to direct loss of production facilities, workforce and parts of the supply chain as well as to increased operating cost from capital expenditure, insurance costs and faster asset depreciation (the risk of such events occurring is often referred to as physical risks). Environmental risks furthermore include risks related to the change to a low-carbon economy. Risk from political measures with respect to fossil fuels or emissions certificates can result in them becoming more expensive or scarce or the substitution of existing products and services with lower emissions options. These risks are generally referred to transition risks.

As regards social events or conditions that could result in a sustainability risk, those include generally but are not limited to health and safety of tenants and employees, human rights violation, poor labour standards, supply chain management issues, deficient employee welfare, data & privacy concerns as well as increasing technological regulation and reliance on new technology infrastructures.

Governance events or conditions that could result in a sustainability risk generally include but are not limited to bribery, corruption, tax fraud, tax evasion, high management incentives, board composition and effectiveness as well as management quality and alignment of management with shareholders.

Sustainability Risks can be understood as a sub-category of traditional risk types (e.g. credit-, market-, liquidity-, operational-, and strategy risk) and are identified and managed in the context of risk management processes of the Management Company. Additionally, Investment Managers of Subfunds are supported by the UBS AM ESG team to identify and manage material Sustainability Risks in the investment decision process.

As sustainability risks differ between asset classes and investment styles, they are defined at Subfund level. The Investment Manager identifies sustainability risks by considering sector, industry and company exposure of the portfolio either in absolute terms or relative to the benchmark. Proprietary analysis may be supported by specific frameworks which define industry-specific ESG factors material to a company.

The impacts following the occurrence of a sustainability risk may be numerous and vary depending on the specific risk, region, sector and asset class. For all Subfunds, sustainability risks may result in a negative impact on the returns of the Subfund. Generally, acute and chronic physical risks, new carbon taxes and changing consumer behavior have been identified as being highly relevant. These risks may lead to increased default risks and financial deterioration return for the investments.

Certain Subfunds may for instance invest in securities of industrial companies (including metals, mining and chemical companies) in which case environmental risks include in particular physical and reputational consequences of pollution or greenhouse gas emissions caused by industrial companies (including but not limited to damages, individual and class legal actions), potential physical damage to property resulting from extreme weather events and climate change, such as droughts, wildfires, flooding and heavy precipitations, heat/cold waves, landslides or storms, the ability of the company to respond to increased production prices and to regulatory and public pressure to reduce the energy and water consumption of buildings and to overcome waste management challenges. Furthermore, investments into metals, mining and chemical companies (as mentioned above) may carry additional reputational risks resulting from the failure to meet a sustainable thematic objective and/or the ESG Factors and the visibility of such failure.

Similarly, investments in companies and issuers in emerging markets aiming at transitioning to a lower carbon economy will encounter more challenges of various nature (for instance where industrial sector plays an essential part in the economic and social fabric) and will require additional capital in comparison to their developed counterparts to enable them to transition towards more sustainable business practices. Such emerging-country companies and issuers may for instance fail to raise sufficient funds to achieve a successful transition to a lower carbon footprint. Further information is provided in the section “Investments in Emerging Countries” of Chapter 7 “Risk Factors”.

Sustainability risks can adversely affect the Subfunds’ returns. The effective management of such risks is crucial for mitigating downside risks on the portfolio’s returns as well as the negative impact on the society and the environment at large.

Further information is provided in the section “Risk Information” of Chapter 23 “Subfunds”.

Sustainable Investing Risks

Subfunds are exposed to specific risks linked to their sustainable investing strategy. In this context and given the nascent nature of ESG /sustainability regulations and guidelines, investors shall note that the ESG classifications and descriptions made in this Prospectus may be reviewed by the Management Company and the Investment Managers in response to evolving statutory, regulatory or internal guidance or changes in industry approach to classification. Since sustainability-related practices differ by region, industry and issue and are evolving accordingly, the practice or the assessment of such sustainability-related practice by the Subfunds, respectively their Investment Managers and the Management Company may change over time. Similarly, new sustainability requirements imposed by jurisdictions in which the Investment Managers do business and/or in which the Subfunds are marketed may result in additional compliance costs, disclosure obligations or other implications or restrictions on the Subfunds or on their Investment Managers and the Management Company. Under such requirements, the Investment Managers and the Management Company may be required to classify the Subfunds against certain criteria, some of which can be open to subjective interpretation. Especially their views on the appropriate classification may develop over time, including in response to statutory or regulatory guidance or changes in industry approach and this may include making a change to the classification of the Subfunds. Such change to the relevant classification may require certain actions to be taken, including new investments and disinvestments or new processes to be set up to meet the corresponding classification requirements and capture data about the Subfunds’ investments, which may lead to additional cost, disclosure and reporting obligations.

Furthermore, investors shall note that the Management Company and the Investment Managers are, wholly or in part, reliant on public and third-party

sources of information as well as potentially information produced by the issuer itself. Further, the ability of the Management Company and the Investment Managers to verify such data may be limited by the integrity of the data available in respect of the underlying constituents at the relevant point in time and the status and evolution of global laws, guidelines and regulations in relation to the tracking and provision of such ESG data. ESG data derived from private, public and third-party sources of information may be incorrect, unavailable, or not fully updated. Updates may also be subject of a time lag. ESG classification/scoring also reflects the opinion of the assessing party (including external parties, such as rating agencies or other financial institutions). In the absence of a standardized ESG scoring system, each assessing party has therefore its own research and analysis framework. Therefore, ESG scoring or risk levels given by different assessing parties to the same investment can vary greatly. This also applies for certain investments for which the Management Company and the Investment Managers may only have limited access to data from external parties in respect of the underlying constituents of an investment, due to, e.g. absence of look-through data. In such cases, the Management Company and the Investment Managers will attempt to assess such information on a best-effort basis. Such data gaps could also result in the incorrect assessment of a sustainability practice and/or related sustainability risks and opportunities. Furthermore, certain approaches are applied in a centralised way following a top-down approach, such as the centralized active ownership approach. In those cases, the actual output of those approaches at Subfund's level is not guaranteed. For instance, there is no guarantee that engagement is actually done over a specific reference period with investee companies held in a relevant Subfund even though the respective Subfund's portfolios is an integrated part of the overall UBS AM investment portfolio.
Investors shall also note that the non-financial- / ESG-performance of a portfolio might differ from its financial performance and the Management Company and the Investment Managers cannot give any representation as to the correlation of financial and ESG performance. Adhering to a new ESG classification, respectively a change of ESG classification may also lead to transactional costs to reposition the underlying portfolio as well as new disclosure, reporting, compliance and risk management related costs. Following ESG objectives does not necessarily imply suitability for meeting the investor or client's overall investment objectives, nor any investor/ client specific sustainability preferences.
For more information about the sustainable investing risks related to investments in the industrial sector or in emerging markets, investors shall consult the environmental, social and governance risks described in more details in the section "Sustainable Risks", "Concentration on Certain Countries/Regions" and "Investments in Emerging Countries".

Investment Risk
Investments in Equities
The risks associated with investments in equity (and equity-type) securities include in particular significant fluctuations in market prices, adverse issuer or market information and the subordinate status of equity compared to debt securities issued by the same company.
Investors should also consider the risk attached to fluctuations in exchange rates, possible imposition of exchange controls and other restrictions.

Investments in Fixed Income Securities
Investments in securities of issuers from different countries and denominated in different currencies offer potential benefits not available from investments solely in securities of issuers from a single country, but also involve certain significant risks that are not typically associated with investing in the securities of issuers located in a single country. Among the risks involved are fluctuations in interest rates as well as fluctuations in currency exchange rates (as further described above under section "Interest Rate Risk" and "Foreign Exchange Risk") and the possible imposition of exchange control regulations or other laws or restrictions applicable to such investments. A decline in the value of a particular currency in comparison with the Reference Currency of the Subfund would reduce the value of certain portfolio securities that are denominated in such a currency.
An issuer of securities may be domiciled in a country other than the country in whose currency the instrument is denominated. The values and relative yields of investments in the securities markets of different countries, and their associated risks, may fluctuate independently of each other.
As the Net Asset Value of a Subfund is calculated in its Reference Currency, the performance of investments denominated in a currency other than the Reference Currency will depend on the strength of such currency against the Reference Currency and on the interest rate environment in the country issuing the currency. In the absence of other events that could otherwise affect the value of non-Reference Currency investments (such as a change in the political climate or an issuer's credit quality), an increase in the value of the non-Reference Currency can generally be expected to increase the value of a Subfund's non-Reference Currency investments in terms of the Reference Currency.
The Subfunds may invest in investment grade debt securities. Investment grade debt securities are assigned ratings within the top rating categories by rating agencies on the basis of the creditworthiness or risk of default. Rating agencies review, from time to time, such assigned ratings and debt securities may therefore be downgraded in rating if economic circumstances impact the relevant debt securities issue. Moreover, the Subfunds may invest in debt instruments in the non-investment grade sector (high yield debt securities). Compared to investment grade debt securities, high yield debt securities are generally lower-rated and will usually offer higher yields to compensate for their reduced creditworthiness or increased risk of default.
SEC Rule 144A provides a safe harbour exemption from the registration requirements of the Securities Act of 1933 for resale of restricted securities to qualified institutional buyers, as defined in the rule. The advantage for investors may be higher returns due to lower administration charges. However, dissemination of secondary market transactions in rule 144A securities is restricted and only available to qualified institutional buyers. This might increase the volatility of the security prices and, in extreme conditions, decrease the liquidity of a particular rule 144A security.

Risk relating to contingent convertible instruments
Unknown Risk
The structure of the contingent convertible instruments is yet untested. In a stressed environment, when the underlying features of these instruments will be put to the test, it is uncertain how they will perform. In the event a single issuer activates a trigger or suspends coupons, it is uncertain if the market will view the issue as an idiosyncratic event or systemic. In the latter case, potential price contagion and volatility to the entire asset class is possible. This risk may in turn be reinforced depending on the level of underlying instrument arbitrage. Furthermore in an illiquid market, price formation may be increasingly stressed.

Capital Structure Inversion Risk
Contrary to classic capital hierarchy, contingent convertible instruments investors may suffer a loss of capital when equity holders do not. In certain scenarios, holders of contingent convertible instruments will suffer losses ahead of equity holders, e.g. when a high trigger principal write-down contingent convertible instruments is activated. This cuts against the normal order of capital structure hierarchy where equity holders are expected to suffer the first loss.

Industry Concentration Risk
As the issuers of contingent convertible instruments may be unevenly distributed across sectors of industry, contingent convertible instruments may be prone to industry concentration risks.

Investments in Warrants
The leveraged effect of investments in warrants and the volatility of warrant prices make the risks attached to investments in warrants higher than in the case of investment in equities. Because of the volatility of warrants, the volatility of the share price of any Subfund investing in warrants may potentially increase.

Investments in Target Funds
Investors should note that investments in Target Funds may incur costs both at the Subfund level and at the level of the Target Funds. Furthermore, the value of the units or shares in the Target Funds may be affected by currency fluctuations, currency exchange transactions, tax regulations (including the levying of withholding tax) and any other economic or political factors or changes in the countries in which the Target Fund is invested, along with the risks associated with exposure to the emerging markets.
The investment of the Subfunds' assets in units or shares of Target Funds entails a risk that the redemption of the units or shares may be subject to restrictions, with the consequence that such investments may be less liquid than other types of investment.

Use of Derivatives
While the use of financial derivative instruments can be beneficial, financial derivative instruments also involve risks different from, and, in certain cases, greater than, the risks presented by more traditional investments.
Derivatives are highly specialized financial instruments. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself, without there being any opportunity to observe the performance of the derivative under all possible market conditions.
If a derivative transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous price.

Since many derivatives have a leverage component, adverse changes in the value or level of the underlying asset, rate or index may result in a loss substantially greater than the amount invested in the derivative itself.
The other risks associated with the use of derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. Many derivatives are complex and often valued subjectively. Improper valuations can result in increased cash payment requirements to counterparties or a loss of value to the Company. Consequently, the Company's use of derivatives may not always be an effective means of, and sometimes could be counterproductive to, furthering the Company's investment objectives.
Derivative instruments also carry the risk that a loss may be sustained by the Company as a result of the failure of the counterparty to a derivative to comply with the terms of the contract (as further described under "Counterparty Risk" above). The default risk for exchange-traded derivatives is generally less than for privately negotiated derivatives, since the clearing house, which is the issuer or counterparty to each exchange-traded derivative, provides a guarantee of performance. In addition, the use of credit derivatives (credit default swaps, credit linked notes) carries the risk of a loss arising for the Company if one of the entities underlying the credit derivative defaults.
Moreover, OTC derivatives may bear liquidity risks. The counterparties with which the Company effects transactions might cease making markets or quoting prices in certain of the instruments. In such cases, the Company might not be in a position to enter into a desired transaction in currencies, credit default swaps or total return swaps or to enter into an offsetting transaction with respect to an open position which might adversely affect its performance. Unlike exchange-traded derivatives, forward, spot and option contracts on currencies do not provide the Management Company with the possibility to offset the Company's obligations through an equal and opposite transaction. Therefore, through entering into forward, spot or options contracts, the Company may be required, and must be able, to perform its obligations under these contracts.
The use of derivative instruments may or may not achieve its intended objective.

Investments in Hedge Fund Indices
In addition to the risks entailed in traditional investments (such as market, credit and liquidity risks), investments in hedge fund indices entail a number of specific risks that are set out below.
The hedge funds underlying the respective index, as well as their strategies, are distinguished from traditional investments primarily by the fact that their investment strategy may involve the short sale of securities and, on the other hand, by using borrowings and derivatives, a leverage effect may be achieved.
The leverage effect entails that the value of a fund's assets increases faster if capital gains arising from investments financed by borrowing exceed the related costs, notably the interest on borrowed monies and premiums payable on derivative instruments. A fall in prices, however, causes a faster decrease in the value of the Company's assets. The use of derivative instruments, and in particular of short selling, can in extreme cases lead to a total loss in value.
Most of the hedge funds underlying the respective index were established in countries in which the legal framework, and in particular the supervision by the authorities, either does not exist or does not correspond to the standards applied in western Europe or other comparable countries. The success of hedge funds depends in particular on the competence of the fund managers and the suitability of the infrastructure available to them.
These financial indices shall be chosen in accordance with the eligibility criteria as set out in Article 9 of the Grand Ducal Regulation of 8 February 8, 2008 clarifying Article 44 of the Law of December 17, 2010.

Investments in Commodity and Real Estate Indices
Investments in products and/or techniques providing an exposure to commodity, hedge fund and real estate indices differ from traditional investments and entail additional risk potential (e.g. they are subject to greater price fluctuations). When included in a broadly diversified portfolio, however, investments in products and/or techniques providing an exposure to commodity and real estate indices generally show only a low correlation to traditional investments.
These financial indices shall be chosen in accordance with the eligibility criteria as set out in Article 9 of the Grand Ducal Regulation of 8 February 8, 2008 clarifying Article 44 of the Law of December 17, 2010.

Investments in illiquid Assets
The Company may invest up to 10% of the total net assets of each Subfund in transferable securities or money market instruments which are not traded on stock exchanges or regulated markets. It may therefore be the case that the Company cannot readily sell such securities. Moreover, there may be contractual restrictions on the resale of such securities. In addition, the Company may under certain circumstances trade futures contracts or options thereon. Such instruments may also be subject to illiquidity in certain situations when, for example, market activity decreases, or when a daily fluctuation limit has been reached. Most futures exchanges restrict the fluctuations in future contract prices during a single day by regulations referred to as "daily limits". During a single trading day no trades may be executed at prices above or below these daily limits. When the price of a futures contract has increased or decreased to the limit, positions can neither be purchased nor compensated. Futures prices have occasionally moved outside the daily limit for several consecutive days with little or no trading. Similar occurrences may prevent the Company from promptly liquidating unfavorable positions and therefore result in losses.

Investments in Asset-Backed Securities and Mortgage-Backed Securities
The Subfunds may have exposure to asset-backed securities ("ABS") and mortgage-backed securities ("MBS"). ABS and MBS are debt securities issued by a special purpose vehicle (SPV) with the aim to pass through of liabilities of third parties other than the parent company of the issuer. Such securities are secured by an asset pool (mortgages in the case of MBS and various types of assets in the case of ABS). Compared to other traditional fixed income securities such as corporate or government issued bonds, the obligations associated with these securities may be subject to greater counterparty, liquidity and interest rate risks as well as other types of risks, such as reinvestment risk (arising from included termination rights, prepayment options), credit risks on the underlying assets and advance repayments of principal resulting in a lower total return (especially, if repayment of the debt is not concurrent with redemption of the assets underlying the claims).
ABS and MBS assets may be highly illiquid and therefore prone to substantial price volatility.

Small to medium-sized Companies
A number of Subfunds may invest primarily in small and mid-cap companies. Investing in the securities of smaller, lesser-known companies involves greater risk and the possibility of greater price volatility due to the less certain growth prospects of smaller firms, the lower degree of liquidity of the markets for such stocks and the greater sensitivity of smaller companies to changing market conditions.

Investment in REITs
REITs (real estate investment trusts) are listed companies – not open-ended undertakings for collective investment in transferable securities under Luxembourg law – which buy and/or develop real estate as long-term investments. They invest the bulk of their assets directly in real estate and derive most of their income from rent. Special risk considerations apply to investments in publicly traded securities of companies active primarily in the real estate sector. These risks include: the cyclical nature of real estate securities, risks connected with the general and local economic situation, supply overhangs and fierce competition, increases in land tax and operating costs, demographic trends and changes in rental income, changes to the provisions of building law, losses from damage and expropriation, environmental risks, rent ceilings imposed by administrative provisions, changes in real estate prices in residential areas, risks of associated parties, changes in the attractiveness of real estate to tenants, interest rate rises and other factors influencing the real estate capital market. As a rule, interest rate rises result in higher financing costs, which could reduce – either directly or indirectly – the value of the respective Subfund's investment.

Investments in Russia
Custodial and registration risk in Russia

– Although exposure to the Russian equity markets is substantially hedged through the use of GDRs and ADRs, individual Subfunds may, in accordance with their investment policy, invest in securities which require the use of local depository and/or custodial services. Currently, evidence of legal title to shares is maintained in "book-entry" form in Russia.
– The Subfund will hold securities through the Depositary Bank that will open a foreign nominee holder account with a Russian custodian. Russian law provides that the Depositary Bank (as foreign nominee holder) will be under an obligation to "make all reasonable efforts within its control" to provide the Russian custodian or, at their request, the issuer, a Russian court, the Central Bank of the Russian Federation and Russian investigative authorities, with information on owners of securities, other persons exercising rights under securities and persons in whose interests such rights are exercised, and the number of the relevant securities.
  It is plausible that the Depositary Bank should be able to comply with the obligation described above by providing information about the Subfund as owner of securities. However, it cannot be ruled out that

information about the Subfund's Shareholders including information about beneficial ownership of shares held in the Subfund may also be requested. If such information is not provided by the Subfund and / or the Shareholder to the Depositary Bank, operations in the Depositary Bank's foreign nominee holder account in Russia may be, as Russian law states, "prohibited or limited" by the Central Bank of the Russian Federation for up to six months. Russian law is silent as to whether such six-month term can be extended , therefore, such extension(s) cannot be excluded for an undetermined period of time so that the final impact of the aforementioned prohibition or limitation of operations cannot reasonably be evaluated at this point in time.

– The significance of the register is crucial to the custodial and registration process. Although independent registrars are subject to licensing and supervision by the Central Bank of Russia and may bear civil, as well as administrative liability for non-performance or undue performance of their obligations, it is, nevertheless, possible for the Subfund to lose its registration through fraud, negligence or mere oversight. Furthermore, although companies are required under Russian law to maintain independent registrars that meet certain statutory criteria, in practice there may be instances where this regulation has not been complied with by the companies. Because of this lack of independence, the management of a company can potentially exert significant influence over the make-up of that company's shareholder base.
– Distortion or destruction of the register could substantially impair, or in certain cases erase, the Subfund's holdings of the relevant company's shares. Neither the Subfund, the Investment Manager, the Depositary Bank, the Management Company, the Board of Directors of the Management Company nor any of their agents can make any representation or warranty about, or any guarantee of, the registrars' actions or performance. Such risk will be borne by the Subfund. Although Russian law provides for the mechanism of restoration of the lost information in the register, there is no guidance on how this mechanism should operate in practice, and any potential dispute would be considered by a Russian court on a case-by-case basis.

The abovementioned amendments to the Russian Civil Code provide for unlimited protection of the "good faith purchaser" of equities acquired in the course of exchange trades. The only exception (which seems to be non-applicable) to this rule is the acquisition of such securities without consideration.
Direct investments in the Russian market are made in principle via equities or equity-type securities traded on the Moscow Exchange, in accordance with Chapter 6, "Investment Restrictions" and unless stipulated otherwise in Chapter 23 "Subfunds". Any other direct investments, which are not made via the Moscow Exchange will fall within the 10%-rule of Article 41 (2) a) of the Law of December 17, 2010.

Investments in India
In addition to the restrictions set out in this Prospectus, direct investments made in India are subject to the relevant Subfund obtaining a certificate of registration as "Foreign Portfolio Investor" ("FPI") (registration as Category I FPI) from a Designated Depository Participant ("DDP") on behalf of the Securities and Exchange Board of India ("SEBI"). In addition the Subfund shall obtain a Permanent Account Number (PAN) card from the Income Tax Department of India. The FPI Regulations set various limits for investments by FPIs and impose various obligations on the FPIs. All investments made directly in India will be subject to FPI Regulations prevailing at the time of the investment. Investors should note that the registration of the relevant Subfund as a FPI is a condition precedent to any direct investments by this Subfund in the Indian market.
The FPI registration of the Subfund can in particular be suspended or withdrawn by the SEBI in case of non-compliance with the SEBI's requirements, or in case of any acts or omissions in relation to compliance with any Indian regulations, including applicable laws and regulations relating to Anti-Money Laundering and Counter Terrorism Financing. No assurance can be given that the FPI registration will be maintained for the whole duration of the relevant Subfund. Consequently, investors should note that a suspension or a withdrawal of the FPI registration of the Subfund may lead to a deterioration of the performance of the relevant Subfund, which as a consequence, could have a negative impact on the value of the investors' participation depending on the prevailing market conditions at that time.
Investors should also note that the Prevention of Money Laundering Act, 2002 ("PMLA") and the rules framed thereunder in relation to the prevention and control of activities concerning money laundering and confiscation of property derived or involved in money laundering in India require inter-alia certain entities such as banks, financial institutions and intermediaries dealing in securities (including FPIs) to conduct client identification procedures and to establish the beneficial owner of the assets ("Client ID") and to maintain a record of Client ID and certain kinds of transactions ("Transactions"), such as cash transactions exceeding certain thresholds, suspicious transactions (whether or not made in cash and including credits or debits into or from non-monetary accounts such as security accounts). Accordingly, the FPI regulations have the ability to seek information from the FPI holder on the identity of beneficial owners of the Subfund, hence information regarding investors and beneficial owners of the Subfund may be required for disclosure to local supervisory authorities.
As far as permitted under Luxembourg law, information and personal data regarding the investors and beneficial owners of the Subfund investing in the Indian market (including but not limited to any documentation submitted as part of the identification procedure prescribed in relation to their investment in the Subfund) may be disclosed to the DDP, resp. to governmental or regulatory authorities in India upon their request. In particular investors shall note that, in order to enable the Subfund to comply with the Indian laws and regulations, any natural person who, whether acting alone or together, or through one or more juridical persons, exercises control through ownership or who ultimately has a controlling ownership interest above 10% of the Subfund's assets is required to disclose its identity to the DDP.

Investments in the People's Republic of China ("PRC" or "China")
For the purposes of this Prospectus, "PRC" refers to the People's Republic of China (excluding the Hong Kong and Macau Special Administrative Regions and Taiwan) and the term "Chinese" shall be construed accordingly.
The following risk factors apply to Subfunds that may invest in PRC securities. Investing in the PRC is subject to risks that are similar to investing in emerging markets. This can lead to a greater risk of loss to these Subfunds.

Considerations Relating to PRC Regulations
At present, the securities market and the regulatory framework for the securities industry in the PRC is at an early stage of development. The China Securities Regulatory Commission ("CSRC") is responsible for supervising the national securities markets and producing relevant regulations. The PRC regulations, under which the Subfunds may invest in the PRC and which regulate investments by foreign investors in the PRC and repatriation, are relatively new. The application and interpretation of such PRC regulations is therefore largely untested and there is a lack of certainty as to how they will be applied. In addition, such relevant PRC regulations give CSRC, the PRC State Administration of Foreign Exchange ("SAFE"), the People's Bank of China ("PBOC") and other relevant PRC authorities wide discretions and there are few precedents and little certainty as to how these discretions might be exercised, either now or in the future. PRC regulations may be varied in the future and no assurance can be given that any such changes will not adversely affect the Subfunds. CSRC, SAFE, PBOC and/or other relevant PRC authorities may have power in the future to impose new restrictions or conditions on or terminate the access to PRC securities which may adversely affect the Subfunds and its investors. It is not possible to predict how such changes, if any, would affect the Subfunds.

Corporate Disclosure, Accounting and Regulatory Standards
The PRC's disclosure and regulatory standards may not be as well developed as those in certain OECD countries. There may be less publicly available information about PRC companies than is regularly published by or about companies based in OECD countries and such available information may be less reliable than that published by or about companies in OECD countries. PRC companies are subject to accounting standards and requirements that may differ in significant respects from those applicable to companies established or listed in OECD countries. Further, PRC companies may be subject to different standards relating to corporate governance and protection of minority shareholder rights compared to OECD countries. These factors may have an adverse impact on the value of investments made by the Subfunds and may impact the Investment Manager's ability to accurately assess and value potential companies to invest in.

Currency Risks
The PRC government's control of currency exposure and future movements in exchange rates may adversely affect the operations and financial results of companies invested in by the Subfunds. Renminbi is not a freely convertible currency and it is subject to foreign exchange control policies of and repatriation restrictions imposed by the PRC government. If such policies or restrictions change in the future, the Subfunds may be adversely affected.
SAFE imposes restrictions on the ability of companies in the PRC to retain and deal in foreign currency. There are significant restrictions on the ability of companies located in the PRC to purchase and make outward remittance of foreign currency. SAFE approval may be required in order to purchase or remit foreign currency (including transfers and remittances by a qualified

foreign institution), subject to compliance with all applicable requirements. Accordingly, there is a risk that the Subfunds may not be able to repatriate funds for the purposes of distributions or redemptions in relation to the Shares.
The Subfunds will be subject to bid/offer spread on currency conversion and transaction costs. Such foreign exchange risk and costs of conversion may result in losses to the Subfunds. To the extent that the Subfunds do not invest, or delays its investment into Renminbi denominated securities in the PRC, they will be exposed to fluctuations in the Renminbi exchange rate. The Subfunds may but are not obliged to seek to hedge currency risks but as the foreign exchange of Renminbi is regulated, such hedging is likely to be an imperfect hedge in that it could involve hedging a currency that has historically been correlated to Renminbi and may be expensive. There can be no assurance that any hedging, particularly such imperfect hedging, will be successful and it could reduce or eliminate some or all of the benefit the Subfunds may experience from favourable currency fluctuations.
There can be no assurance that Renminbi will not be subject to devaluation or revaluation or that shortages in the availability of foreign currency will not develop.

Developing Legal System
The PRC's legal system is based on written statutes under which prior court decisions may be cited for reference, but do not form a set of binding precedents. Since 1979, the PRC government has been developing a comprehensive system of commercial laws and, in particular, as mentioned above, the PRC regulations with respect to foreign investments are relatively new and have a short operating history. Because these laws, regulations and legal requirements are relatively recent, their interpretation and enforcement involve significant uncertainty. In addition, the PRC laws governing business organisations, bankruptcy and insolvency may provide substantially less protection to security holders than that provided by the laws of more developed countries (as defined in the relevant Subfund). These factors (individually or combined) could have an adverse effect on the Subfunds.
There can be no guarantee that new tax laws, regulations and practices in the PRC specifically relating to foreign investments and transactions in Chinese securities will not be promulgated in the future. The promulgation of such new laws, regulations and practices may operate to the advantage or disadvantage of investors. Various tax reform policies have been implemented by the PRC government in recent years, and existing tax laws and regulations may be revised or amended in the future. As a consequence, it is possible that the current tax laws, regulations and practices in the PRC will be changed with retroactive effect. Moreover, there is no assurance that tax incentives currently offered to Chinese companies, if any, will not be abolished and the existing tax laws and regulations will not be revised or amended in the future. Any changes in tax policies may reduce the after-tax profits of the companies in the PRC in which the Subfunds invest, thereby adversely affecting the Subfunds.

Investment Restrictions
There are foreign ownership limits applicable to PRC securities from time to time. Such limits may apply to all underlying foreign investors in aggregate or to a single foreign investor. The capacity of the Subfunds to make investments in the relevant securities will be restricted by such limits and may be affected by the activities of all underlying foreign investors.
It will be difficult in practice for the Subfunds to monitor the investment of the underlying foreign investors since investors may make investment through different permitted channels.

Liquid Assets
The Subfunds may maintain a liquid portfolio of cash, deposits and money market instruments in such amount as the Board of Directors considers appropriate. Investors should be aware that due to potential repatriation restrictions, the Subfunds may need to maintain higher cash balances, including potentially balances held outside the PRC resulting in less of the proceeds of the Subfunds being invested in the PRC than would otherwise be the case if such local restrictions did not apply. Such retained funds may not form part of the Subfunds' investments in the PRC and, as such, in times of rising PRC security values, the portion of the Subfunds' assets retained in cash may represent a drag on the performance of the Subfunds and, conversely, in times of falling PRC security values may cause the Subfunds to perform better than might otherwise have been the case had a greater investment been made in the PRC.

PRC Governmental, Political, Economic and Related Considerations
For over a decade, the PRC government has been reforming the economic and political systems of the PRC. Whilst these reforms may continue, many of the reforms are unprecedented or experimental and may be refined or changed. Political, economic and social factors could also lead to further adjustments to the reform measures. The Subfunds could be adversely affected by adjustments in the PRC's state plans, political, economic and social conditions, changes in the policies of the PRC government such as changes in laws and regulations (or the interpretation thereof), measures which may be introduced to control inflation, changes in investor sentiment (both in the PRC and globally), changes in the rate or method of taxation, imposition of additional restrictions on currency conversion, the availability and cost of credit, market liquidity and the imposition of additional import restrictions.
The PRC economy has experienced significant growth in the past ten years, but such growth has been uneven both geographically and among the various sectors of the economy, and no assurance may be given that such growth will continue. The PRC government has implemented various measures from time to time to control inflation and to regulate economic expansion with a view to preventing overheating of the economy, and these measures could have a negative impact on the performance of the Subfunds. Furthermore, a portion of the economic activity in the PRC is export-driven and, therefore, is affected by developments in the economies of the PRC principal trading partners.
The transformation from a centrally planned, socialist economy to a more market-oriented economy has also resulted in many economic and social disruptions and distortions. Moreover, there can be no assurance that the economic and political initiatives necessary to achieve and sustain such a transformation will continue or, if such initiatives continue and are sustained, that they will be successful. These changes could adversely affect the interests of the relevant Subfunds.
In the past the PRC government has applied nationalisation, expropriation, confiscatory levels of taxation and currency blockage. There can be no assurance that this will not re-occur and any re-occurrence could adversely affect the interests of the relevant Subfunds.

Risk Relating to the PRC Securities Markets and Exchanges
The PRC securities markets, including the PRC stock exchanges, currently are undergoing a period of growth and change which may lead to difficulties in the settlement and recording of transactions and in interpreting and applying the relevant regulations. In addition, the regulation of, and enforcement activity in, the PRC securities markets may not be equivalent to that in markets in OECD countries. There may not be equivalent regulation and monitoring of the PRC securities markets and activities of investors, brokers and other participants to that in certain OECD markets.
The PRC stock exchanges may have lower trading volumes than some OECD exchanges and the market capitalisations of listed companies may be smaller compared to those on more developed exchanges in developed markets. The listed securities of many companies in the PRC may accordingly be materially less liquid, subject to greater dealing spreads and experience materially greater volatility than those of OECD countries. Government supervision and regulation of the PRC securities markets and of quoted companies may also be less developed than in some OECD countries. In addition, there is a high measure of legal uncertainty concerning the rights and duties of market participants when compared to investments made through securities systems of established markets.
The PRC stock market has in the past experienced substantial price volatility and no assurance can be given that such volatility will not occur in the future. The above factors could negatively affect the Subfunds, the ability of investors to redeem Shares and the price at which Shares may be redeemed.

Risks Relating to Settlement Cycles
Due to the different settlement cycles of the stock exchanges and the PRC interbank bond market comprised in its investment universe, the Subfunds may be prevented from perfectly matching the subscriptions and redemptions with the trading of the securities and therefore from being fully invested at all times.

Investments in PRC debt instruments
The following risk factors apply to Subfunds that may invest in PRC debt instruments. Investment in the Chinese debt instruments market may have higher volatility and price fluctuation than investment in debt instrument products in more developed markets.

Credit risk of counterparties to Renminbi denominated debt instruments
Investors should note that as the PRC financial market is nascent, most of the Renminbi denominated debt instruments may be unrated. The financial market of the PRC, including the PRC interbank bond market, is at an early stage of development. In the event of a default of a counterparty of the Renminbi-denominated debt instruments, the relevant Subfund's value will be adversely affected. The relevant Subfund may also encounter difficulties or delays in enforcing its rights against the counterparties of Renminbi-denominated debt instruments.
Renminbi denominated debt instruments can be issued by a variety of issuers inside or outside the PRC including commercial banks, state policy

banks, corporations, etc. These issuers may have different risk profiles and their credit quality may vary.
Furthermore, Renminbi denominated debt instruments are generally unsecured debt obligations not supported by any collateral. The Subfunds may be fully exposed to the credit/insolvency risk of their counterparties as unsecured creditors.

Liquidity risk
Other than on the China interbank bond market, Renminbi denominated debt instruments are not regularly traded and may have lower trading volumes than other more developed markets. An active secondary market for these instruments is yet to be developed. The bid and offer spread of the price of Renminbi denominated debt instruments may be large and the Subfunds may incur significant trading and realisation costs.

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

Valuation risk
Renminbi denominated debt instruments are subject to the risk of mispricing or improper valuation, i.e. operational risk that the debt instruments are not priced properly. Valuations are primarily based on valuations from independent third party sources where prices are available, accordingly valuations may sometimes involve uncertainty and judgmental determinations and independent pricing information may not be available at all times.

Credit rating risk
Many of the debt instruments in the PRC do not have a rating assigned by international credit agencies. The credit appraisal system in the PRC is at an early stage of development; there is no standard credit rating methodology used in investment appraisal and the same rating scale may have a different meaning in different agencies. The assigned ratings may not reflect the actual financial strength of the appraised asset.
Rating agencies are private services that provide ratings of the credit quality of debt instruments. Ratings assigned by a rating agency are not absolute standards of credit quality and do not evaluate market risks. Rating agencies may fail to make timely changes to credit ratings and an issuer's current financial condition may be better or worse than a rating indicates.

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

Unrated or high yield debt instruments
Subject to the PRC regulations and the investment objective of the relevant Subfund, the assets of the Subfunds may be invested in unrated or low grade debt instruments which are subject to greater risk of loss of principal and interest than higher rated debt instruments.
The lower ratings of certain debt instruments or unrated debt instruments held for the account of the relevant Subfunds reflect a greater possibility that adverse changes in the financial condition of the issuer, or in general economic conditions, or both, or an unanticipated rise in interest rates, may impair the ability of the issuer to make payments of interest and principal. Such debt instruments generally carry a higher degree of default risk which may affect the capital value of an investment. Unrated debt instruments may be less liquid than comparable rated debt instruments and involve the risk that the relevant Subfunds may not accurately evaluate the debt instrument's comparative credit rating.

Risk of investing in urban investment bonds
Urban investment bonds are debt securities issued by local government agencies' financing vehicles ("LGFVs") in PRC and are listed or traded in the interbank bond market. LGFVs are separate legal vehicles established by the local government or their affiliates to raise funds for public welfare investment or infrastructure projects. Although urban investment bonds are issued by LGFVs and appear to be connected with local government bodies, the debt is backed by tax revenues or cash flow of investment projects and such debts are typically not guaranteed by local governments or the central government of the PRC. Such local governmental bodies or the central government are not obligated to provide financial support in case of default. In such case the relevant Subfunds could suffer significant loss and the Subfunds' net asset value could be adversely affected. The credit risk and price volatility of these bonds may be higher when compared with other bonds such as central bank bonds and policy bank bonds. Besides, liquidity may be low during adverse market situations.

"***Dim Sum" bond (i.e. bonds issued outside of PRC but denominated in Renminbi) market risks (if applicable)***
The "Dim Sum" bond market is still a relatively small market which is more susceptible to volatility and illiquidity. The operation of the "Dim Sum" bond market as well as new issuances could be disrupted causing a fall in the net asset value of the Subfunds should there be any promulgation of new rules which limit or restrict the ability of issuers to raise Renminbi by way of bond issuances and/or reversal or suspension of the liberalisation of the Offshore Renminbi market by the relevant regulator(s).

PRC interbank bond market
The PRC interbank bond market is a quote-driven over-the counter (OTC) market, where deals are negotiated between two counterparties through a trading system. It will be subject to risks associated with OTC markets, including counterparty default risks on parties with whom the Subfunds trade and when placing cash on deposit. The Subfunds will also be exposed to the risk of settlement default by a counterparty. The risk of default of a counterparty is linked to the credit worthiness of the counterparty.

Investment through CIBM Program
Under PRC regulations, certain qualified overseas financial institutions are eligible to participate in the China interbank bond direct access program (the "CIBM Program") to make investments in the PRC interbank bond market. The following risk factors apply to Subfunds that may invest through the CIBM Program and references to Investment Manager are references to the Investment Manager appointed with respect to the relevant Subfund.

Effect of PRC Regulations on Subscriptions, Redemptions and Conversions
Applications for subscription, redemption and/or conversion of Shares may be subject to certain restrictions under the CIBM Program and other relevant PRC regulations.
The repatriation of invested capital and of income and capital gains of a Subfund from the PRC is subject to the relevant PRC regulations.
Currently under the CIBM Program regulations, remittance and repatriation for the account of a Subfund may be effected subject to the following qualifications:
(a) a Subfund may remit investment principal in RMB or foreign currency into the PRC for investing through the CIBM Program. If that Subfund fails to remit investment principal matching at least 50% of its anticipated investment size within nine (9) months after filing with the PBOC, an updated filing will need to be made through the onshore interbank bond trade and settlement agent.
(b) where a Subfund repatriates funds out of the PRC, the ratio of RMB to foreign currency ("Currency Ratio") should generally match the original Currency Ratio when the investment principal was remitted into PRC, with a maximum permissible deviation of 10%. Such ratio requirement can be waived for the first repatriation, provided that the foreign currency or RMB capital to be repatriated may not exceed 110% of the foreign currency or RMB amount remitted into the PRC in aggregate. To the extent repatriation is in the same currency as the inward remittance the Currency Ratio restriction will not apply.
At present, there is no regulatory prior approval requirement for repatriation of funds from the CIBM Program under the above circumstances, however, there is no certainty in the future that no regulatory restrictions will apply to the repatriation of funds by the Subfunds in the PRC. The investment regulations and/or the approach adopted by SAFE in relation to the repatriation may change from time to time.
The Subfunds' investments in the PRC may be limited by any applicable investment limit (pursuant to regulatory requirement or otherwise) with respect to the Subfunds' investments through the CIBM Program. Accordingly applications for subscription and/or conversion of Shares may be subject to sufficient available capacity for a Subfund under the CIBM Program as combined with the relevant Subfund's investment policy and restrictions. Applications received during a period when there is insufficient available capacity for a Subfund under the CIBM Program may be suspended and processed for subscription and/or conversion of Shares at the next following Subscription Date at which sufficient capacity is again available for the Subfund. In addition, the Company, the Management

Company and the UCI Administrator are entitled to refuse applications and to temporarily or permanently suspend or limit any applications received during a period when there is insufficient available capacity for a Subfund under the CIBM Program.

Notwithstanding the above, the Company, the Management Company and the UCI Administrator are entitled to temporarily suspend the issue, subscription, redemption, conversion, payment of redemption proceeds and/or valuation of Shares of a Subfund during any period when that Subfund is unable to transmit subscription proceeds to or from the accounts of that Subfund, or dispose of holdings or to repatriate the proceeds of such disposals, subject to certain quota or limits imposed by any regulatory or supervisory, governmental or quasi-governmental authority, any fiscal body or self-regulatory organisation (whether of a governmental nature or otherwise), for example when that Subfund is unable to dispose of holdings in the CIBM Program, or to repatriate the proceeds of such disposals.

Investors applying for or who have already applied for subscription, redemption and/or conversion of Shares in a Subfund shall be notified by the UCI Administrator of any measures adopted as per the above so that they are given the opportunity to withdraw their application.

No application has been submitted or will be submitted, nor any registration has been or will be sought, by the Management Company to or from any of the PRC governmental or regulatory authorities in connection with the advertising, offer, distribution or sale of the Shares of the Subfunds in or from the PRC, and the Management Company does not intend to or will not, directly or indirectly, advertise, offer, distribute or sell the Shares of the Subfunds within the PRC.

The Shares of the Subfunds are not intended to be offered or sold within the PRC. A PRC investor may subscribe for Shares only if they are permitted to do so and/or are not restricted from doing so under all relevant PRC laws, rules, regulations, notices, directives, orders or other regulatory requirements in the PRC issued by any PRC governmental or regulatory authority that are applicable to them as investor, or that apply to the Company or to the Investment Manager, whether or not having the force of law and as may be issued and amended from time to time. Where applicable PRC investors are responsible for obtaining all necessary governmental approvals, verifications, licences or registrations (if any) from all relevant PRC regulatory and/or governmental authorities, including, but not limited to, SAFE, CSRC and/or other relevant regulatory and/or governmental authorities as applicable, and complying with all relevant PRC regulations, including, but not limited to, any relevant foreign exchange regulations and/or overseas investment regulations. If an investor fails to comply with the above, the Company may take any action in good faith and acting on reasonable grounds in relation to such investor's Shares to comply with relevant regulatory requirements, including effecting compulsory redemption of Shares owned by the relevant investor, subject to the Articles of Incorporation, and applicable laws and regulations.

Persons into whose possession this Prospectus or any Shares may come must inform themselves about, and observe, any such restrictions.

Limits on Redemptions

Where a Subfund is investing in the securities market in the PRC through the CIBM Program, repatriation of funds from the PRC may be subject to the relevant PRC regulations in effect from time to time.

Redemption of Shares is subject to the restrictions and limitations referred to under this Prospectus. The ability of an investor to redeem Shares of a Subfund depends, inter alia, on the PRC laws and practices affecting that Subfund's ability to liquidate investments and to repatriate the proceeds thereof out of the PRC. Any repatriation restrictions as may be applicable under PRC regulations in the future, where applicable, could restrict a Subfund's ability to satisfy all or any redemption requests in respect of any particular redemption day and accordingly, that Subfund may have to manage the liquidity challenges through the maintenance of high cash balances and the imposition of the redemption restrictions referred to above. Investors should not invest in a Subfund if they have need of greater liquidity than that offered by that Subfund.

PRC Custody Risk

The evidence of title of exchange-traded securities in the PRC consists only of electronic book-entries in the depository and/or registry associated with the applicable exchange.

In order to prevent any trades failing, the PRC depositary, registration and clearing institutions may automatically settle any trades executed by the PRC securities trading house relating to the securities trading account maintained in the joint names of the Investment Manager (as applicant under the CIBM Program) and the relevant Subfund. Accordingly all instructions issued by the PRC securities trading house relating to the securities trading account may be executed without the need for any consent or direction of the custodian(s) of the relevant Subfund, which could potentially increase the risk of erroneous trading. However, the sub-custodian of the relevant Subfund will review the execution report in relation to all such transactions and notify the Investment Manager of any discrepancies between such execution report and trading data received from the PRC depositary, registration and clearing institutions or the settlement instructions received from the Investment Manager.

PRC interbank bond investment of a Subfund will be registered in the joint names of the Investment Manager (as applicant under the CIBM Program) and that Subfund, or in another name for the sole use and benefit of the Subfund as permitted or required pursuant to the relevant Luxembourg and PRC regulations. There will be segregation of assets by the sub-custodian of the relevant Subfunds such that the assets of these Subfunds are separately recorded as belonging to these Subfunds. However, subject to the relevant PRC regulations, the Investment Manager could be the party entitled to the securities (albeit that this entitlement does not constitute an ownership interest), such PRC securities investment of the relevant Subfund may be vulnerable to a claim by a liquidator of the Investment Manager and may not be as well protected as if they were registered solely in the name of that Subfund. In particular, there is a risk that creditors of the Investment Manager may incorrectly assume that a Subfund's assets belong to the Investment Manager and such creditors may attempt or seek to gain control of that Subfund's assets to meet the Investment Manager's liabilities owed to such creditors. In such circumstances a Subfund may experience delays and/or incur additional expense to enforce that Subfund's rights and ownership over such assets.

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

Interbank Bond Trade and Settlement Agent Risk

A Subfund may be adversely affected, whether directly or indirectly, by (i) the acts or omissions by the interbank bond trade and settlement agent in the settlement of any transaction or in the transfer of funds or securities; (ii) the default or bankruptcy of the interbank bond trade and settlement agent; and (iii) the disqualification of the interbank bond trade and settlement agent from acting in such capacity either on a temporary or permanent basis. Such acts, omissions, default or disqualification may also adversely affect the relevant Subfund in implementing its investment strategy or disrupt its operations, including causing delays in the settlement of any transaction or the transfer of any funds or securities in the PRC or in recovering assets, which may in turn adversely impact its net asset value.

Furthermore, regulatory sanctions can be imposed upon the interbank bond trade and settlement agent if it violates any provision under the CIBM Program regulations. Such sanctions may adversely affect the relevant Subfund's investments through the CIBM Program.

PRC Settlement Agent and Best Execution Risk

Pursuant to the relevant PRC regulations, securities trades under the CIBM Program may be executed through a limited number of PRC settlement agent that may be appointed for trading in the PRC interbank bond market for the Subfunds. If a PRC settlement agent offers the Subfunds standards of execution which the Investment Manager reasonably believes to be amongst best practice in the PRC marketplace, the Investment Manager may determine that it should consistently execute transactions with that PRC settlement agent (including where it is an affiliate) notwithstanding that they may not be executed at the best price and shall have no liability to account to the Subfunds in respect of the difference between the price at which the Subfunds execute transactions and any other price that may have been available in the market at that relevant time.

Risks Relating to the CIBM Program

The Investment Manager, on behalf of the relevant Subfunds, has registered as a qualified institution under the CIBM Program via the interbank bond trade and settlement agent. The Investment Manager, however, may be the applicant acting on behalf of other clients (including other Subfunds) in registering under the CIBM Program.

The relevant PRC regulations may apply to each applicant to the CIBM Program as a whole, and not simply to investments made by one of the Subfunds. Thus investors should be aware that violations of the relevant PRC regulations arising out of activities related to the applicant to the CIBM Program other than with respect to the investments of a Subfund could potentially result in the revocation, suspension, restriction or other regulatory action in respect of the access to the CIBM Program as a whole. Likewise, foreign investment limits, and the regulations relating to the repatriation of capital and profits may potentially be applied in relation to the applicant under the CIBM Program as a whole. Hence the ability of a

Subfund to make investments and/or repatriate monies from the CIBM Program may be affected adversely by the investments, performance and/or repatriation of monies invested by other investors through the Investment Manager under the CIBM Program.

Investors should note that there is no guarantee that a Subfund will continue to benefit from the access to the CIBM Program. Should the Investment Manager be restricted from accessing the CIBM Program or retire or be removed, the Subfund may not be able to invest in PRC securities through the CIBM Program, and that Subfund may be required to dispose of its holdings, which would likely have a material adverse effect on that Subfund. A Subfund's investments in the PRC will be limited by its access to the CIBM Program and it is possible that that Subfund may not be able to accept additional subscriptions due to this limitation and would not be able to achieve further economies of scale or otherwise take advantage of the increased capital base.

There can be no assurance that a Subfund will be able to gain access to the CIBM Program to meet all applications for subscription to that Subfund or all proposed investments to be made by the Subfund, or that redemption requests will be processed or investments of that Subfund can be realised in a timely manner, for example due to adverse changes in relevant laws or regulations, including changes in PRC repatriation restrictions. Such restrictions may result in suspension of dealings of a Subfund and could adversely affect an investor's ability to withdraw its investment in that Subfund.

Although at the current stage the Subfunds' investments through the CIBM Program are not subject to any mandatory investment allocation requirement under the relevant PRC regulations (e.g. a minimum percentage of the PRC assets should be invested in a particular type of assets), there can be no guarantee that the PRC regulatory authorities would not provide such requirement on qualified institutions in the future whereby affecting the Subfunds' ability to achieve their investment allocation accordingly.

Tax Risks in the PRC

The information below is a general summary of the potential Chinese tax consequences of PRC securities transactions under the CIBM Program that may be imposed on the Subfunds and their investors either directly or indirectly and should not be taken as a definitive, authoritative or comprehensive statement of the relevant matter. The Chinese tax authorities may issue guidance on the tax consequences of PRC securities transactions at any time, possibly with retroactive effect; therefore, the Chinese tax consequences of PRC securities transactions may differ materially from those discussed below. Investors should seek their own tax advice on their tax position with regard to their investment in the relevant Subfund.

The Subfunds will be responsible for all PRC taxes and duties of any kind arising in respect of any income or gains derived from investments held on the Subfunds' behalf through the CIBM Program.

PRC tax laws and regulations are under constant development and often subject to change as a result of shifts in government policy. Over recent years, the PRC government has promulgated tax laws and regulations in response to varying economic matters such as foreign investment, commerce, and international trade development. As PRC tax laws and regulations are continually evolving in response to changing economic and other conditions, any particular interpretation of PRC tax laws and regulations (including related enforcement measures) applicable to the Subfunds may not be definitive. With regard to corporate income tax changes in particular, the PRC has undergone a reform of the Corporate Income Tax Law ("CIT Law") which has unified the CIT Law applicable to domestic enterprises and foreign investment enterprises. The specific manner in which the CIT Law will apply is clarified by the Detailed Implementation Rules of the CIT Law ("DIR") and supplementary tax circulars which may be issued in the future.

Currently there is no specific guidance imposed by the PRC tax authorities on the treatment of income tax and other tax categories payable in respect of trading in PRC interbank bond market by foreign investors. Before further guidance is issued and is well established in the administrative practice of the PRC tax authorities, the practices of the PRC tax authorities that collect PRC taxes with respect to PRC interbank bond transactions may differ from, or be applied in a manner inconsistent with, the practices with respect to the analogous investments described herein or any further guidance that may be issued. The value of the Subfunds' investments in the PRC and the amount of their income and gains could be adversely affected by an increase in tax rates or change in the taxation basis.

CIT

If a Subfund is considered a tax resident enterprise of the PRC, it will be subject to PRC CIT at 25% on its worldwide taxable income. If a Subfund is considered a non-PRC tax resident enterprise with a permanent establishment or place or establishment ("PE") in the PRC, the profits attributable to that PE would be subject to CIT at 25%.

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

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

Capital Gains Tax

Trading of PRC debt securities

In the absence of specific taxation rule, the tax treatment for investment in these securities is governed by the general taxing provisions of the CIT Law. Under such general taxing provision, it may be possible that a Subfund could be subject to 10% PRC withholding income tax on capital gains derived from trading of PRC debt securities, unless exempt or reduced under relevant double tax treaties.

PRC tax provisions

The Investment Manager may decide to make provisions for PRC withholding income tax on capital gains derived from the trading of securities through the CIBM Program for the Subfunds from time to time and in such methodology that the Investment Manager may decide in its discretion.

In the event that the Investment Manager considers the tax provisions of a Subfund are not sufficient, it will consider making additional tax provision. In the event that the Investment Manager is satisfied that part of the tax provisions are not required, such provisions will be released back into the relevant Subfund. Any tax provision, if made, will be reflected in the net asset value of the relevant Subfund at the time of debit or release of such provision and thus will impact on Shares which remain in that Subfund at the time of debit or release of such provision. In addition, the Investment Manager may in its discretion make further modification to the tax provision practice of a Subfund with additional clarity on the relevant regulations, and further announcement will be made as appropriate.

If the actual applicable tax levied by PRC tax authorities is greater than that provided for by a Subfund so that there is a shortfall in the tax provision amount, investors should note that the net asset value of that Subfund may suffer more than the tax provision amount as that Subfund will ultimately have to bear the additional tax liabilities. In this case, the then existing and new investors will be disadvantaged.

On the other hand, if the actual applicable tax levied by PRC tax authorities is less than that provided for by a Subfund so that there is an excess in the tax provision amount, investors who have redeemed Shares before PRC tax authorities' ruling, decision or guidance in this respect will be disadvantaged as they would have borne the loss from that Subfund's overprovision. In this case, the then existing and new investors may benefit if the difference between the tax provision and the actual taxation liability can be returned to the account of the Subfund as assets thereof.

In addition investors should be aware that under-accrual or over-accrual for PRC tax liabilities may impact on the performance of the Subfunds during the period of such under-accrual or over-accrual and following any subsequent adjustments to the net asset value.

In case of having excess in the tax provision amount (for example, the actual applicable tax levied by PRC tax authorities is less than the tax provision amount or due to a change in provisioning by a Subfund), such excess shall be treated as property of the relevant Subfund and investors who have already transferred or redeemed their Shares in that Subfund will not be entitled or have any right to claim any part of the amount representing the excess.

Dividends and interest from PRC investments

The CIT Law provides for a 20% withholding tax on dividends and interest payable to non-PRC tax resident enterprises by a PRC tax resident company. However, in accordance with the DIR for the CIT Law, the withholding tax on dividends and interest has been set at 10%. By virtue of the above, income from dividends and interest from PRC tax resident company (e.g. through equity or bond investments) received on behalf of a Subfund is generally subject to Chinese withholding income tax at a rate of 10% unless being otherwise reduced or exempted by an applicable tax treaty. The withholding is in general made by the relevant PRC tax resident company and the Subfunds currently do not make provisions in respect of PRC withholding income tax on dividends and interest received from PRC tax resident company. In the event the relevant PRC tax resident company failed to withhold the relevant PRC withholding income tax or otherwise failed to pay the relevant withholding income tax to the PRC tax authorities, the relevant PRC tax authorities may impose tax obligations on the relevant Subfund.

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

Value Added Tax ("VAT") and other surtaxes
On 23 March 2016, the Ministry of Finance ("MOF") and the State Administration of Taxation ("SAT") issued the Circular of Full Implementation of Business Tax to VAT Reform (Caishui [2016] No. 36, "Circular 36") which provides that business tax will be completely replaced by VAT from 1 May 2016. Since then, the income derived from the provision of financial services which previously attracted business tax will be subject to VAT. On 29 April 2016, the MOF and the SAT issued the Circular on Further Specifying the Policies relating to Financial Sector under the Full Implementation of Business Tax to VAT Reform (Caishui [2016] No. 46, "Circular 46"). According to Circular 36 and Circular 46, interests on policy-oriented financial bonds (which are bonds issued by a development or policy-oriented financial institution) received by financial institutions are exempt from VAT. However, it is unclear whether interest derived from the securities traded on CIBM platform will all be exempt from VAT. This is subject to the further clarity by the relevant authority.

The Investment Manager may decide to make provisions for PRC VAT and other surtaxes on interest derived from the securities traded on CIBM platform for the Subfunds from time to time and in such methodology that the Investment Manager may decide in its discretion.

Stamp duty
No PRC Stamp Duty is expected to be imposed on non-tax resident holders of government and corporate bonds, either upon issuance or upon a subsequent transfer of such bonds.

Risks associated with investments via Bond Connect
Launched in 2017, Bond Connect is an initiative for mutual access to the bond markets of Hong Kong and the Chinese mainland via a cross border platform. Via the northbound trading of Bond Connect, eligible foreign investors can invest in the Chinese interbank market ("CIBM"). Northbound trading is not suitable for citizens PRC.

Overview of Bond Connect
Bond Connect is a scheme allowing mutual access to the bond markets of Hong Kong and the Chinese mainland and was set up by China Foreign Exchange Trade System & National Interbank Funding Centre, China Central Depository & Clearing Co. Ltd, Shanghai Clearing House (hereinafter referred to together as "financial infrastructure institutions on the mainland"), as well as the HKEx and Central Moneymarkets Unit (hereinafter referred to together as "financial infrastructure institutions in Hong Kong"). The PRC bond market primarily comprises the CIBM. Northbound trading enables eligible foreign investors to invest in the CIBM via Bond Connect. Northbound trading is subject to the current political framework with regard to the participation of foreign investors in the CIBM. No investment allocation will be set for northbound trading.
According to the current regulations on the Chinese mainland, eligible foreign investors who wish to invest in the CIBM via Bond Connect may do so through an offshore custodian approved by the Hong Kong Monetary Authority ("HKMA"), which is responsible for opening an account with the relevant onshore custodian approved by the People's Bank of China ("PBOC").

The risks associated with Bond Connect are currently difficult to evaluate. Material risks include (list not exhaustive):

General risks associated with Bond Connect
Due to market volatility and potential liquidity shortages caused by low trading volumes for certain debt instruments on the CIBM, prices for certain debt instruments traded on this market can fluctuate considerably. Subfunds that invest in these markets are therefore subject to liquidity and volatility risk. Bid/ask spreads for prices of these securities can thus be substantial. Accordingly, considerable trading and settlement costs can therefore arise for the subfunds concerned, and they can even suffer losses upon the sale of these investments.
In addition, a subfund carrying out a transaction on the CIBM may be exposed to risks associated with settlement procedures as well as counterparty default. It is possible that the counterparty which entered into a transaction with the subfund concerned will not meet its obligation to settle the transaction by failing to deliver the security concerned or by failing to pay the amount due.
Due to the need to open an account for investments in the CIBM via Bond Connect through an offshore custodian, the subfund concerned is exposed to the risk of default or error on the part of the offshore custodian.
Bond Connect is subject to regulatory risks. The relevant guidelines and directives for investments via Bond Connect are subject to potentially retroactive changes. If the relevant Chinese authorities suspend account-opening or trading via Bond Connect, the ability of the subfund concerned to invest in the CIBM via Bond Connect is restricted. This may have a negative impact on the performance of the subfund, since it may potentially need to sell its positions in the CIBM. The subfund concerned could suffer significant losses as a result.

Risks in connection with taxation on the Chinese mainland
In accordance with the circular Caishui 2018 No. 108, which was jointly issued on November 7, 2018 by the Ministry of Finance and the administration of taxation, overseas institutional investors that invest in Chinese bonds via Bond Connect in the period from November 7, 2018 to November 6, 2021 are exempt from withholding tax and sales tax on coupon income from such bonds. However, there is no certainty as to what the tax situation will be after November 6, 2021. The tax authorities on the Chinese mainland could issue further requirements in future, and these could potentially be applied retroactively. In light of the uncertainty surrounding the future taxation of gains or earnings from the subfunds' investments on the Chinese mainland, the fund management company reserves the right to subject these gains or earnings to withholding tax and to retain the tax for the account of the subfunds.

Risks in connection with the exercising of creditor rights
The rights and claims of the subfunds in respect of CIBM bonds are exercised by the Central Moneymarkets Unit, which exercises its rights as "nominee" for the Bond Connect securities. The Bond Connect program generally involves the concept of a "nominee" in the same way as the Stock Connect program. The precise nature and rights of an investor who invests via northbound trading and becomes a beneficial owner of Bond Connect securities are not precisely defined under Chinese law. Nor is it possible to determine beyond doubt the precise nature of the rights and claims enshrined in the legislation of the Chinese mainland of investors who invest via northbound trading or the methods for enforcing these rights and claims. With regard to the specific rights and claims in respect of China Connect securities that can only be exercised or pursued through the relevant courts on the Chinese mainland, it is unclear whether these rights can actually be enforced, as the nominee is not obliged to initiate a lawsuit or other legal proceedings on the Chinese mainland or elsewhere in order to enforce the rights of investors in respect of Bond Connect securities.

Risk in connection with the disclosure of participations
According to the requirements that apply in respect of disclosure of participations on the Chinese mainland, the subfund is subject to the risk of its participations having to be disclosed in the event of it becoming a major creditor in relation to a CIBM bond. As a result, the participations of the subfund may become publicly known, which may in turn have repercussions for the subfund's performance.

Hedged Share Class Risk
The hedging strategy applied to hedged Share Classes may vary from one Subfund to another. Each Subfund will apply a hedging strategy which aims to reduce currency risk between the Reference Currency of the respective Subfund and the nominal currency of the hedged Share Class while taking various practical considerations into account. The hedging strategy aims to reduce, but may not totally eliminate, currency exposure.
Investors should note that there is no segregation of liabilities between the individual Share Classes within a Subfund. Whilst the Investment Managers have implemented policies and procedures to mitigate any contagion risk arising from transactions that have the aim of hedging currencies for single Share Classes of a Subfund, such risk cannot be fully eliminated. Accordingly, , there is a risk that under certain circumstances, hedging transactions in relation to a hedged Share Class could result in liabilities affecting the Net Asset Value of the other Share Classes of the same Subfund. Any risk introduced through the transactions with the aim of hedging currencies for single Share Classes of a Subfund or any administrative costs caused by the necessity for additional risk management will only be borne by the investors in the respective Share Class in the event of materialization.

Clearing and Settlement Procedures
Different markets also have different clearing and settlement procedures. Delays in settlement may result in a portion of the assets of a Subfund remaining temporarily uninvested and no return is earned thereon. The inability of the Company to make intended security purchases due to settlement problems could cause a Subfund to miss attractive investment opportunities. The inability to dispose of portfolio securities due to settlement problems could result either in losses to a Subfund due to subsequent declines in value of the portfolio security or, if a Subfund has entered into a contract to sell the security, could result in possible liability to the purchaser.

Investment Countries
The issuers of fixed income securities and the companies, the shares of which are purchased, are generally subject to different accounting, auditing and financial reporting standards in the different countries of the world. The volume of trading, volatility of prices and liquidity of issuers may vary from one market or country to another. In addition, the level of government supervision and regulation of securities exchanges, securities dealers and listed and unlisted companies is different throughout the world. The laws and regulations of some countries may restrict the Company's ability to invest in securities of certain issuers located in those countries.

Concentration on certain Countries/Regions
Where a Subfund restricts itself to investing in securities of issuers located in a particular country or group of countries, such concentration will expose the Subfund to the risk of adverse social, political or economic events which may occur in that country or countries.
The risk increases if the country in question is an emerging market. Investments in such Subfunds are exposed to the risks which have been described; these may be exacerbated by the special factors pertaining to this emerging market.

Investments in Emerging Countries
Investors should note that certain Subfunds may invest in less developed or emerging markets. Investing in emerging markets may carry a higher risk than investing in developed markets.
The securities markets of less developed or emerging markets are generally smaller, less developed, less liquid and more volatile than the securities markets of developed markets. In addition, there may be a higher than usual risk of political, economic, social and religious instability and adverse changes in government regulations and laws in less developed or emerging markets, which could affect the investments in those countries. The assets of Subfunds investing in such markets, as well as the income derived from the Subfund, may also be effected unfavorably by fluctuations in currency rates and exchange control and tax regulations and consequently the Net Asset Value of Shares of these Subfunds may be subject to significant volatility. Also, there might be restrictions on the repatriation of the capital invested.
Some of these markets may not be subject to accounting, auditing and financial reporting standards and practices comparable to those of more developed countries and the securities markets of such markets may be subject to unexpected closure. In addition, there may be less government supervision, legal regulation and less well-defined tax laws and procedures than in countries with more developed securities markets.
Moreover, settlement systems in emerging markets may be less well-organized than in developed markets. Thus, there may be a risk that settlement may be delayed and that cash or securities of the concerned Subfunds may be in jeopardy because of failures or of defects in the systems. In particular, market practice may require that payment shall be made prior to receipt of the security which is being purchased or that delivery of a security must be made before payment is received. In such cases, default by a broker or bank through whom the relevant transaction is effected might result in a loss being suffered by the Subfunds investing in emerging market securities.
It must also be borne in mind that companies are selected regardless of their market capitalization, sector or geographical location. This may lead to a concentration in geographical or sector terms.
Subscriptions in the relevant Subfunds are thus only suitable for investors who are fully aware of, and able to bear, the risks related to this type of investment.

Industry/Sector Risk
The Subfunds may invest in specific industries or sectors or a group of related industries. These industries or sectors may, however, be affected by market or economic factors, which could have a major effect on the value of the Subfunds' investments.

Securities Lending
The Subfunds may enter into securities lending transactions subject to the conditions and limits set out in this Prospectus. Securities lending transactions involve counterparty risk, including the risk that the securities lent cannot be returned or redeemed on time. If the borrower of securities fails to return the securities lent by a Subfund, there is a risk that the collateral received may be realised at a lower value than the securities lent, whether due to inaccurate pricing of the collateral, adverse market movements, a deterioration in the creditworthiness of the collateral issuer, illiquidity of the market on which the collateral is traded, negligence or insolvency of the custodian holding collateral or termination of legal agreements, e.g. due to insolvency, which adversely affects the performance of the Subfund. If the other party to a securities lending transaction should default, the Subfund might suffer a loss to the extent that the proceeds from the sale of the collateral held by the Company in connection with the securities lending transaction are less than the value of the securities lent. In addition, in the event of the bankruptcy or similar proceedings of the other party to the securities lending transaction or its failure to return the securities as agreed, the Subfund could suffer losses, including loss of interest on or principal of the securities and costs associated with delay and enforcement of the securities lending agreement.

The Subfunds will only use securities lending transactions for the purpose of either reducing risks (hedging) or generating additional capital or income for the relevant Subfund. When using such techniques, the Subfund will comply at all times with the provisions set out in this Prospectus. The risks arising from the use of securities lending transactions will be closely monitored and techniques (including collateral management) will be employed to seek to mitigate those risks. Although it is expected that the use of securities lending transactions will generally not have a material impact on a Subfund's performance, the use of such transactions may have a significant effect, either negative or positive, on the Subfund's net asset value.

Total Return Swaps
A TRS is an OTC derivative contract in which the total return payer transfers the total economic performance, including income from interest and fees, gains and losses from price movements, and credit losses, of a reference obligation to the total return receiver. In exchange, the total return receiver either makes an upfront payment to the total return payer, or makes periodic payments based on set rate which can be either fixed or variable. A TRS thus typically involves a combination of market risk and interest rate risk, as well as counterparty risk.
In addition, due to the periodic settlement of outstanding amounts and/or periodic margin calls under the relevant contractual agreements, a counterparty may, under unusual market circumstances, have insufficient funds available to pay the amounts due. Moreover, each TRS is a bespoke transaction among others with respect to its reference obligation, duration, and contractual terms, including frequency and conditions for settlement. Such lack of standardisation may adversely affect the price or conditions under which a TRS can be sold, liquidated or closed out. Any TRS therefore involves certain degree of liquidity risk.
Finally, as any OTC derivative, a TRS is a bilateral agreement which involves a counterparty which may, for any reason, not be in a position to fulfil its obligations under the TRS. Each party to the TRS is therefore exposed to counterparty risk and, if the agreement includes the use of collaterals, to the risks related to collateral management.
Investors are invited to consider the relevant risk warnings on Market Risk, Interest Rate Risk, Liquidity Risk, Counterparty Risk and Collateral Management set out in this Chapter.

Collateral Management
Where the Management Company on behalf of the Company enters into OTC financial derivative and/or efficient portfolio management techniques, collateral may be used to reduce counterparty risk exposure. Collateral will be treated in accordance with the Company's collateral policy as set out in Chapter 19, "Regulatory Disclosure".
The exchange of collateral involves certain risks, including operational risk related to the actual exchange, transfer and booking of collateral. Collateral received under a title transfer arrangement will be held by the Depositary Bank in accordance with the usual terms and provisions of the Depositary Bank Agreement. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral. The use of such third party custodians may involve additional operational and clearing and settlement risk, as well as counterparty risk.
Collateral received will consist of either cash or transferable securities that meet the criteria set out in the Company's collateral policy. Transferable securities received as collateral are subject to market risk. The Management Company aims to manage this risk by applying appropriate haircuts, valuing collateral on a daily basis, and accepting only high quality collateral. However, some residual market risk must be expected to remain. Non-cash collateral must be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. However, in adverse market circumstances, the market for certain types of transferable securities may be illiquid and, in extreme cases, may cease to exist. Any non-cash collateral therefore involves a certain degree of liquidity risk.
Any collateral received will not be sold, re-invested or pledged. Accordingly, no risk is expected to arise from the reuse of collateral.
Risks linked to the management of collateral will be identified, managed and mitigated in accordance with the Management Company's risk management process concerning the Company. Investors are invited to consider the relevant risk warnings on Market Risk, Counterparty Risk,

Liquidity Risk and Clearing and Settlement Procedures set out in this Chapter.

Legal, Regulatory, Political and Tax Risk
The Management Company and the Company must at all times comply with applicable laws and regulations in each of the various jurisdictions where it is active, or where the Company makes its investments or holds its assets. Legal or regulatory constraints or changes to applicable laws and regulations may affect the Management Company or the Company, as well as the assets and liabilities of any of its Subfunds and may require a change in the investment objectives and policy of a Subfund. Substantive changes in applicable laws and regulations may make the investment objectives and policy of a Subfund more difficult or even impossible to achieve or implement, which may prompt the Management Company to take appropriate action, which may include the discontinuation of a Subfund.
The assets and liabilities of a Subfund, including but not limited to the financial derivative instruments used by the Management Company to implement that Subfund's investment objectives and policy may also be subject to change in laws or regulations and/or regulatory action which may affect their value or enforceability. In the implementation of a Subfund's investment objectives and policy, the Management Company may have to rely on complex legal agreements, including but not limited to master agreements for financial derivatives agreements, confirmations and collateral arrangements and securities lending agreements. Such agreements may be drawn up by industry bodies established outside of the Grand Duchy of Luxembourg and subject to foreign laws, which may imply an additional element of legal risk. Whilst the Management Company will ensure that it receives appropriate advice from reputable legal counsel, it cannot be excluded that such complex legal agreements, whether governed by domestic or foreign laws, may be held unenforceable by a competent court due to legal or regulatory developments or for any other reason.
Recently, the global economic environment has been characterised by an increase in political risk in both developed and developing countries. The performance of the Subfunds or an investor's possibility to purchase, sell or redeem Shares may be adversely affected by market disruption due in particular to changes in general economic conditions and uncertainties caused by political developments such as the results of popular votes or referenda, changes in economic policy, the rescinding of free trade agreements, adverse developments in diplomatic relations, increased military tension, active armed conflict, changes in government agencies or policies, the imposition of Sanctions (as defined below) and/or restrictions on the transfer of capital and changes in the industrial and financial outlook in general.
Changes in tax laws or fiscal policy in any country where the Management Company or the Company is active, or where a Subfund is invested or holds assets, may adversely affect the performance of a Subfund or any of its Share Classes. Investors are invited to consider the relevant risk warning on Taxation, and to consult with their professional advisers to assess their individual tax position.

Armed Conflict Risk
At a future date following its investments, a Subfund may find itself in a situation where it has exposure to issuers that are based or have business operations or assets in a region where an armed conflict, caused either by state actors or by non-state actors, is occurring. As a consequence of such armed conflict, trade, payment infrastructure, control over investments and business operations may be significantly impeded, and, as such, investments in such region may suffer extensive losses. Such Subfund may suffer losses because of the adverse impact of such armed conflict on the Subfund's investments in such a region or in an issuer with either business operations or assets in such a region.
In addition, in the context of an armed conflict, the conflicted parties and/or other countries and/or international or supranational bodies may impose Sanctions, other restrictions on trade or free movement of capital and/or asset freezes, directly or indirectly related to the conflict or targeted at certain individuals, companies, public institutions, critical industrial, technological and/or financial infrastructure, currencies and/or the overall economy of one or more conflicted parties. Such Sanctions and/or other restrictions (including rating restrictions) may have a significant adverse impact on the investments of a Subfund and lead to considerable losses in value of the Subfund's assets. Sanctions may further cause the assets of a Subfund to become stranded as a result of the inability of the Subfund to value such assets and/or to sell such assets due to their unanticipated or premature economic depreciation. The scope of Sanctions and/or other restrictions may be very broad and their practical implementation and monitoring may be challenging. Any failure to fully implement and abide by any applicable Sanctions and/or other restrictions may cause additional financial and/or reputational damage to the Subfund or its assets.

Taxation
The proceeds from the sale of securities in some markets or the receipt of any dividends and other income may be or may become subject to tax, levies, duties or other fees or charges imposed by the authorities in that market, including taxation levied by withholding at source.
It is possible that the tax law (and/or the current interpretation of the law) as well as the practice in countries, into which the Subfunds invest or may invest in the future, might change. As a result, the Company could become subject to additional taxation in such countries that is not anticipated either at the date of this Prospectus or when investments are made, valued or disposed of.

FATCA
The Company may be subject to regulations imposed by foreign regulators, in particular the Foreign Account Tax Compliance provisions of the Hiring Incentives to Restore Employment Act (commonly known as "**FATCA**"). FATCA provisions generally impose a reporting to the U.S. Internal Revenue Service of non-U.S. financial institutions that do not comply with FATCA and specified U.S. persons' (within the meaning of FATCA) direct and indirect ownership of non-U.S. accounts and non-U.S. entities. Failure to provide the requested information will lead to a 30% withholding tax applying to certain U.S. source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce U.S. source interest or dividends.
Under the terms of FATCA, the Company will be treated as a Foreign Financial Institution (within the meaning of FATCA). As such, the Company may require all investors to provide documentary evidence of their tax residence and all other information deemed necessary to comply with the abovementioned regulations.
Should the Company become subject to a withholding tax as a result of FATCA, the value of the Shares held by all Shareholders may be materially affected.
The Company and/or its Shareholders may also be indirectly affected by the fact that a non U.S. financial entity does not comply with FATCA regulations even if the Company satisfies with its own FATCA obligations.
Despite anything else herein contained, the Company shall have the right to:
– withhold any taxes or similar charges that it is legally required to withhold by applicable laws and regulations in respect of any shareholding in the Company;
– require any Shareholder or beneficial owner of the Shares to promptly furnish such personal data as may be required by the Company in its discretion in order to comply with applicable laws and regulations and/or to promptly determine the amount of withholding to be retained;
– divulge any such personal information to any tax authority, as may be required by applicable laws or regulations or requested by such authority; and
– delay payments of any dividend or redemption proceeds to a Shareholder until the Company holds sufficient information to comply with applicable laws and regulations or determine the correct amount to be withheld.

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

Common Reporting Standard
The Company may be subject to the Standard for Automatic Exchange of Financial Account Information in Tax matters (the "Standard") and its Common Reporting Standard (the "**CRS**") as set out in the Luxembourg law dated 18 December 2015 implementing Council Directive 2014/107/EU of 9 December 2014 as regards mandatory automatic exchange of information in the field of taxation (the "**CRS Law**").
Under the terms of the CRS Law, the Company is to be treated as a Luxembourg Reporting Financial Institution . As such, as of 30 June 2017 and without prejudice to other applicable data protection provisions, the Company will be required to annually report to the Luxembourg tax authority personal and financial information related, inter alia, to the identification of, holdings by and payments made to (i) certain shareholders as per the CRS Law (the "**Reportable Persons**") and (ii) Controlling Persons of certain non-financial entities ("**NFEs**") which are themselves Reportable Persons. This information, as exhaustively set out in Annex I of

the CRS Law (the "**Information**"), will include personal data related to the Reportable Persons.
The Company's ability to satisfy its reporting obligations under the CRS Law will depend on each Shareholder providing the Company with the Information, along with the required supporting documentary evidence. In this context, the Shareholders are hereby informed that, as data controller, the Company will process the Information for the purposes as set out in the CRS Law. The Shareholders undertake to inform their Controlling Persons, if applicable, of the processing of their Information by the Company.
The term "**Controlling Person**" means in the present context any natural persons who exercise control over an entity. In the case of a trust it means the settlor(s), the trustee(s), the protector(s) (if any), the beneficiary(ies) or class(es) of beneficiaries, and any other natural person(s) exercising ultimate effective control over the trust, and in the case of a legal arrangement other than a trust, persons in equivalent or similar positions. The term "Controlling Persons" must be interpreted in a manner consistent with the Financial Action Task Force Recommendations.
The Shareholders are further informed that the Information related to Reportable Persons within the meaning of the CRS Law will be disclosed to the Luxembourg tax authority annually for the purposes set out in the CRS Law. In particular, Reportable Persons are informed that certain operations performed by them will be reported to them through the issuance of statements, and that part of this information will serve as a basis for the annual disclosure to the Luxembourg tax authority.
Similarly, the Shareholders undertake to inform the Company within thirty (30) days of receipt of these statements should any included personal data be not accurate. The Shareholders further undertake to immediately inform the Company of, and provide the Company with all supporting documentary evidence of any changes related to the Information after occurrence of such changes.
Any Shareholder that fails to comply with the Company's Information or documentation requests may be held liable for penalties imposed on the Company and attributable to such shareholder's failure to provide the Information.

Sanctions
Certain countries or designated persons or entities may, from time to time, be subject to sanctions and other restrictive measures imposed by states or supranational authorities (for example, but not limited to, the European Union or the United Nations), or their agencies (collectively, "Sanctions").
Sanctions may be imposed among others on foreign governments, state-owned enterprises, sovereign wealth funds, specified companies or economic sectors, as well as non-state actors or designated persons associated with any of the foregoing. Sanctions may take different forms, including but not limited to trade embargoes, prohibitions or restrictions to conduct trade or provide services to targeted countries or entities, as well as seizures, asset freezes and/or the prohibition to provide or receive funds, goods or services to or from designated persons.
Sanctions may adversely affect companies or economic sectors in which the Company, or any of its Subfunds, may from time to time invest. The Company could experience, among others, a decrease in value of securities of any issuer due to the imposition of Sanctions, whether directed towards such issuer, an economic sector in which such issuer is active, other companies or entities with which such issuer conducts business, or towards the financial system of a certain country. Because of Sanctions, the Company may be forced to sell certain securities at unattractive prices, at inopportune moments and/or in unfavourable circumstances where it may not have done so in the absence of Sanctions. Even though the Company will make reasonable efforts, acting in the best interest of the investors, to sell such securities under optimal conditions, such forced sales could potentially result in losses for the Subfunds concerned. Depending on the circumstances, such losses could be considerable. The Company may also experience adverse consequences due to an asset freeze or other restrictive measures directed at other companies, including but not limited to any entity that serves as a counterparty to derivatives, or as a sub-custodian, paying agent or other service provider to the Company or any of its Subfunds. The imposition of Sanctions may require the Company to sell securities, terminate ongoing agreements, lose access to certain markets or essential market infrastructure, cause some or all of a Subfund's assets to become unavailable, freeze cash or other assets belonging to the Company and/or adversely affect the cash flows associated with any investment or transaction.
The Company, the Management Company, the Depositary Bank, the Investment Manager and any other members from the UBS Group (collectively, the "Fund Parties") are required to comply with all applicable sanctions laws and regulations in the countries in which the Fund Parties conduct business (recognizing that certain of the sanctions regimes have implications for cross-border or foreign activities) and will implement the necessary policies and procedures to this effect (collectively, "Sanctions Policies"). The Shareholders should note that these Sanctions Policies will be developed by the Fund Parties in their discretion and best judgment and may involve protective or preventive measures that go beyond the strict requirements of applicable laws and regulations imposing any Sanctions, which may further negatively impact the investments of the Company.

8. Net Asset Value

Unless otherwise specified in Chapter 23, "Subfunds", the Net Asset Value of the Shares of each Subfund shall be calculated in the Reference Currency of the respective Subfund and shall be determined under the responsibility of the Company's Board of Directors in Luxembourg on each Banking Day on which banks are open all day for business in Luxembourg (each such day being referred to as a "Valuation Day").
In case the Valuation Day is not a full Banking Day in Luxembourg, the Net Asset Value of that Valuation Day will be calculated on the next following Banking Day. If a Valuation Day falls on a day which is a holiday in countries whose stock exchanges or other markets are decisive for valuing the majority of a Subfund's assets, the Company may decide, by way of exception, that the Net Asset Value of the Shares in this Subfund will not be determined on such days.
For determining the Net Asset Value, the assets and liabilities of the Company shall be allocated to the Subfunds (and to the individual Share Classes within each Subfund), the calculation is carried out by dividing the Net Asset Value of the Subfund by the total number of Shares outstanding for the relevant Subfund or the relevant Share Class. If the Subfund in question has more than one Share Class, that portion of the Net Asset Value of the Subfund attributable to the particular Class will be divided by the number of issued Shares of that Class.
The Net Asset Value of an Alternate Currency Class shall be calculated first in the Reference Currency of the relevant Subfund. The Net Asset Value of the Alternate Currency Class shall be calculated through conversion between the Reference Currency and the Alternate Currency of the relevant Share Class. The Net Asset Value of the Alternate Currency Class will in particular reflect the costs and expenses incurred for the currency conversion in connection with the subscription, redemption and conversion of Shares in this Class and for hedging the currency risk.
Unless otherwise specified in Chapter 23, "Subfunds", the assets of each Subfund shall be valued as follows:

a) Securities which are listed or regularly traded on a stock exchange shall be valued at the last available market price.
b) If a security is traded on several stock exchanges, the valuation shall be made by reference to the exchange which is the main market for this security.
c) If a security is traded on a secondary market with regulated trading among securities dealers (with the effect that the price reflects market conditions), the valuation may be based on this secondary market.
d) Securities traded on a regulated market shall be valued in the same way as those listed on a stock exchange.
e) Securities that are not listed on a stock exchange and are not traded on a regulated market shall be valued at their last available market price. If no such price is available, the Company shall value these securities in accordance with other criteria to be established by the Board of Directors and on the basis of the probable sales price, the value of which shall be estimated with due care and in good faith.
f) Derivatives shall be treated in accordance with the above. OTC swap transactions will be valued on a consistent basis based on bid, offer or mid prices as determined in good faith pursuant to procedures established by the Board of Directors. If, in the opinion of the Board of Directors, such values do not reflect the fair market value of the relevant OTC swap transactions, the value of such OTC swap transactions will be determined in good faith by the Board of Directors or by such other method as it deems in its discretion appropriate.
g) Money market instruments not traded on a stock exchange or on another regulated market open to the public will be valued on the basis of the relevant curves. Curve-based valuations are calculated from interest rates and credit spreads. The following principles are applied in this process: The interest rate nearest the residual maturity is interpolated for each money market instrument. Thus calculated, the interest rate is converted into a market price by adding a credit spread that reflects the creditworthiness of the underlying borrower. This credit spread is adjusted if there is a significant change in the borrower's credit rating.
h) Units or shares of UCITS or other UCIs shall be valued on the basis of their most recently calculated Net Asset Value, where necessary by taking due account of the redemption fee. Where no Net Asset Value and only buy and sell prices are available for units or shares of UCITS or other UCI, the units or shares of such UCITS or other UCIs may be valued at the mean of such buy and sell prices.
i) Fiduciary and fixed-term deposits shall be valued at their respective nominal value plus accrued interest.

The amounts resulting from such valuations shall be converted into the Reference Currency of each Subfund. Foreign exchange transactions

conducted for the purpose of hedging currency risks shall be taken into consideration when carrying out this conversion.
If a valuation in accordance with the above rules is rendered impossible or incorrect due to particular or changed circumstances, the Company's Board of Directors shall be entitled to use other generally recognized and auditable valuation principles in order to reach a proper valuation of the Subfund's assets and as a measure to prevent the practices relating to market timing.
Investments which are difficult to value (in particular those which are not listed on a secondary market with a regulated price-setting mechanism) are valued on a regular basis using comprehensible, transparent criteria. For the valuation of private equity investments, the Company may use the services of third parties which have appropriate experience and systems in this area. The Company's Board of Directors and the auditor shall monitor the comprehensibility and transparency of the valuation methods and their application.
The Net Asset Value of a Share shall be rounded up or down, as the case may be, to the next smallest unit of the Reference Currency which is currently used, unless otherwise specified in Chapter 23, "Subfunds".
The Net Asset Value of one or more Subfunds may also be converted into other currencies should the Company's Board of Directors decide to effect the issue and redemption of Shares in one or more other currencies. Should the Board of Directors determine such currencies, the Net Asset Value of the respective Shares in these currencies shall be rounded up or down to the next smallest unit of currency.
In exceptional circumstances, further valuations may be carried out on the same day; such valuations will be valid for any applications for subscription and/or redemption subsequently received.
The total Net Asset Value of the Company shall be calculated in Swiss francs.

Adjustment of the Net Asset Value (Single Swing Pricing)
In order to protect existing Shareholders the Net Asset Value per Share Class of a Subfund may be adjusted upwards or downwards by a maximum percentage ("swing factor") indicated below, in the event of a net surplus of subscription or redemption applications on a particular Valuation Day. In such case the same Net Asset Value applies to all incoming and outgoing investors on that particular Valuation Day.
The adjustment of the Net Asset Value aims to cover in particular but not exclusively transaction costs, tax charges and bid/offer spreads incurred by the respective Subfund due to subscriptions, redemptions and/or conversions in and out of the Subfund. Existing Shareholders would no longer have to indirectly bear these costs, since they are directly integrated into the calculation of the Net Asset Value and hence, are borne by incoming and outgoing investors.
The Net Asset Value may be adjusted on every Valuation Day on a net deal basis. The Board of Directors of the Company can set a threshold (net capital flows that needs to be exceeded) to apply the adjustment to the Net Asset Value. Shareholders should note that the performance calculated on the basis of the adjusted Net Asset Value might not reflect the true portfolio performance as a consequence of the adjustment of the Net Asset Value.

Swing factor per Subfund:

Subfund	Maximum swing factor
UBS (Lux) Financial Bond Fund	2%
UBS (Lux) Global High Yield Bond Fund	2%
UBS (Lux) Credit Income Fund	2%
UBS (Lux) Latin America Corporate Bond Fund	2%
UBS (Lux) Emerging Market Corporate Investment Grade Bond Fund	2%
UBS (Lux) Commodity Index Plus USD Fund	2%

Under exceptional circumstances the Company may, in the interest of Shareholders, decide to increase the maximum swing factor indicated above. In such case the Company would inform the investors in accordance with Chapter 14, "Information for Shareholders".

9. Expenses and Taxes

i. Taxes

The following summary is based on the laws and practices currently applicable in the Grand Duchy of Luxembourg and is subject to changes thereto.
Unless otherwise specified in Chapter 23, "Subfunds", the Company's assets are subject to a tax ("taxe d'abonnement") in the Grand Duchy of Luxembourg of 0.05% p.a., payable quarterly. In the case of Share Classes that may only be acquired by institutional investors (pursuant to Article 174 (2) c) of the Law of December 17, 2010), i.e. share classes F, I-A1, I-A2, I-A3, I-A4, I-B, I-X and U-X, this tax rate is 0.01% p.a. The Net Asset Value of each Subfund at the end of each quarter is taken as the basis for calculation.
The Company is not subject to corporate income tax, municipal business tax and net wealth tax in Luxembourg.
Dividends, interest, income and gains received by the Company on its investments may be subject to non-recoverable withholding tax or other taxes in the countries of origin.
According to the legislation currently in force in Luxembourg, Shareholders are not required to pay any income, gift, inheritance or other taxes in Luxembourg unless they are resident or domiciled in Luxembourg or maintain a permanent establishment there or were previously resident in Luxembourg and hold more than 10% of the shares in the Company.
The tax consequences will vary for each investor in accordance with the laws and practices currently in force in a Shareholder's country of citizenship, residence or temporary domicile, and in accordance with his or her personal circumstances.
Investors should therefore ensure they are fully informed in this respect and should, if necessary, consult their own financial advisers.

ii. Expenses

Apart from the above-mentioned "*taxe d'abonnement*", the Company shall bear the costs specified below, unless otherwise specified in Chapter 23, "Subfunds":

a) All taxes which may be payable on the assets, income and expenses chargeable to the Company;
b) All costs of buying and selling securities and other assets including inter alia standard brokerage, clearing account maintenance fees, fees charged by clearing platforms, bank charges and costs related to continuous linked settlement (CLS);
c) A monthly management fee for the Management Company, payable at the end of each month, based on the average daily Net Asset Values of the relevant Share Classes during that month. The management fee may be charged at different rates for individual Subfunds and Share Classes within a Subfund or may be waived in full. Charges incurred by the Management Company in relation to the provision of investment management and distribution shall be paid out of the management fee. Further details of the management fees are included in Chapter 23, "Subfunds".
d) Fees payable to the Depositary Bank, which are charged at rates agreed from time to time with the Company on the basis of usual market rates prevailing in Luxembourg, and which are based on the net assets of the respective Subfund or the value of transferable securities and other assets held or determined as a fixed sum; the fees payable to the Depositary Bank may not exceed the maximum fee specified in Chapter 23, "Subfunds", although in certain cases the transaction fees and the fees of the Depositary Bank's correspondents may be charged additionally;
e) Fees payable to the paying agents (in particular, a coupon payment commission), transfer agents and the authorized representatives in the countries of registration;
f) Any fees payable to providers of domiciliary services;
g) All other charges incurred for sales activities and other services rendered to the Company but not mentioned in the present section; for certain Share Classes these fees may be borne in full or in part by the Management Company;
h) Fees incurred for collateral management in relation to derivative transactions;
i) Expenses, including those for legal and tax advice, which may be incurred by the Company, the Investment Manager or the Depositary Bank through of measures taken on behalf of the Shareholders (such as legal and other fees associated with transactions on behalf of the Company) as well as license fees payable to licensors of certain trademarks, service marks, or indices;
j) The cost of preparing, depositing and publishing the Articles of Incorporation and other documents in respect of the Company, including notifications for registration, PRIIPS KIDs, prospectuses or memoranda for all government authorities and stock exchanges (including local securities dealers' associations) which are required in connection with the Company or with offering the Shares; the cost of printing and distributing annual and semi-annual reports for the Shareholders in all required languages, together with the cost of printing and distributing all other reports and documents which are required by the relevant legislation or regulations (including and for the avoidance of doubt, any regulatory reporting requirement to the CSSF) of the above-mentioned authorities; the remuneration of the members of the Board of Directors and their reasonable and documented travel and out-of-pocket expenses, insurance coverage (including director/manager insurance); any license fees payable to the index providers; any fees payable to providers of risk management systems or providers of data for those risk management systems being used by the Management Company for

the purpose of fulfilling regulatory requirements; the cost of book-keeping and calculating the daily Net Asset Value which may not exceed the maximum fee specified in Chapter 23, "Subfunds", , the cost of notifications to Shareholders including the publication of prices for the Shareholders, the fees and costs of the Company's auditors and legal advisers, and all other similar administrative expenses, and other expenses directly incurred in connection with the offer and sale of Shares, including the cost of printing copies of the aforementioned documents or reports as are used in marketing the Company's Shares. The cost of advertising may also be charged.

Without prejudice to the aforesaid, unless supported by the Management Company and/or the Investment Manager, any costs and expenses incurred with respect to the realization of assets or otherwise related to the liquidation of a subfund, such as the legal, advisory, asset recovery and administrative costs of liquidation, shall be borne by the relevant Subfund in liquidation. Any such costs in relation to the liquidation of a subfund are borne by all investors holding Shares of the subfund at the time the decision to liquidate the subfund is taken by the Company.

General Information
All recurring fees shall first be deducted from investment income, then from the gains from securities transactions and then from the Company's assets. Other non-recurring fees, such as the costs for establishing the Company and (new) Subfunds or Share Classes, may be written off over a period of up to five years.
The costs attributable to the individual Subfunds shall be allocated directly to them. Otherwise the costs shall be allocated among the individual Subfunds in proportion to the Net Asset Value of each Subfund.

10. Accounting Year
The accounting year of the Company closes on 31 October of each year.

11. Appropriation of Net Income and Capital Gains
Accumulating Shares
At present, no distribution is envisaged for accumulating Share Classes of the Subfunds and the income generated shall be used to increase the Net Asset Value of the Shares after deduction of general costs. However, within the scope of statutory provisions the Company may distribute from time to time, in whole or in part, ordinary net income and/or realized capital gains as well as all non-recurring income, after deduction of realized capital losses.

Distributing Shares
The Board of Directors is entitled to determine the payment of dividends and decides to what extent distributions are to be made from the net investment income attributable to each distributing Share Class of the Subfund in question. In addition, gains made on the sale of assets belonging to the Subfund may be distributed to investors. Further distributions may be made from the Subfund's assets in order to achieve an appropriate distribution ratio.
Distributions may be declared on an annual basis or at any intervals to be specified by the Board of Directors, unless otherwise specified in Chapter 23, "Subfunds".
Appropriations of the annual result as well as other distributions are proposed by the Board of Directors to the annual general meeting and are determined by the latter.
Distributions may on no account cause the Company's capital to fall below the minimum amount prescribed by law.

General Information
Payment of income distributions shall be made in the manner described in Chapter 5, "Redemption of Shares".
Claims for distributions which are not made within five years shall lapse and the assets involved shall revert to the respective Subfund.

12. Lifetime, Liquidation and Merger
The Company and the Subfunds have been established for an unlimited period, unless otherwise specified in Chapter 23, "Subfunds".
However, an extraordinary general meeting of Shareholders may dissolve the Company. To be valid, such a resolution shall require the minimum quorum prescribed by law. If the Company is liquidated, the liquidation shall be effected in accordance with Luxembourg law, the liquidator(s) named by the general meeting of Shareholders shall dispose of the Company's assets in the best interests of the Shareholders and the net liquidation proceeds of the Subfunds shall be distributed pro rata to the Shareholders of these Subfunds. A Subfund may be liquidated and Shares in the Subfund concerned may be subject to compulsory redemption based on:
– a resolution passed by the Company's Board of Directors, as the Subfund may no longer be appropriately managed within the interests of the Shareholders, or
– a resolution passed by the general meeting of Shareholders of the Subfund in question.

Any resolution passed by the Company's Board of Directors to dissolve a Subfund shall be published in accordance with Chapter 14, "Information for Shareholders". The Net Asset Value of the Shares of the relevant Subfund will be paid out on the date of the mandatory redemption of the Shares.
Any liquidation and redemption proceeds that cannot be distributed to the Shareholders at the closure of the liquidation shall be deposited with the "Caisse de Consignation" in Luxembourg until the statutory period of limitation has elapsed.
In accordance with the definitions and conditions set out in the Law of December 17, 2010, any Subfund may, either as a merging Subfund or as a receiving Subfund, be subject to mergers with another Subfund of the Company or another UCITS, on a domestic or cross-border basis. The Company itself may also, either as a merging UCITS or as a receiving UCITS be subject to cross-border and domestic mergers.
Furthermore, a Subfund may as a receiving Subfund be subject to mergers with another UCI or subfund thereof, on a domestic or cross border basis. Also, shares of any class may be divided or merged in any subfund.
In all cases, the Board of Directors of the Company will be competent to decide on the merger of subfunds resp. the division or merger in any subfund. Insofar as a merger requires the approval of the Shareholders pursuant to the provisions of the Law of December 17, 2010, the meeting of Shareholders deciding by simple majority of the votes cast by Shareholders present or represented at the meeting is competent to approve the effective date of such a merger. No quorum requirement will be applicable. Only the approval of the Shareholders of the Subfunds concerned by the merger will be required.
Mergers shall be announced at least thirty days in advance in order to enable Shareholders to request the redemption or conversion of their shares.

Dissolution of a Subfund - FX Hedging transactions
During the liquidation of a Subfund, the Investment Manager shall realize the assets of the Subfund in the best interest of the Investors. During such period, the Investment Manager shall no longer be bound by the investment restrictions applicable to the relevant Subfund and shall be free to suspend or cease all or part of the FX hedging transactions in relation to the Subfund's portfolio while acting in the best interest of the Investors. As far as the Share Class hedging is concerned, the Investment Manager shall maintain the FX hedging during the liquidation phase unless the Investment Manager or the Board of Directors of the Company respectively, determines that such Share Class hedging is no longer definitely in the best interest of the Investors (e.g., when the costs of hedging are expected to outweigh the benefits for Investors), in which case the Investment Manager shall cease the FX hedging.

Dissolution of a Share Class
In case the value of a Share Class has fallen below, or has failed to reach, a level which the Board of Directors considers to be the minimum required for the economically efficient management of that Share Class, the Board of Directors may decide to terminate or deactivate that Share Class in accordance with the relevant provisions of the Articles of Incorporation.
Where applicable, the Single Swing Pricing mechanism described in Chapter 8 shall apply.

13. General Meetings
The Annual General Meeting ("AGM") of Shareholders is held in Luxembourg on the second Thursday of April of each year at 11 a.m. (Central European Time). If this date is not a Banking Day in Luxembourg, the AGM will take place on the next Banking Day.
Generally, notices of all general meetings will be sent either to the holders of registered Shares by registered mail or by any means of communication individually accepted by the holders of registered shares at least eight calendar days prior to the meeting at their addresses shown in the register of Shareholders. Meetings of the Shareholders of a particular Subfund may only pass resolutions relating to that Subfund.

14. Information for Shareholders
Information about the launch of new Subfunds may be obtained from the Company and the Distributors.
The audited annual reports shall be made available to Shareholders free of charge at the registered office of the Company, at the paying agents, information agents and Distributors, within four months after the close of each accounting year.
Unaudited semi-annual reports shall be made available in the same way within two months of the end of the accounting period to which they refer.
Other information regarding the Company, as well as the issue and redemption prices of the Shares may be obtained on any Banking Day at the Company's registered office.

When applicable, registered Shareholders shall be informed in writing or by any other means of communication individually accepted by the Shareholders. Further, all notices to Shareholders, including any information relating to a suspension of the calculation of the Net Asset Value, shall be announced online at www.ubs.com/ame-investornotifications and, if required, be published in the RESA and/or in various newspapers. The Net Asset Value shall be published daily on the Internet at www.ubs.com/funds and may be published in various newspapers.
Investors may obtain the Prospectus, the PRIIPS KID, the latest annual and semi-annual reports and copies of the Articles of Incorporation free of charge from the registered office of the Company and at www.ubs.com/funds.
The relevant contractual agreements as well as the Management Company's Articles of Incorporation are available for inspection at the Company's registered offices during normal business hours.

15. Management Company

The Company has designated UBS Asset Management (Europe) S.A. to act as its Management Company. UBS Asset Management (Europe) S.A. was established in Luxembourg on 1 July 2010 as an *Aktiengesellschaft* (public limited company) for an indefinite period. Its registered office is located at 33A avenue J.F. Kennedy, L-1855 Luxembourg.
The articles of association of the Management Company were published on 16 August 2010 by way of a notice of deposit in the *Mémorial, Recueil des Sociétés et Associations* (the "*Mémorial*").
The consolidated version of the articles of association may be consulted at the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés*). The corporate purpose of the Management Company is to manage undertakings for collective investment pursuant to Luxembourg law and to issue/redeem units or shares in these products, among other activities. In addition to the Company, the Management Company currently also manages other undertakings for collective investment. The Management Company has fully paid-up equity capital of EUR 13,000,000. The Management Company also acts as domiciliary agent for the Company.

16. Investment Managers and Sub-Investment Manager

The Company's Board of Directors is responsible for investing the Subfunds' assets. The Board of Directors has appointed the Management Company to implement the Subfunds' investment policy on a day-to-day basis.
In order to implement the policy of each Subfund, the Management Company may delegate, under its permanent supervision and responsibility, the management of the assets of the Subfunds to one or more Investment Managers.
Pursuant to the investment management agreement, the Investment Manager has discretion, on a day-to-day basis and subject to the overall control and ultimate responsibility of the Management Company, to purchase and sell securities and otherwise to manage the relevant Subfund's portfolio.
The Investment Manager(s) for the respective Subfunds are indicated in Chapter 23, "Subfunds". The Management Company may at any time appoint an Investment Manager other than the one/s named in Chapter 23, "Subfunds", or may terminate the relation with any of the Investment Manager/s. The investors of such Subfund will be informed and the Prospectus will be modified accordingly.

The Investment Manager may appoint, under its responsibility and control and at its own cost, affiliates within the UBS Group as sub-investment managers. The Investment Manager's liability shall not be affected by the fact that it has delegated portfolio management functions and duties to sub-investment manager(s).

17. Depositary Bank

The Company has appointed UBS Europe SE, Luxembourg Branch as its Depositary within the meaning of the Law of 17 December 2010 relating to undertakings for collective investment, as amended (the "2010 Law") and the Commission Delegated Regulation (EU) 2016/438, as amended, supplementing the UCITS Directive (UCITS Level II Regulation), pursuant to the Depositary and Paying Agent Agreement.
The Company has also appointed the Depositary as Paying Agent.
The Depositary is a Luxembourg established branch of UBS Europe SE, a European Company (Societas Europaea), having its registered office in Frankfurt am Main, Germany, registered with the German Trade Register under number HRB 107046. UBS Europe SE, Luxembourg Branch has its place of business at 33A, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg and is registered with the Luxembourg Trade and Companies Register under number B 209.123.

Depositary duties

The relationship between the Company, the Management Company and the Depositary is subject to the terms of the Depositary and Paying Agent Agreement. Pursuant to the Depositary and Paying Agent Agreement, the Depositary has been appointed for the safekeeping of financial instruments that can be held in custody, for the record keeping and verification of ownership of other assets of the Company as well as to ensure the effective and proper monitoring of the Company's cash flows in accordance with the provisions of the 2010 Law and the Depositary and Paying Agent Agreement. Assets held in custody by the Depositary shall not be reused by the Depositary, or any third party to which the custody function has been delegated, for their own account, unless such reuse is expressly allowed by the 2010 Law.
In addition, the Depositary shall also ensure that:
(i) the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with Luxembourg law and the Articles of Incorporation,
(ii) the value of the Shares is calculated in accordance with Luxembourg law and the Articles of Incorporation,
(iii) the instructions of the Management Company or the Company are carried out, unless they conflict with applicable Luxembourg law and/or the Articles of Incorporation,
(iv) in transactions involving the Company's assets any consideration is remitted to the Company within the usual time limits, and
(v) the Company's income is applied in accordance with Luxembourg law or the Articles of Incorporation.
The Depositary shall assume its duties and responsibilities in accordance with the provisions of the 2010 Law. The Depositary must act honestly, fairly, professionally, independently and solely in the interest of the Company and its shareholders.

Delegation and conflict of interests

In compliance with the provisions of the Depositary and Paying Agent Agreement and the 2010 Law, the Depositary may, subject to certain conditions, delegate part or all of its safekeeping duties in relation to financial instruments that can be held in custody to sub-custodian(s) (including any affiliates of UBS AG), as they are appointed by the Depositary from time to time.
Prior to the appointment of any sub-custodian and on an ongoing basis pursuant to applicable laws and regulations as well as its conflict of interests policy, the Depositary shall assess potential conflicts of interests that may arise from the delegation of safekeeping functions. The Depositary is part of the UBS Group, a worldwide, full-service private banking, investment banking, asset management and financial services organization which is a major participant in the global financial markets. As such, potential conflicts of interest from the delegation of its safekeeping functions could arise as the Depositary and its affiliates are active in various business activities and may have differing direct or indirect interests. Irrespective of whether a given sub-custodian is part of the UBS Group or not, the Depositary shall exercise the same level of due skill, care and diligence both in relation to the selection and appointment as well as in the on-going monitoring of the relevant sub-custodian. Furthermore, the conditions of any appointment of a sub-custodian that is member of the UBS Group shall be negotiated at arm's length in order to ensure the protection of interests of the Company and its shareholders. Should a conflict of interest occur and in case such conflict of interest cannot be mitigated, such conflict of interest as well as the decisions taken will be disclosed to the shareholders of the Company. An up-to-date description of any safekeeping functions delegated by the Depositary and an up-to-date list of these delegates can be found on the following webpage: https://www.ubs.com/global/en/legalinfo2/luxembourg.html.

Liability

The Depositary is liable to the Company and its shareholders for the loss of a financial instrument held in custody (such financial instruments as defined in article 34(3)(a) of the 2010 Law and article 12 of the UCITS Level II Regulation, the "Fund Custodial Assets") by the Depositary and/or a sub-custodian in accordance with article 35 of the 2010 Law (the "Loss of a Fund Custodial Asset").
In case of Loss of a Fund Custodial Asset, the Depositary shall return a financial instrument of an identical type or the corresponding amount to the Company without undue delay. In accordance with the provisions of the 2010 Law, the Depositary shall not be liable for the Loss of a Fund Custodial Asset, if such Loss of a Fund Custodial Asset has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

The Depositary shall also be liable to the Company and to the shareholders for all other direct losses suffered by them as a result of the Depositary's negligent or intentional failure to properly fulfil its duties in accordance with the 2010 Law.
The Depositary's liability shall not be affected by any delegation, unless otherwise stipulated in the 2010 Law.

Termination

The Company and the Depositary may terminate the Depositary and Paying Agent Agreement at any time by giving three (3) months' prior written notice. The Depositary and Paying Agent Agreement may also be terminated on shorter notice in certain circumstances, for instance where one party commits a material breach of its obligations. In case no new depositary is appointed before the expiry of the notice period, the Depositary shall take all necessary steps to ensure good preservation of the interests of the Company's investors, including the obligation to maintain or open all the accounts necessary for the safekeeping of the different assets of the Company until the closure of the liquidation of the Fund.

Fees

The Depositary is entitled to receive a remuneration for its services as agreed in the Depositary and Paying Agent Agreement. In addition, the Depositary is entitled to be reimbursed by the Company for its reasonable out-of-pocket expenses and disbursements, including, but not limited to, taxes, duties, charges and broker fees, whether existing now or imposed in the future and which are paid by the Depositary or for which the Depositary may be held liable and for the charges of any correspondents.

Depositary's independence from the Company

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

Outsourcing and data protection

Information about outsourcing and potential processing of investors' data by the Depositary may be found at https://www.ubs.com/lu/en/wealth-management/about-us/europe-se.html, specifically in the General Terms and Conditions (GTCs) of the Depositary (containing relevant outsourcing information) and the privacy notice (covering personal data processing pursuant to the applicable data protection laws).

18. UCI Administrator

The Management Company has transferred the administration of the Company to UBS Fund Administration Services Luxembourg S.A., a service company registered in Luxembourg, which belongs to UBS Group AG.
As the UCI Administrator, UBS Fund Administration Services Luxembourg S.A., will assume all administrative duties that arise in connection with the administration of the Company, including the issue and redemption of Shares, valuation of the assets, calculation of the Net Asset Value, accounting and maintenance of the register of Shareholders. In addition, as registrar and transfer agent of the Company, the UCI Administrator is also responsible for collecting the re-quired information and performing verifications on investors to comply with applicable anti-money laundering rules and regulations. Furthermore, the UCI Administrator provides client communication services being responsible for the production and dispatch of documents intended for investors.

19. Regulatory Disclosure

Conflicts of Interest

The Board of Directors, the Management Company, the Investment Manager, the Depositary, the UCI Administrator and the other service providers of the Company, and/or their respective affiliates, associates, employees or any person connected with them may be subject to various conflicts of interest in their relationships with the Company. The Management Company, the Company, the Investment Manager, the UCI Administrator and the Depositary have adopted and implemented a policy on conflicts of interest. They have taken suitable organisational and administrative measures to identify and manage conflicts of interest so as to minimise the risk of the Company's interests being prejudiced, as well as to ensure that the Company's shareholders are treated fairly in the event that a conflict of interest cannot be prevented. The Management Company, the Depositary, the Investment Manager, the UCI Administrator, the principal distributor, the Securities Lending Agent and the Securities Lending Service Provider are part of the UBS Group (the "Affiliated Person"). The Affiliated Person is a global, full-service private banking, investment banking, asset management and financial services organisation that is a major player in the global financial markets. As such, the Affiliated Person is engaged in various business activities and may have other direct or indirect interests in the financial markets in which the Company invests. The Affiliated Person (as well as its subsidiaries and branches) may serve as the counterparty in financial derivative contracts entered into with the Company. Conflicts of interest may also potentially arise if the Depositary is closely associated with a legally independent entity of the Affiliated Person that provides other products or services to the Company. In the conduct of its business, the Affiliated Person shall endeavour to identify, manage and where necessary prohibit any action or transaction that may lead to a conflict of interest between the various business activities of Affiliated Person and the Company or its shareholders. The Affiliated Person endeavours to manage any conflicts in a manner consistent with the highest standards of integrity and fair dealing. To this end, the Affiliated Person has implemented procedures to ensure that any business activities giving rise to a conflict that could harm the interests of the Company or its shareholders are carried out with an appropriate level of independence and that any conflicts are resolved fairly. Investors may obtain additional information on the Management Company and/or the Company's policy on conflicts of interest free of charge by addressing a written request to the Management Company. Despite the Management Company's best efforts and due care, there remains the risk that the organisational or administrative measures taken by the Management Company for the management of conflicts of interest may not be sufficient to ensure, with reasonable confidence, that all risks of damage to the interests of the Company or its shareholders are eliminated. If this should be the case, any non-mitigated conflicts of interest and any decisions taken in relation thereto will be notified to investors on the following website of the Management Company:www.ubs.com/ame-investornotifications . This information is also available free of charge at registered office of the Management Company. In addition, it must be taken into account that the Management Company and the Depositary are members of the same group. Accordingly, both these entities have put in place policies and procedures to ensure that they (i) identify all conflicts of interests arising from this relationship and (ii) take all reasonable steps to avoid such conflicts of interest. Where a conflict of interest arising out of the relationship between the Management Company and the Depositary cannot be avoided, the Management Company or the Depositary will manage, monitor and disclose that conflict of interest in order to prevent adverse effects on the interests of the Company and of the shareholders.
A description of all custody tasks delegated by the Depositary, as well as a list of all delegates and sub-delegates of the Depositary can be found on the following webpage:
https://www.ubs.com/global/en/legalinfo2/luxembourg.html.
Up-to-date information on this will be made available to investors upon request.

Handling complaints, strategy for exercising voting rights and best execution

In accordance with Luxembourg laws and regulations, the Management Company provides additional information on procedures for handling complaints, the strategy for exercising voting rights as well as best execution on the following website:
www.ubs.com/ame-regulatorydisclosures.

Fair Treatment

Investors participate in the Subfunds by subscribing into, and holding, shares of individual share classes. Individual shares of a single share class bear the same rights and obligations in order to ensure equal treatment of all investors within the same share class of the relevant Subfund.
While remaining within the parameters profiling the different share classes of the relevant Subfund, the Company and/or the Management Company may enter into arrangements, on the basis of objective criteria as further specified below, with individual investors or a group of investors providing for special entitlements for those investors.
Such entitlements predominantly comprise, but are not limited to, rebates on fees charged to the share class, or specific disclosures, and will be granted solely based on objective criteria determined by the Management Company.
Objective criteria include, but are not limited to (alternatively, or cumulatively):
– the current or anticipated volume subscribed or to be subscribed by an investor;

- the total volume held by an investor in the Subfund or in any other UBS sponsored product;
- the expected holding period for an investment in the Subfund;
- the investor's willingness to invest during the launch phase of the Subfund;
- the type of the investor (e.g. repackager, wholesaler, fund management company, asset manager, other institutional investor, or private individual);
- the fee volume or revenues generated by the investor with a group of, or all group affiliates;
- a legitimate purpose to obtain specific disclosures, which includes primarily legal, regulatory or tax obligations.

Any investor or prospective investor within a share class of a given Subfund which is, in the reasonable opinion of the Management Company, objectively in the same situation than another investor in the same share class who entered into arrangements with the Company and/or the Management Company is entitled to the same arrangements. In order to obtain the same treatment, any investor or prospective investor may liaise with the Management Company by addressing a request to the Management Company's registered office. The Management Company will share the relevant information on the existence and nature of such specific arrangements with the relevant investor or prospective investor, verify the information received from the latter and determine on the basis of the information made available to it (including by such investor or prospective investor) whether the latter is entitled to the same treatment or not.

Investor Rights

The Company draws the investors' attention to the fact that any investor will only be able to fully exercise its investor rights directly against the Company, notably the right to participate in general meetings of Shareholders if the investor is registered itself and in its own name in the registered account kept for the Company and its Shareholders by the Company's UCI Administrator. In cases where an investor invests in the Company through an intermediary investing into the Company in its own name but on behalf of the investor, it may not always be possible for the investor to exercise certain shareholder rights directly against the Company and it may not always be possible for the investor to be indemnified in case of net asset value calculation errors and/or non-compliance with investment rules and/or other errors at the level of the Company. Investors are advised to take advice on their rights which may be negatively impacted.

Remuneration Policy

The Board of Directors of the Management Company has adopted a remuneration policy that aims to ensure remuneration complies with the applicable regulations – in particular the provisions defined under (i) UCITS Directive 2014/91/EU, the ESMA final report on sound remuneration policies under the UCITS Directive and AIFMD published on 31 March 2016, (ii) the Alternative Investment Fund Managers (AIFM) Directive 2011/61/EU, enacted into Luxembourg national law by the AIFM Law of 12 July 2013, as amended, the ESMA guidelines on sound remuneration policies under the AIFMD, published on 11 February 2013 and (iii) the CSSF Circular 10/437 on Guidelines concerning the remuneration policies in the financial sector, issued on 1 February 2010 – as well as the guidelines of the UBS Group AG remuneration policy. This remuneration policy is reviewed at least annually. The remuneration policy promotes a solid and effective risk management framework, is aligned with the interests of investors, and prevents risks from being taken that do not comply with the risk profiles, the Management Regulations, or the Articles of Incorporation, as applicable. The remuneration policy also ensures compliance with the strategies, objectives, values and interests of the Management Company and the Company, including measures to prevent conflicts of interest.

Furthermore, this approach aims to:
- Evaluate performance over a multi-year period that is suitable to the recommended holding period of investors in the Subfund, in order to ensure that the evaluation process is based on the Company's long-term performance and investment risks, and that performance-related remuneration is actually paid out over the same period;
- Provide employees with remuneration that comprises a balanced mix of fixed and variable elements. The fixed remuneration component represents a sufficiently large portion of the total remuneration amount, which allows for a flexible bonus strategy. This includes the option not to pay any variable remuneration. This fixed remuneration is determined according to the individual employee's role, which includes their responsibilities and the complexity of their work, their performance, and the local market conditions. Furthermore, it should be noted that the Management Company may, at its own discretion, offer benefits to employees. These form an integral part of the fixed remuneration.

All information relevant hereto shall be disclosed in the annual reports of the Management Company in accordance with the provisions of UCITS Directive 2014/91/EU. More details about the current remuneration policy, including, but not limited to, the description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee (if any), are available at
www.ubs.com/ame-regulatorydisclosures.

OTC Derivatives Collateral Policy

Where the Company enters into OTC financial derivative, collateral may be used to reduce counterparty risk exposure in accordance with CSSF Circulars 08/356 and 14/592 and subject to the following principles:

- The Company currently accepts the following assets as eligible collateral:
  - Cash in US Dollars, Euros and Swiss Francs, and a Subfund's reference currency;
  - Government bonds, issued by OECD member countries, subject to a minimum long term rating requirement of A+/A1;
  - Bonds issued by federal states, government agencies, supranational institutions, government special banks or governmental export-import banks, municipalities or cantons of OECD member countries, subject to a minimum long term rating requirement of A+/A1;
  - Covered bonds issued by an issuer from an OECD member country, subject to a minimum long term rating of AA-/Aa3;
  - Corporate bonds issued by an issuer from an OECD member country, subject to a minimum long term rating of AA-/Aa3;
  - Shares representing common stock admitted to or dealt in on a regulated market of a Member State of the EU or on a stock exchange of a Member State of the OECD and included in a main index.

  The issuer of negotiable debt obligations must have a relevant credit rating by S&P and/or Moody's.
  Where the relevant ratings of S&P and Moody's differ with respect to the same issuer, the lower of the ratings shall apply.
  The Management Company has the right to restrict or exclude certain OECD countries from the list of eligible countries, or more generally, to further restrict the eligible collateral.
- Any collateral received other than cash must be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received must also comply with the provisions of Article 48 of the Law of 17 December 2010.
- Bonds of any type and/or maturity are accepted, except perpetual bonds.
- The collateral received will be valued mark-to-market on a daily basis, as is common industry standard, and in accordance with Chapter 8, "Net Asset Value". The collateral received will be adjusted on a daily basis. Assets that exhibit high price volatility will not be accepted as collateral unless suitably conservative haircuts are in place.
- The collateral received by the Company must be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.
- Collateral must be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if a Subfund receives from a counterparty of OTC derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of its Net Asset Value. When a Subfund is exposed to different counterparties, the different baskets of collateral must be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation from this sub-paragraph, a Subfund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. Such a Subfund must receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the Subfund's Net Asset Value.
- Risks linked to the management of collateral, such as operational and legal risks, will be identified, managed and mitigated in accordance with the Management Company's risk management process concerning the Company.
- Where there is a title transfer, the collateral received must be held by the Depositary Bank. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

– Collateral received must be capable of being fully enforced by the Company at any time without reference to or approval from the counterparty.
– Any collateral received must not be sold, re-invested or pledged.

OTC Derivatives Haircut Policy
The Company has implemented a haircut policy in respect of each class of assets received as collateral. A haircut is a discount applied to the value of a collateral asset to account for the fact that its valuation, or liquidity profile, may deteriorate over time. The haircut policy takes account of the characteristics of the relevant asset class, the type and credit quality of the issuer of the collateral, the price volatility of the collateral and the results of any stress tests which may be performed in accordance with the collateral management policy. Subject to the framework of agreements in place with the relevant counterparty, which may or may not include minimum transfer amounts, it is the intention of the Company that any collateral received shall have a value, adjusted in light of the haircut policy.
According to the Company's haircut policy the following discounts will be made:

Type of Collateral	Discount
Cash, restricted to USD, EUR, CHF and a Subfund's reference currency	0%
Government bonds, issued by OECD member countries, subject to a minimum long term rating requirement of A+ by S&P and/or A1 by Moody's	0.5% - 5%
Bonds issued by federal states, government agencies, supranational institutions, government special banks or governmental export-import banks, municipalities or cantons of OECD member countries, subject to a minimum long term rating requirement of A+ by S&P and/or A1 by Moody's	0.5% - 5%
Covered bonds issued by an issuer from an OECD member country, subject to a minimum long term rating of AA- by S&P and/or Aa3 by Moody's	1% - 8%
Corporate bonds issued by an issuer from an OECD member country, subject to a minimum long term rating of AA- by S&P and/or Aa3 by Moody's	1% - 8%
Shares representing common stock admitted to or dealt in on a regulated market of a Member State of the EU or on a stock exchange of a Member State of the OECD and included in a main index	5% - 15%

In addition to the above haircuts, there will be an additional haircut of 1% - 8% on any collateral (cash, bonds or equity) in a different currency to that of its underlying transaction.
Moreover, in case of unusual market volatility, the Management Company reserves the right to increase the haircut it applies to collateral. As a consequence, the Company will receive more collateral to secure its counterparty exposure.

Benchmark Regulation
Pursuant to Regulation (EU) No 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (the "Benchmark Regulation"), the Company can only use a benchmark or a combination of benchmarks if the benchmark is provided by an administrator located in the European Union, or in a third country subject to certain equivalence, recognition, or endorsement conditions, and which is included in a register maintained by the European Securities and Markets Authority ("**ESMA**").
Certain transitional provisions apply until 1 January 2020 pursuant to which benchmark administrators are currently not required to obtain authorisation or registration by the national competent authorities of their home member state in accordance with article 34 of the Benchmark Regulation or qualify for use in the European Union under the Benchmark Regulation's equivalence, recognition or endorsement regimes in accordance with articles 30, respectively 32 or 33 of the Benchmark Regulation. The Company has, to the extent possible, complied with its disclosure obligations under article 29 of the Benchmark Regulation based on the most up-to-date information available as at the date of this Prospectus in the register established and maintained by the ESMA. Where possible, further information will be made available at each Prospectus update. Investors should, however, note that there may be a certain time lapse between the moment the register maintained by ESMA is updated with additional information, and the moment when such information is added to the Prospectus in the context of the next following update.
In accordance with the Benchmark Regulation, the Company has established and maintains benchmark written contingency plans setting out the actions which the Company would take in the event that a benchmark index used by a Subfund materially changes or ceases to be provided (the "**Benchmark Contingency Plans**"). Details of the up-to-date Benchmark Contingency Plans are available free of charge to Shareholders and investors upon request at the registered office of the Company.
Investors should note that the actions that may be taken by the Company on the basis of the Benchmark Contingency Plans in case a benchmark index used by a Subfund materially changes or ceases to be provided may lead to a change of, among others, the name, the investment objectives and/or the investment policies of the relevant Subfund, or the benchmark used for the calculation of a performance fee (if any), particularly if the benchmark index is changed. Alternatively, the Board of Directors may decide to terminate the relevant Subfund or to merge or otherwise amalgamate the assets of the relevant Subfund with another Subfund of the Company or another UCITS. Any such actions and the related amendments to this Prospectus will be notified to the Shareholders and will be implemented in accordance with Luxembourg law, the requirements of the CSSF (as applicable) and the terms of this Prospectus.

20. Data Protection Policy

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

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

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

Investors' personal data is processed when they enter into a relationship with the Company and in order to carry out the subscription of shares (i.e. to fulfil a contract), to safeguard the Company's legitimate interests and to meet the Company's legal obligations. Personal data is processed for the following purposes in particular: (i) to carry out subscriptions, redemptions and conversions of shares, pay dividends to investors and administer client accounts; (ii) to manage client relationships; (iii) to carry out checks relating to excess trading and market timing practices and for tax identification that may be mandated by Luxembourg or foreign legislation and regulations (including laws and regulations relating to FATCA and the CRS); (iv) to comply with applicable anti-money laundering regulations. Data provided by shareholders is also processed (v) to administer the Company's register of shareholders. In addition, personal data may be used (vi) for marketing purposes.

The above-mentioned legitimate interests include:

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

For this purpose and in accordance with the provisions of the data protection legislation, the Company may transfer personal data to its data recipients (the "recipients"), who may be affiliated or external companies that assist the Company in its activities in relation to the above-mentioned purposes. These include in particular the management company, the administrative agent, the distributors, the depositary, the paying agent, the investment manager, the domiciliary agent, the global distributor, the auditor and the legal advisor of the Company.

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

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

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

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

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

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

- Access to his or her personal data (i.e. the right to obtain confirmation from the Company as to whether his or her personal data is being processed, the right to obtain certain information as to how the fund processes his or her personal data, the right of access to such data and the right to obtain a copy of the personal data processed (subject to any statutory exemptions));
- Rectification of their personal data if it is inaccurate or incomplete (i.e. the right to oblige the Company to update or correct inaccurate or incomplete personal data or factual errors accordingly);
- Restriction of the use of their personal data (i.e. the right to request that the processing of their personal data is restricted to the storage of such data in certain circumstances until they give consent);
- Objecting to the processing of their personal data, including to the processing of their personal data for marketing purposes (i.e. the right to object, on grounds relating to the specific situation of the investor, to the processing of personal data based on the performance of a task carried out in the public interest or the legitimate interests of the Company; the Company terminates such processing unless it can prove that there are compelling legitimate grounds for the processing which override the interests, rights and freedoms of the investor or that they need to process the data for the establishment, exercise or defence of legal claims);
- Deletion of their personal data (i.e. the right to request the erasure of personal data under certain conditions, including when processing of such data by the Company is no longer necessary in relation to the purposes for which it was collected or processed);
- Data portability (i.e. the right, where technically feasible, to request the transfer of data to the investor or another data controller in a structured, shared and machine-readable format).

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

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

21. Certain Regulatory and Tax Matters

Foreign Account Tax Compliance
Capitalized terms used in this section should have the meaning as set forth in the Luxembourg amended law dated 24 July 2015 (the "**FATCA Law**"), unless provided otherwise herein.
The Foreign Account Tax Compliance provisions of the Hiring Incentives to Restore Employment Act (commonly known as "**FATCA**") generally impose a new reporting regime and potentially a 30% withholding tax with respect to (i) certain US source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce US source interest or dividends ("**Withholdable Payments**") and (ii) a portion of certain non-US source payments from non-US entities that have entered into FFI Agreements (as defined below) to the extent attributable to Withholdable Payments ("**Passthru Payments**"). As a general matter, the new rules are designed to require US persons' direct and indirect ownership of non-US accounts and non-US entities to be reported to the US Internal Revenue Service (the "**IRS**"). The 30% withholding tax regime applies if there is a failure to provide required information regarding US ownership.
Generally, the FATCA rules subject all Withholdable Payments and Passthru Payments received by the Company to 30% withholding tax (including the share that is allocable to Non-US Investors) unless the Company enters into an agreement (a "**FFI Agreement**") with the IRS to provide information, representations and waivers of non-US law (including any information notice relating to data protection) as may be required to comply with the provisions of the new rules, including, information regarding its direct and indirect US accountholders, or otherwise qualifies for an exemption, including an exemption under an intergovernmental agreement (or "IGA") between the United States and a country in which the non-US entity is resident or otherwise has a relevant presence.
The governments of Luxembourg and the United States have entered into an IGA regarding FATCA, implemented by the Luxembourg law transposing the Intergovernmental Agreement concluded on 28 March 2014 between the Grand Duchy of Luxembourg and the United States of America (the "**FATCA Law**"). Provided the Company adheres to any applicable terms of the FATCA Law, the Company will not be subject to withholding or generally required to withhold amounts on payments it makes under FATCA. Additionally, the Company will not have to enter into an FFI agreement with the IRS and instead will be required to obtain information regarding its Shareholders and to report such information to the Luxembourg tax authority, which, in turn, will report such information to the IRS.
Any tax caused by an Investor's failure to comply with FATCA will be borne by such Investor.
Each prospective Investor and each Shareholder should consult its own tax advisors regarding the requirements under FATCA with respect to its own situation.
Each Shareholder and each transferee of a Shareholder's interest in any Subfund shall furnish (including by way of updates) to the Management Company, or any third party designated by the Management Company (a "**Designated Third Party**"), in such form and at such time as is reasonably requested by the Management Company (including by way of electronic certification) any information, representations, waivers and forms relating to the Shareholder (or the Shareholder's direct or indirect owners or account holders) as shall reasonably be requested by the Management Company or the Designated Third Party to assist it in obtaining any exemption, reduction or refund of any withholding or other taxes imposed by any taxing authority or other governmental agency (including withholding taxes imposed pursuant to the Hiring Incentives to Restore Employment Act of 2010, or any similar or successor legislation or intergovernmental agreement, or any agreement entered into pursuant to any such legislation or intergovernmental agreement) upon the Company, amounts paid to the Company, or amounts allocable or distributable by the Company to such Shareholder or transferee. In the event that any Shareholder or transferee of a Shareholder's interest fails to furnish such information, representations, waivers or forms to the Management Company or the Designated Third Party, the Management Company or the Designated Third Party shall have full authority to take any and all of the following actions: (i) withhold any taxes required to be withheld pursuant to any applicable legislation, regulations, rules or agreements; (ii) redeem the Shareholder's or transferee's interest in any Subfund, and (iii) form and operate an investment vehicle organized in the United States that is treated as a "domestic partnership" for purposes of section 7701 of the Internal Revenue Code of 1986, as amended and transfer such Shareholder's or transferee's interest in any Subfund or interest in such Subfund assets and liabilities to such investment vehicle. If requested by the Management Company or the Designated Third Party, the Shareholder or transferee shall execute any and all documents, opinions, instruments and certificates as the Management Company or the Designated Third Party shall have reasonably requested or that are otherwise required to effectuate the foregoing. Each Shareholder hereby grants to the Management Company or the Designated Third Party a power of attorney, coupled with an interest,

to execute any such documents, opinions, instruments or certificates on behalf of the Shareholder, if the Shareholder fails to do so.

Data Protection Information in the Context of FATCA Processing
In accordance with the FATCA Law, Luxembourg Financial Institutions ("**FI**") are required to report to the Luxembourg tax authority (i.e. Administration des Contributions Directes, the "**Luxembourg Tax Authority**") information regarding reportable persons such as defined in the FATCA Law.
The Company is considered a sponsored entity and as such as a non-reporting Luxembourg financial institution and shall be treated as deemed compliant foreign FI as foreseen by FATCA. The Company is the data controller and processes personal data of Shareholders and Controlling Persons as reportable persons for FATCA purposes.
The Company processes personal data concerning Shareholders or their Controlling Persons for the purpose of complying with the Company's legal obligations under the FATCA Law. These personal data include the name, date and place of birth, address, U.S. tax identification number, the country of tax residence and residence address, the phone number, the account number (or functional equivalent), the account balance or value, the total gross amount of interest, the total gross amount of dividends, the total gross amount of other income generated with respect to the assets held in the account, the total gross proceeds from the sale or redemption of property paid or credited to the account, the total gross amount of interest paid or credited to the account, the total gross amount paid or credited to the Shareholder with respect to the account, standing instructions to transfer funds to an account maintained in the United States, and any other relevant information in relation to the Shareholders or their Controlling Persons for the purposes of the FATCA Law (the "**FATCA Personal Data**").
The FATCA Personal Data will be reported by the Management Company or the UCI Administrator, as applicable, to the Luxembourg Tax Authority. The Luxembourg Tax Authority, under its own responsibility, will in turn pass on the FATCA Personal Data to the IRS in application of the FATCA Law.
In particular, Shareholders and Controlling Persons are informed that certain operations performed by them will be reported to them through the issuance of statements, and that part of this information will serve as a basis for the annual disclosure to the Luxembourg Tax Authority.
FATCA Personal Data may also be processed by the Company's data processors ("**Processors**") which, in the context of FATCA processing, may include the Management Company of the Company and the UCI Administrator of the Company.
The Company's ability to satisfy its reporting obligations under the FATCA Law will depend on each Shareholder or Controlling Person providing the Company with the FATCA Personal Data, including information regarding direct or indirect owners of each Shareholder, along with the required supporting documentary evidence. Upon request of the Company, each Shareholder or Controlling Person must provide the Company with such information. Failure to do so within the prescribed timeframe may trigger a notification of the account to the Luxembourg Tax Authority.
Although the Company will attempt to satisfy any obligation imposed on it to avoid any taxes or penalties imposed by the FATCA Law, no assurance can be given that the Company will be able to satisfy these obligations. If the Company becomes subject to a tax or penalty as result of the FATCA Law, the value of the Shares may suffer material losses.
Any Shareholder or Controlling Person that fails to comply with the Company's documentation requests may be charged with any taxes and penalties of the FATCA law imposed on the Company (inter alia: withholding under section 1471 of the U.S. Internal Revenue Code, a fine of up to 250.000 euros or a fine of up to 0,5 per cent of the amounts that should have been reported and which may not be less than 1.500 euros) attributable to such Shareholder's or Controlling Person's failure to provide the information and the Company may, in its sole discretion, redeem the Shares of such Shareholders.
Shareholders and Controlling Persons should consult their own tax advisor or otherwise seek professional advice regarding the impact of the FATCA Law on their investment.
FATCA Personal Data will be processed in accordance with the provisions of the data protection notice. which will be made available in the application form issued by the Company to the investors.

Automatic Exchange of Information – Common Reporting Standard
Capitalized terms used in this section should have the meaning as set forth in the Luxembourg law dated 18 December 2015 (the "**CRS Law**"), unless provided otherwise herein.
On 9 December 2014, the Council of the European Union adopted the Directive 2014/107/EU amending the Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation which now provides for an automatic exchange of financial account information between EU Member States ("**DAC Directive**"). The adoption of the aforementioned directive implements the OECD's CRS and generalizes the automatic exchange of information within the European Union as of 1 January 2016.
In addition, Luxembourg signed the OECD's multilateral competent authority agreement ("**Multilateral Agreement**") to automatically exchange information between financial authorities. Under this Multilateral Agreement, Luxembourg will automatically exchange financial account information with other participating jurisdictions as of 1 January 2016. The CRS Law implements this Multilateral Agreement, jointly with the DAC Directive introducing the CRS in Luxembourg law.
Under the terms of the CRS Law, the Company may be required to annually report to the Luxembourg tax authority the name, address, state(s) of residence, TIN(s), as well as the date and place of birth of i) each Reportable Person that is an account holder, ii) and, in the case of a Passive NFE within the meaning of the CRS Law, of each Controlling Person(s) that is a Reportable Person. Such information may be disclosed by the Luxembourg tax authority to foreign tax authorities.
The Company's ability to satisfy its reporting obligations under the CRS Law will depend on each Shareholder providing the Company with the Information, including information regarding direct or indirect owners of each Shareholder, along with the required supporting documentary evidence. Upon request of the Company, each Shareholder shall agree to provide the Company such information.
Although the Company will attempt to satisfy any obligation imposed on it to avoid any taxes or penalties imposed by the CRS Law, no assurance can be given that the Company will be able to satisfy these obligations. If the Company becomes subject to a tax or penalty as result of the CRS Law, the value of the Shares may suffer material losses.
Any Shareholder that fails to comply with the Company's documentation requests may be charged with any taxes and penalties imposed on the Company attributable to such Shareholder's failure to provide the information and the Company may, in its sole discretion, redeem the Shares of such Shareholder.
Shareholders should consult their own tax advisor or otherwise seek professional advice regarding the impact of the CRS Law on their investment.

Data Protection Information in the Context of CRS Processing
In accordance with the CRS Law, Luxembourg Financial Institutions ("**FI**") are required to report to the Luxembourg Tax Authority information regarding Reportable Persons such as defined in the CRS Law.
As Luxembourg Reporting FI, the Company is the data controller and processes personal data of Shareholders and Controlling Persons as Reportable Persons for the purposes set out in the CRS Law.
In this context, the Company may be required to report to the Luxembourg Tax Authority the name, residence address, TIN(s), the date and place of birth, the country of tax residence(s), the phone number, the account number (or functional equivalent), standing instructions to transfer funds to an account maintained in a foreign jurisdiction, the account balance or value, the total gross amount of interest, the total gross amount of dividends, the total gross amount of other income generated with respect to the assets held in the account, the total gross proceeds from the sale or redemption of property paid or credited to the account, the total gross amount of interest paid or credited to the account, the total gross amount paid or credited to the Shareholder with respect to the account, as well as any other information required by applicable laws of i) each Reportable Person that is an account holder, ii) and, in the case of a Passive NFE within the meaning of the CRS Law, of each Controlling Person that is a Reportable Person (the "**CRS Personal Data**").
CRS Personal Data regarding the Shareholders or the Controlling Persons will be reported by the Reporting FI to the Luxembourg Tax Authority. The Luxembourg Tax Authority, under its own responsibility, will in turn pass on the CRS Personal Data to the competent tax authorities of one or more Reportable Jurisdiction(s). The Company processes the CRS Personal Data regarding the Shareholders or the Controlling Persons only for the purpose of complying with the Company's legal obligations under the CRS Law.
In particular, Shareholders and Controlling Persons are informed that certain operations performed by them will be reported to them through the issuance of statements, and that part of this information will serve as a basis for the annual disclosure to the Luxembourg Tax Authority.
CRS Personal Data may also be processed by the Company's data processors ("**Processors**") which, in the context of CRS processing, may include the Management Company of the Company and the UCI Administrator of the Company.
The Company's ability to satisfy its reporting obligations under the CRS Law will depend on each Shareholder or Controlling Person providing the Company with the CRS Personal Data, including information regarding direct or indirect owners of each Shareholder, along with the required supporting documentary evidence. Upon request of the Company, each Shareholder or Controlling Person must provide the Company with such

information. Failure to do so within the prescribed timeframe may trigger a notification of the account to the Luxembourg Tax Authority.
Although the Company will attempt to satisfy any obligation imposed on it to avoid any taxes or penalties imposed by the CRS Law, no assurance can be given that the Company will be able to satisfy these obligations. If the Company becomes subject to a tax or penalty as result of the CRS Law, the value of the Shares may suffer material losses.
Any Shareholder or Controlling Person that fails to comply with the Company's documentation requests may be charged with any taxes and penalties of the CRS Law imposed on the Company (inter alia: a fine of up to 250.000 euros or a fine of up to 0,5 per cent of the amounts that should have been reported and which may not be less than 1.500 euros) attributable to such Shareholder's or Controlling Person's failure to provide the information and the Company may, in its sole discretion, redeem the Shares of such Shareholder.
Shareholders should consult their own tax advisor or otherwise seek professional advice regarding the impact of the CRS Law on their investment.
CRS Personal Data will be processed in accordance with the provisions of the data protection notice which will be made available in the application form issued by the Company to the investors.

DAC 6 – Disclosure requirements for reportable cross-border tax arrangements

On 25 June 2018, Council Directive (EU) 2018/822 ("DAC 6") entered into force, which introduces rules on the mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements. DAC 6 is designed to give the tax authorities of EU Member States access to comprehensive and relevant information on potentially aggressive tax-planning arrangements, and to enable them to react promptly against harmful tax practices and to close loopholes by enacting legislation or by undertaking adequate risk assessments and carrying out tax audits.

Although the commitments under DAC 6 only apply from 1 July 2020, it may be necessary to notify arrangements implemented between 25 June 2018 and 30 June 2020. The Directive requires intermediaries in the EU to provide information on reportable cross-border arrangements, including details of the arrangement and information identifying the intermediaries and relevant taxpayers involved, i.e. the persons to whom the reportable cross-border arrangement is made available, to the relevant local tax authorities. The local tax authorities then exchange this information with the tax authorities of other EU Member States. The Company may therefore be required by law to provide the competent tax authorities with information known to it, in its possession or under its control about cross-border arrangements that are subject to reporting requirements. This legislation may also concern schemes which are not necessarily aggressive tax planning.

Taxation in the United Kingdom

Reporting Subfunds
Within the meaning of the UK Taxation (International and Other Provisions) Act 2010 (hereinafter the "TIOPA"), special provisions apply to investments in offshore funds. The individual share classes of these offshore funds are treated as separate offshore funds for this purpose. The taxation of shareholders in a reporting share class is different to the taxation of shareholders in non-reporting share classes. The individual taxation systems are explained below. The Board of Directors reserves the right to apply for the status of reporting fund for individual share classes.

Shareholders in non-reporting share classes
Each individual share class is an offshore fund within the meaning of the TIOPA and the UK Offshore Funds (Tax) Regulations 2009 that came into force on 1 December 2009. Within this framework, all income from the sale, disposal or redemption of offshore fund units held by persons resident or ordinarily resident in the United Kingdom at the time of the sale, disposal or redemption are taxed as income and not as capital gains. However, this is not the case if the fund is approved as a reporting fund by the UK tax authorities for the period in which units are held. Shareholders who are resident or ordinarily resident in the United Kingdom for tax purposes and invest in non-reporting share classes may be obliged to pay income tax on the income from the sale, disposal or redemption of shares. Such income is therefore taxable, even if investors would be exempt from capital gains tax under general or special provisions, which may lead to some UK investors bearing a comparatively higher tax burden. Shareholders who are resident or ordinarily resident in the United Kingdom can offset losses on the disposal of shares in non-reporting share classes against capital gains.

Shareholders in reporting share classes
Each individual share class is an offshore fund within the meaning of the TIOPA. Within this framework, all income from the sale, disposal or redemption of offshore fund units at the time of the sale, disposal or redemption are taxed as income and not as capital gains. These provisions do not apply if the fund is accorded reporting fund status and maintains this status during the period in which units are held.
For a share class to qualify as a reporting fund, the Company must apply to the UK tax authorities for the inclusion of the Subfund in this category. The share class must then report 100% of the income of the share class for each financial year. The corresponding report can be consulted by investors on the UBS website. Private investors resident in the United Kingdom should include the reportable income in their income tax return. They will then be assessed on the basis of the declared income, whether the income was distributed or not. In determining the income, the income for accounting purposes is adjusted for capital and other items and is based on the reportable income of the corresponding Subfund. Shareholders are hereby informed that income from trading (but not from investment activities) is classified as reportable income. The key criteria is the business activity. Given the lack of clarity in the guidelines concerning the difference between trading and investment activities, there is no guarantee that the proposed activities are not trading activities. Should the activities of the Company be partly or wholly classified as trading activities, then the annual reportable income for shareholders and the corresponding tax burden would probably be significantly higher than would otherwise be the case. Provided that the relevant share class fulfils the status of a reporting Subfund, the income from this share class will be taxed as a capital gain and not as income, unless the investor is a securities trader. Such gains may therefore be exempt from capital gains tax under general or special provisions, which may lead to some UK investors bearing a comparatively lower tax burden.

In accordance with Part 3 Chapter 6 of the Offshore Funds (Tax) Regulations 2009 (hereinafter the "**2009 Regulations**"), certain transactions of a regulated Subfund such as the Company are generally not treated as trading activities in the calculation of reportable income for reporting Subfunds that fulfil a genuine diversity of ownership condition. In this respect, the Board of Directors confirms that all share classes are primarily for private and institutional investors and are offered to these target groups. Regarding the 2009 Regulations, the Board of Directors confirms that the shares of the Company can be easily acquired and are marketed and made available in order to reach and attract the targeted categories of investors.

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

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

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

22. Main Parties

Company
CS Investment Funds 1
33A, avenue J.F. Kennedy, L-1855 Luxembourg

Board of Directors of the Company
– Robert Süttinger
  Managing Director, UBS Asset Management Switzerland AG, Zurich
– Jonathan Griffin
  Independent Director, Luxembourg

– Eduard von Kymmel
  Independent Director, Luxembourg

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

Management Company
UBS Asset Management (Europe) S.A.,
33A, avenue J.F. Kennedy, L-1855 Luxembourg

Board of Directors of the Management Company
– Ann-Charlotte Lawyer
  Independent Director, Luxembourg;
– Francesca Prym
  CEO, UBS Asset Management (Europe) S.A., Luxembourg;
– Eugene Del Cioppo,
  Managing Director, UBS Fund Management (Switzerland) AG, Basel;
– Michael Kehl,
  Managing Director, UBS Asset Management Switzerland AG, Zurich.

Conducting Officers of the Management Company

– Valérie Bernard,
  UBS Asset Management (Europe) S.A.,
  Luxembourg, Grand Duchy of Luxembourg
– Geoffrey Lahaye,
  UBS Asset Management (Europe) S.A.,
  Luxembourg, Grand Duchy of Luxembourg
– Olivier Humbert,
  UBS Asset Management (Europe) S.A.,
  Luxembourg, Grand Duchy of Luxembourg
– Andrea Papazzoni,
  UBS Asset Management (Europe) S.A.,
  Luxembourg, Grand Duchy of Luxembourg
– Stéphanie Minet
  UBS Asset Management (Europe) S.A.,
  Luxembourg, Grand Duchy of Luxembourg

Depositary Bank
UBS Europe SE, Luxembourg Branch
33A, avenue J.F. Kennedy, L-1855 Luxembourg

Legal Advisor
Linklaters LLP,
35 Avenue, J.-F. Kennedy, L-1855 Luxembourg

UCI Administrator
UBS Fund Administration Services Luxembourg S.A.,
5, rue Jean Monnet, L-2180 Luxembourg

23. Subfunds

UBS (Lux) Financial Bond Fund

Investment Objective
The investment objective of the Subfund is to achieve income and capital appreciation from bonds and other debt securities denominated in Euro (Reference Currency) issued by companies from the financial sector while preserving the value of the assets.
The Subfund is actively managed without reference to a benchmark.

Investment Principles
The total net assets of the Subfund shall be invested mainly in contingent capital instruments, other hybrid and subordinated debt securities of financial institutions such as banks and insurance companies, which include fixed rate bonds, zero‑coupon, perpetual bonds, notes, and similar fixed interest or floating‑rate securities.
Contingent capital instruments are hybrid debt securities designed to absorb their issuers' capital losses. Under normal circumstances, these instruments exhibit characteristics similar to fixed income or floating rate debt securities. However, upon the occurrence of a trigger event, these instruments may either be converted into equity or written down. The relevant trigger events are described in the contractual terms or by regulatory directives, but typically entail cases where the capital of the issuer falls below a certain level or where the issuer passes a “point of non-viability”. Through their conversion into equity or write-down, contingent capital instruments thus allow the recapitalisation of the issuer and/or a reduction of its leverage ratios under critical circumstances at the expense of their holders. Contingent capital instruments are hybrid securities, the equity component of which exposes the holder to certain risks as further described in the section “Risk Information".
There are no restrictions on the investment universe of the Subfund in terms of the issuers’ credit ratings provided, however, that the Subfund shall invest in instruments rated at least “CCC–” by Standard & Poor’s or “Caa3” by Moody’s, at time the investment is made, or which exhibit similar credit quality in the view of the Management Company.
Subject to conditions set out in Chapter 4 “Investment Policy”, the Subfund may invest in ancillary liquid assets (i.e. bank deposits at sight) up to 20% of the total net assets of the Subfund in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets under Part I of the Law of December 17, 2010 or for a period of time strictly necessary in case of unfavourable market conditions
Up to one-third of the Subfund total net assets (including the bank deposits at sight referred to above) may be invested in cash, time deposits, liquidity funds, money market funds, money market instruments, debt securities issued by private, semi-private and public issuers. In any case and for the avoidance of doubt, investments in liquidity funds and money market funds is limited to 10% of the total net assets.
Additionally, the Subfund may invest up to 10% of its total net assets in other convertible bonds and other equity linked securities as well as in equities or other equity type securities and in warrants on such equities.
The Subfund may also invest up to 25% of its total net assets in preference shares (Tier 1 instruments) issued by financial institutions in several jurisdictions, including the USA.
Furthermore, the Subfund may actively manage its currency, interest rate, credit as well as equity exposure, or provide exposure to the abovementioned investment instruments, through the use of futures and forwards, options on bonds and equities, bond indices, equity indices and all other permitted financial instruments as well as credit derivatives such as credit default swaps, subject to the provisions of Chapter 6, “Investment Restrictions”, section 1g) and 3. In particular, the Subfund may attempt to mitigate adverse outcomes of capital conversion or loss absorption events by entering into long put equity options.
The Subfund may invest in securities denominated in any currency, however a significant part of the Subfunds’ net assets will be denominated in or hedged into EUR.
The Subfund promotes environmental and/or social characteristics and complies with Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (“SFDR”). As such it does consider principal adverse impacts on sustainability factors due to its investment strategy and the nature of the underlying investments (Art. 7(2) SFDR). Further information related to environmental and/or social characteristics is available in the SFDR Annex to this document (SFDR RTS Art. 14(2)).

Investor Profile
The Subfund is suitable for investors with high risk tolerance and a long-term view who wish to invest in a broadly diversified portfolio of debt securities.

Global Exposure
The global exposure of the Subfund will be calculated on the basis of the commitment approach.

Risk Information
Investors should read, be aware of and consider Chapter 7, “Risk Factors” of the Prospectus and the risk information described below:
Contingent capital instruments can convert from bonds to equities or could be written-down (e.g. up to a maximum of 100% or total loss of value) should specific events occur, (a so-called “mechanical trigger”). The conversion into equity or a write-down may lead to a substantial loss in value. In the event of a conversion, the equities received may be at a discount to the share price of that equity when the bond was purchased, resulting in an increased risk of capital loss. Contingent capital instruments may, in addition to or next to, mechanical triggers, be subject to “point of non-viability triggers” which bear the same consequences, i.e. conversion into equity or write-down. These point of non-viability triggers are activated based on the relevant regulator’s assessment of the issuers solvency prospects. Contingent capital instruments could suffer liquidity risk, as it can have adverse effects in a situation when the Subfund needs to sell assets for which there is not enough demand or only at much lower prices. Certain subordinated corporate debt securities may be callable, meaning they may be redeemed by the issuer on a specific date at a predefined price. In the event such debt securities are not redeemed on the specified call date, the issuer may extend the maturity indefinitely and defer or reduce the coupon payment. The credit worthiness of unrated debt securities is not measured by reference to an independent credit rating agency. Subordinated corporate debt securities carry a higher risk of loss than senior corporate debt securities, including those issued by the same issuer. Investors are advised to consider the risks corresponding to investments in contingent capital instruments set out in Chapter 7, “Risk Factors”.
Since this Subfund may invest in debt instruments in the non-investment grade sector, the underlying debt instruments may present a greater risk in terms of downgrading or may exhibit a greater default risk than debt instruments of first‑class issuers as well as risk of write- downs, loss absorption and conversion risk. Focusing on issuers from the financial sector may lead to concentrated industry exposure and bears systematic risk between issuers, which may lead to material losses in the event of adverse circumstances affecting this sector. The higher return should be viewed as compensation for the greater degree of risk.
Sustainability Risks may result in a negative impact on the returns of the Subfund. The main Sustainability Risks are identified and managed in the context of the overall risk management process and may change over time. Potential investors are also referred to the risks set out in Chapter 7, “Risk Factors” under section “Sustainability Risks”.

Investment Manager
The Management Company has appointed UBS Asset Management (UK) Limited as Investment Manager.

Reference Currency
The reference currency of the Subfund is EUR.

Subscription, Redemption and Conversion of Shares
Subscription, redemption and conversion applications must be submitted in written form to the UCI Administrator or a Distributor authorized by the Company to accept such applications, by 3 p.m. (Central European Time) one Banking Day prior to the Valuation Day on any day on which banks are open for business in Luxembourg.
Subscription, redemption and conversion applications received after this cut-off time shall be deemed to have been received prior to 3 p.m. on the following Banking Day.
Payment of the issue price must be effected within one Banking Day after the Valuation Day on which the issue price of the Shares was determined.
Payment of the redemption price of the Shares shall be made within one Banking Day following calculation of this price.
By derogation to Chapter 5, “Investment in CS Investment Funds 1”, i) Subscription of Shares, subscriptions and redemptions of fractions shall not be permitted and subscription and redemption applications may only be expressed in number of Shares and not in terms of subscription / redemption monies.

Subfund specific fees

Share classes	Maximum management fee (per annum)	Maximum management fee (per annum) for share classes with "hedged" in their name	Maximum Depositary Bank fee (per annum)	Maximum fee (per annum) for book-keeping and calculation of the Net Asset Value
Share classes with "P" in their name	1.20%	1.30%	0.10%	0.10%
Share classes with "K-1" in their name	1.20%	1.30%	0.10%	0.10%
Share classes with "K-1 0.1" in their name	0.60%	0.70%	0.10%	0.10%
Share classes with "K-B" in their name	n/a	0.10%	0.10%	0.10%
Share classes with "K-X" in their name	n/a	n/a	n/a	n/a
Share classes with "F" in their name	0.40%	0.50%	0.10%	0.10%
Share classes with "Q 0.1" in their name	0.60%	0.70%	0.10%	0.10%
Share classes with "Q" in their name	0.60%	0.70%	0.10%	0.10%
Share classes with "QL" in their name	0.60%	0.70%	0.10%	0.10%
Share classes with "I-A1" in their name	0.50%	0.60%	0.10%	0.10%
Share classes with "I-A2" in their name	0.40%	0.50%	0.10%	0.10%
Share classes with "I-A3" in their name	0.40%	0.50%	0.10%	0.10%
Share classes with "I-A4" in their name	0.40%	0.50%	0.10%	0.10%
Share classes with "I-B" in their name	Maximum management service fee 0.35% (per annum)*			
Share classes with "I-X" in their name	n/a	n/a	n/a	n/a
Share classes with "U-X" in their name	n/a	n/a	n/a	n/a

* as specified in Chapter 3, "Description of Share Classes" covering all fees and expenses as described in Chapter 9, "Expenses and Taxes"

UBS (Lux) Global High Yield Bond Fund

Investment Objective
The investment objective of the Subfund is primarily to achieve income and capital appreciation based on the performance of bonds and other debt securities denominated in any currency issued by corporate issuers with a below investment grade rating while preserving the value of the assets.
This Subfund aims to outperform the return of the Bloomberg Global High Yield Corporate (TR) (Hedged into USD) benchmark. The Subfund is actively managed. The benchmark is used as a reference point for portfolio construction and as a basis for setting risk constraints. The majority of the Subfund's exposure to bonds will not necessarily be components of or have weightings derived from the benchmark. The Investment Manager will use its discretion to significantly deviate the weighting of certain components of the benchmark and to significantly invest in bonds not included in the benchmark in order to take advantage of specific investment opportunities. It is thus expected that the performance of the Subfund will significantly deviate from the benchmark.

Investment Principles
At least two-thirds of the total assets of the Subfund shall be invested directly in debt instruments, bonds (including fixed rate bonds, zero-coupon, subordinated and perpetual bonds), notes, and similar fixed interest or floating-rate securities (including floating rate notes and securities issued on a discount basis) of corporate issuers in the non-investment grade sector or indirectly via derivatives which are covered by cash, money market instruments or short term investment grade bonds.
The Subfund may invest a significant part of its net assets in Emerging Markets (as defined below in the section "Risk Information"). Additionally the Subfund may invest in convertible bonds, convertible notes and warrant bonds.
The Subfund may also invest up to 10% of its net assets in asset-backed securities (ABS), as well as in addition up to a maximum of 10% of the Subfund's net assets may be invested in contingent capital instruments. ABSs are, in principle, securities the payments of which (interest payments and principal re-payments) are secured by a pool of receivables.
Subject to conditions set out in Chapter 4 "Investment Policy", the Subfund may invest in ancillary liquid assets (i.e. bank deposits at sight) up to 20% of the total net assets of the Subfund in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets under Part I of the Law of December 17, 2010 or for a period of time strictly necessary in case of unfavourable market conditions.
The Subfund may furthermore invest up to a maximum of 20% of its net assets (including the bank deposits at sight referred to above) in cash, time deposits, liquidity funds, money market funds, money market instruments, equities or other equity type securities and in warrants on such equities issued by issuers from developed countries. In any case and for the avoidance of doubt, investments in liquidity funds and money market funds is limited to 10% of the total net assets.
In addition to direct investments, the Subfund may contract futures and options as well as swap transactions (interest-rate swaps) for the purpose of hedging and the efficient management of the portfolio.
The Subfund may use securities (credit linked notes) as well as techniques and instruments (credit default swaps) for the purpose of managing the credit risk. Furthermore, the Subfund may actively manage its currency exposure through the use of forward exchange transactions and swap transactions. A significant part of the Subfunds' net assets will be denominated in or hedged into USD. For the remaining part, the Subfund may actively manage its currency exposure.
UBS Asset Management categorises this Subfund as an ESG integration fund which does not promote particular ESG characteristics or pursues a specific sustainability or impact objective.

ESG integration is driven by considering financially material Sustainability Risks (as defined in the Chapter 7 "Risk Factors" under section "Sustainability Risks") as part of the research process. For corporate issuers, this process utilizes a materiality framework which identifies the sustainability risk factors per sector. This, in combination with an assessment of the Issuer's Environmental, Social and Governance risk factors, informs the Investment Manager's proprietary Issuer ESG Score. Issuers with elevated sustainability-related risks are actively monitored via the Credit Investments Group (CIG) ESG Watchlist.

The Investment Manager applies exclusions in line with the UBS Asset Management Sustainability Exclusion Policy (https://www.ubs.com/global/en/assetmanagement/capabilities/sustainable-investing.html).

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

Global Exposure
The global exposure of the Subfund will be calculated on the basis of the commitment approach.

Risk Information
Investors should read, be aware of and consider Chapter 7, "Risk Factors" of the Prospectus and the risk information described below:
Income from securities in the non-investment grade sector is higher than that earned from first-class issuers. However, the risk of losses is also greater. The higher income should be regarded as compensation for the fact that investments in this segment involve a greater risk of losses. The Subfund is more dynamic than other bond funds and has greater opportunities for growth. However, a drop in price is possible at any time.
Potential investors should note that the counterparty risk related to the derivative strategy cannot be eliminated completely. The Subfund, however, will endeavour to minimize these risks by engaging in various hedging activities.
The probable returns on securities of issuers from emerging countries (emerging markets) are generally higher than the returns on similar securities of equivalent issuers from countries not classed as emerging (i.e. developed countries).
A "developed country" would be a country that is classified by the World Bank as being a "high income country" and/or not included in an emerging market financial index by a leading index provider and shall be understood as a country which, unlike emerging countries, is considered in common practice to have a mature and sophisticated economy, in particular with advanced technological infrastructures, diversified sectors of activity, quality healthcare system and higher access to education.
In this context, emerging countries and developing markets are defined as countries which are not classified by the World Bank as high income countries. In addition, high income countries which are included in an emerging market financial index of a leading service provider may also be considered as emerging countries and developing markets if deemed appropriate by the Management Company in the context of a Subfund's investment universe. The markets in emerging countries are much less liquid than the developed equity markets. Moreover, in the past, these markets have experienced higher volatility than the developed markets.
Potential investors should be aware that, due to the political and economic situation in emerging countries, investments in this Subfund entail a greater degree of risk, which could in turn reduce the return on the Subfund's assets. Investments in these Subfunds should only be made on a long-term basis. The investments of this Subfund are exposed to the following risks (among others): less effective public supervision, accounting and auditing methods and standards which do not match the requirements of Western legislation, possible restrictions on repatriation of the capital invested, counterparty risk in respect of individual transactions, market volatility, and insufficient liquidity affecting the Subfund's investments. It must also be borne in mind that companies are selected regardless of their market capitalization or sector. This may lead to a concentration in terms of market segments or sectors.
Contingent capital instruments can convert from bonds to equities or could be written-down should specific events occur, (a so-called "mechanical trigger"). The conversion into equity or a write-down may lead to a substantial loss in value. In the event of a conversion, the equities received may be at a discount to the share price of that equity when the bond was purchased, resulting in an increased risk of capital loss. Contingent capital instruments may, in addition to or next to, mechanical triggers, be subject to "point of non-viability triggers" which bear the same consequences, i.e. conversion into equity or write-down. These point of non-viability triggers are activated based on the relevant regulator's assessment of the issuers solvency prospects. Certain subordinated corporate debt securities may be callable, meaning they may be redeemed by the issuer on a specific date at a predefined price. In the event such debt securities are not redeemed on the specified call date, the issuer may extend the maturity indefinitely and defer or reduce the coupon payment. The credit worthiness of unrated debt securities is not measured by reference to an independent credit rating agency. Subordinated corporate debt securities carry a higher risk of loss than senior corporate debt securities, including those issued by the same issuer. Investors are advised to consider the risks corresponding to investments in contingent capital instruments set out in Chapter 7, "Risk Factors".
Sustainability Risks may result in a negative impact on the returns of the Subfund. The main Sustainability Risks are identified and managed in the context of the overall risk management process and may change over time.

Potential investors are also referred to the risks set out in Chapter 7, “Risk Factors” under section “Sustainability Risks”.

Investor Profile
The Subfund is suitable for investors with high risk tolerance and a medium-term view who wish to invest in a broadly diversified portfolio of debt securities within the high yield sector.

Investment Managers
The Management Company has appointed UBS Asset Management (Americas) LLC and UBS Asset Management (UK) Limited, as Investment Managers.
The Investment Managers are expected, subject to the “at arms’ length” principle, to enter into a substantial number of transactions to purchase financial instruments from and sell financial instruments to affiliates on behalf of the Subfund. In connection with investment recommendations and related transactions that may be viewed as principal transactions with the Investment Managers, UBS Group AG or their affiliates, the Investment Managers further intend to comply with Section 206(3) of the U.S. Investment Advisers Act of 1940 by requesting an independent approval of such transactions. In this regard, the Investment Managers may enter into an agreement with an unaffiliated third party to serve as the conflicts review service provider to review and approve such transactions on a trade-by-trade basis. Related fees shall be paid out of the assets of the Subfund and included in the Ongoing Charges disclosed in the PRIIPS KID.

Reference Currency
The reference currency of the Subfund is USD.

Subscription, Redemption and Conversion of Shares
Subscription, redemption and conversion applications must be submitted in written form to the UCI Administrator or a Distributor authorized by the Company to accept such applications, by 3 p.m. (Central European Time) one Banking Day prior to the Valuation Day on any day on which banks are open for business in Luxembourg.
Subscription, redemption and conversion applications received after this cut-off time shall be deemed to have been received prior to 3 p.m. on the next following Banking Day.
Payment of the issue price must be effected within two Banking Days after the Valuation Day on which the issue price of the Shares was determined.
Payment of the redemption price of the Shares shall be made within two Banking Days following calculation of this price.

Subfund specific fees

Share classes	Maximum management fee (per annum)	Maximum management fee (per annum) for share classes with “hedged” in their name	Maximum Depositary Bank fee (per annum)	Maximum fee (per annum) for book-keeping and calculation of the Net Asset Value
Share classes with “P” in their name	1.20%	1.30%	0.10%	0.10%
Share classes with “K-1” in their name	0.90%	1.00%	0.10%	0.10%
Share classes with “K-B” in their name	n/a	0.10%	0.10%	0.10%
Share classes with “K-X” in their name	n/a	n/a	n/a	n/a
Share classes with “F” in their name	0.40%	0.50%	0.10%	0.10%
Share classes with “Q” in their name	1.20%	1.30%	0.10%	0.10%
Share classes with “QL” in their name	1.20%	1.30%	0.10%	0.10%
Share classes with “I-A1” in their name	0.70%	0.80%	0.10%	0.10%
Share classes with “I-A2” in their name	0.40%	0.50%	0.10%	0.10%
Share classes with “I-A3” in their name	0.40%	0.50%	0.10%	0.10%
Share classes with “I-A4” in their name	0.40%	0.50%	0.10%	0.10%
Share classes with “I-B” in their name	Maximum management service fee 0.35% (per annum)*			
Share classes with “I-X” in their name	n/a	n/a	n/a	n/a
Share classes with “U-X” in their name	n/a	n/a	n/a	n/a

* as specified in Chapter 3, “Description of Share Classes” covering all fees and expenses as described in Chapter 9, “Expenses and Taxes”

UBS (Lux) Credit Income Fund

Investment Objective
The investment objective of the Subfund is primarily to achieve income and capital appreciation from fixed income securities denominated in any currency while preserving the value of the assets.
This Subfund aims to outperform the return of the Bloomberg Multiverse Index (USD hedged) benchmark. The Subfund is actively managed. The benchmark has been selected because it is representative of the investment universe of the Subfund and it is therefore an appropriate performance comparator. The majority of the Subfund's exposure to bonds will not necessarily be components of or have weightings derived from the benchmark. The Investment Manager will use its discretion to significantly deviate the weighting of certain components of the benchmark and to significantly invest in bonds not included in the benchmark in order to take advantage of specific investment opportunities. It is thus expected that the performance of the Subfund will significantly deviate from the benchmark.

Investment Principles
At least two-thirds of the total assets of the Subfund shall be invested in fixed-income instruments, bonds (including fixed rate bonds, zero-coupon bonds, inflation linked bonds, subordinated bonds, covered bonds, and perpetual bonds) and similar fixed interest or floating-rate securities (including floating rate notes and securities issued on a discount basis) issued by private, semi-private and public issuers from developed and emerging countries. Emerging countries are defined below in the section "Risk Information".

Additionally, the Subfund may invest its assets in securitized products such as asset-backed and mortgage backed securities. Asset-backed securities (ABS) are, in principle, securities the payments of which (interest payments and principal re-payments) are secured by a pool of receivables. Mortgage-backed securities (MBS) are, in principle, securities the payments of which (interest and principal repayments) are secured by a pool of mortgages.
In particular, the Subfund invests in residential or commercial mortgage backed securities, consumer asset-backed securities (backed by student-, small and medium enterprises (SME), car- and other leasing-contracts), collateralized loan obligations (CLOs) backed by corporate loans and covered bonds/Pfandbriefe.

Except for ABS and MBS securities stated below, there are no restrictions on the investment universe of the Subfund in terms of the issuers' credit ratings provided, however, that the Subfund shall invest in instruments rated at least "B–" by Standard & Poor's or "B3" by Moody's, at time the investment is made, or which exhibit similar credit quality in the view of the Management Company. The Subfund's investment in ABS and MBS are made primarily in securities which have an investment grade credit quality (rated "BBB-" by Standard & Poor's or "Baa3" by Moody's or a similar credit quality in the view of the Management Company).
Subject to conditions set out in Chapter 4 "Investment Policy", the Subfund may invest in ancillary liquid assets (i.e. bank deposits at sight) up to 20% of the total net assets of the Subfund in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets under Part I of the Law of December 17, 2010 or for a period of time strictly necessary in case of unfavourable market conditions. The Subfund may also invest up to a maximum of 20% of its net assets (including the bank deposits at sight referred to above) in cash, time deposits, liquidity funds, money market funds, money market instruments, equities or other equity type securities and in warrants on such equities issued by issuers from developed countries as well as in addition up to 10% of its net assets maybe invested into contingent capital instruments. In any case and for the avoidance of doubt, investments in liquidity funds and money market funds is limited to 10% of the total net assets.
The Subfund may conduct futures and options as well as swap transactions (interest rate swaps, credit default swaps, total return swaps and cross currency swaps) for investment and for hedging and the efficient portfolio management purposes.
The principal amount of the Subfund's assets that can be subject to total return swaps may represent up to a maximum of 20% of the net asset value of the Subfund calculated by way of the sum of notionals of the total return swaps. It is generally expected that the amount of such total return swap will remain within the range of 0% to 20% of the net asset value of the Subfund calculated by way of the sum of notionals of the total return swaps. In certain circumstances this proportion may be higher.
The sum of notionals takes into account the absolute value of the notional exposure of the total return swaps used by the Subfund. The expected amount of such total return swaps is an indicator of the intensity of the use of total return swaps within the Subfund. However, it is not necessarily an indicator of the investment risks in relation to those instruments because it does not take into account any netting or hedging effects.
The Subfund may engage in active currency allocation and invest in any currency but generally, the Subfund's investments in currencies other than the Subfund's Reference Currency will be hedged against the Subfund's Reference Currency.
The Subfund promotes environmental and/or social characteristics and complies with Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR"). As such it does consider principal adverse impacts on sustainability factors due to its investment strategy and the nature of the underlying investments (Art. 7(2) SFDR). Further information related to environmental and/or social characteristics is available in the SFDR Annex to this document (SFDR RTS Art. 14(2)).

Global Exposure
The global exposure of the Subfund will be calculated on the basis of the commitment approach.

Risk Information
Investors should read, be aware of and consider Chapter 7, "Risk Factors" of the Prospectus and the risk information described below:
Mortgage-backed securities differ from conventional debt securities because principal is paid back over the life of the security rather than at maturity. Most mortgage-backed and asset-backed securities, in general, entail risks that differ from conventional fixed income instruments as they are also subject to early prepayment, credit or default risks affecting the underlying securities. Early prepayment of principal can be expected to accelerate during periods of declining interest rates. Such prepayments can usually be reinvested only at the lower yields then prevailing in the market. Therefore, during periods of declining interest rates, these securities are less likely than other fixed-income securities to appreciate in value and less effective at locking in a particular yield. On the other hand, mortgage-backed and asset-backed securities are subject to substantially the same risk of depreciation during periods of rising interest rates as other fixed-income securities. Issuers of asset-backed securities may have limited ability to enforce the security interest in the underlying assets, and credit enhancements provided to support the securities, in any, may be inadequate to protect investors in the event of default.
The real estate risks of investing in commercial and residential mortgage-backed securities include the risks of investing in the real estate securing the underlying loans, local and other economic conditions, the ability of tenants to make payments and the ability of the property to attract and retain tenants. There can be no assurance that many commercial and residential mortgage-backed securities will not be subject to significant declines in values or outright defaults.
Since this Subfund may invest in debt instruments in the non-investment grade sector, the underlying debt instruments may present a greater risk in terms of downgrading or may exhibit a greater default risk than debt instruments of first-class issuers. The higher return should be viewed as compensation for the greater degree of risk attached to the related debt instruments and the Subfund's higher volatility. Potential investors must be aware that the loss of their entire investment cannot be completely ruled out. To reduce such risks, however, the individual issuers are subject to close monitoring. Also, the investments are broadly diversified by issuer.
Credit ratings issued by credit rating agencies are designed to evaluate the safety of principal and interest payments of rated securities. Credit rating agencies may or may not make timely changes in a rating to reflect changes in the economy or in the conditions of the issuer that affect the market value of the security. Investments in asset backed or mortgage backed securities may be highly volatile. Investors must accept the possibility of major capital losses. The Company and the Management Company, however, will seek to minimize such risks by a strict selection of the investments and an adequate spreading of the risks involved. Nevertheless, the possibility of an entire loss cannot be ruled out.
Covered bonds are debt securities typically backed by a pool of mortgages or public sector loans, which is replenished if a loan within the asset pool defaults. As opposed to ABS created through securitization, the asset pool of a covered bond remains on the issuers consolidated balance sheet. A large share of the covered bond market consists of bonds backed by mortgage loans, which means the risk profile of the securities usually depends on factors affecting banks' underlying mortgage portfolios. These portfolios generally reflect the health of the housing market and of employment, although the wider economy and regulation also come into play.
Rating assigned to covered bonds address the expected loss posed to bondholders. Any rating agency may lower its rating or withdraw its rating if, inter alia, in the sole judgment of that rating agency, the credit quality of the covered bonds is lowered or withdrawn, the market value of the covered bonds may be reduced.
Investments in illiquid securities such as unquoted asset-backed securities may not have reliable price sources or may be priced only on a weekly or longer frequency. Thus the valuation of the Subfund's assets may not be accurate when relying on the available pricing sources. When assets are

sold for example due to redemptions, important discrepancies may appear between the last valuation price of such securities and the effective sales proceeds received from the counterparties.
For securities of issuers which, according to market assessments, have no good creditworthiness (non-investment grade) and may promise higher returns than comparable government bonds, a higher-than average volatility must be expected and even the complete loss of some investments cannot be ruled out. In order to reduce such risks, however, the issuers are carefully monitored, and they are widely diversified.
The probable returns on securities of issuers from emerging countries (emerging markets) are generally higher than the returns on similar securities of equivalent issuers from countries not classed as emerging (i.e. developed countries). A “developed country” would be a country that is classified by the World Bank as being a “high income country” and/or not included in an emerging market financial index by a leading index provider and shall be understood as a country which, unlike emerging countries, is considered in common practice to have a mature and sophisticated economy, in particular with advanced technological infrastructures, diversified sectors of activity, quality healthcare system and higher access to education.
In this context, emerging countries and developing markets are defined as countries which are not classified by the World Bank as high income countries. In addition, high income countries which are included in an emerging market financial index of a leading service provider may also be considered as emerging countries and developing markets if deemed appropriate by the Management Company in the context of a Subfund’s investment universe. The markets in emerging countries are much less liquid than the developed equity markets. Moreover, in the past, these markets have experienced higher volatility than the developed markets. Potential investors should be aware that, due to the political and economic situation in emerging countries, investments in this Subfund entail a greater degree of risk, which could in turn reduce the return on the Subfund’s assets. Investments in these Subfunds should only be made on a long-term basis. The investments of this Subfund are exposed to the following risks (among others): less effective public supervision, accounting and auditing methods and standards which do not match the requirements of Western legislation, possible restrictions on repatriation of the capital invested, counterparty risk in respect of individual transactions, market volatility, and insufficient liquidity affecting the Subfund’s investments. It must also be borne in mind that companies are selected regardless of their market capitalization (small, mid, large caps) or sector. This may lead to a concentration in terms of market segments or sectors.
Contingent capital instruments can convert from bonds to equities or could be written-down should specific events occur, (a so-called “mechanical trigger”). The conversion into equity or a write-down may lead to a substantial loss in value. In the event of a conversion, the equities received may be at a discount to the share price of that equity when the bond was purchased, resulting in an increased risk of capital loss. Contingent capital instruments may, in addition to or next to, mechanical triggers, be subject to “point of non-viability triggers” which bear the same consequences, i.e. conversion into equity or write-down. These point of non-viability triggers are activated based on the relevant regulator’s assessment of the issuers solvency prospects. Certain subordinated corporate debt securities may be callable, meaning they may be redeemed by the issuer on a specific date at a predefined price. In the event such debt securities are not redeemed on the specified call date, the issuer may extend the maturity indefinitely and defer or reduce the coupon payment. The credit worthiness of unrated debt securities is not measured by reference to an independent credit rating agency. Subordinated corporate debt securities carry a higher risk of loss than senior corporate debt securities, including those issued by the same issuer. Investors are advised to consider the risks corresponding to investments in contingent capital instruments set out in Chapter 7, “Risk Factors”.
Sustainability Risks may result in a negative impact on the returns of the Subfund. The main Sustainability Risks are identified and managed in the context of the overall risk management process and may change over time. Potential investors are also referred to the risks set out in Chapter 7, “Risk Factors” under section “Sustainability Risks”.

Investor Profile
The Subfund is suitable for investors with medium risk tolerance and a short-term view who wish to invest in a broadly diversified portfolio of debt securities.

Investment Manager
The Management Company has appointed UBS Asset Management Switzerland AG, Zurich, as Investment Manager.

Reference Currency
The reference currency of the Subfund is USD.

Subscription, Redemption and Conversion of Shares
Subscription, redemption and conversion applications must be submitted in written form to the UCI Administrator or a Distributor authorized by the Company to accept such applications, by 3 p.m. (Central European Time) one Banking Day prior to the Valuation Day on any day on which banks are open for business in Luxembourg.
Subscription, redemption and conversion applications received after this cut-off time shall be deemed to have been received prior to 3 p.m. on the next following Banking Day.
Payment of the issue price must be effected within one Banking Day after the Valuation Day on which the issue price of the Shares was determined. Payment of the redemption price of the Shares shall be made within one Banking Day following calculation of this price.

Subfund specific fees

Share classes	Maximum management fee (per annum)	Maximum management (per annum) for share classes with "hedged" in their name	Maximum Depositary Bank fee (per annum)	Maximum fee (per annum) for book-keeping and calculation of the Net Asset Value
Share classes with "P" in their name	1.20%	1.30%	0.10%	0.10%
Share classes with "K-1" in their name	0.70%	0.80%	0.10%	0.10%
Share classes with "K-B" in their name	n/a	0.10%	0.10%	0.10%
Share classes with "K-X" in their name	n/a	n/a	n/a	n/a
Share classes with "F" in their name	0.40%	0.50%	0.10%	0.10%
Share classes with "Q" in their name	0.70%	0.80%	0.10%	0.10%
Share classes with "QL" in their name	0.70%	0.80%	0.10%	0.10%
Share classes with "I-A1" in their name	0.70%	0.80%	0.10%	0.10%
Share classes with "I-A2" in their name	0.40%	0.50%	0.10%	0.10%
Share classes with "I-A3" in their name	0.40%	0.50%	0.10%	0.10%
Share classes with "I-A4" in their name	0.40%	0.50%	0.10%	0.10%
Share classes with "I-B" in their name	Maximum management service fee 0.35% (per annum)*			
Share classes with "I-X" in their name	n/a	n/a	n/a	n/a
Share classes with "U-X" in their name	n/a	n/a	n/a	n/a

* as specified in Chapter 3, "Description of Share Classes" covering all fees and expenses as described in Chapter 9, "Expenses and Taxes"

UBS (Lux) Latin America Corporate Bond Fund

Investment Objective
The investment objective of the Subfund is primarily to achieve income and capital appreciation from bonds and other debt securities denominated in US dollar issued by corporate issuers which are domiciled in or carry out the bulk of their business activities in the Latin American region while preserving the value of the assets.
This Subfund aims to outperform the return of the JPM CEMBI Broad Diversified Latin America benchmark. The Subfund is actively managed. The benchmark has been selected because it is representative of the investment universe of the Subfund and it is therefore an appropriate performance comparator. The majority of the Subfund's exposure to bonds will not necessarily be components of or have weightings derived from the benchmark. The Investment Manager will use its discretion to significantly deviate the weighting of certain components of the benchmark and to significantly invest in bonds not included in the benchmark in order to take advantage of specific investment opportunities. It is thus expected that the performance of the Subfund will significantly deviate from the benchmark.

Investment Principles
At least two-thirds of the net assets of the Subfund shall be invested in US dollar denominated bonds (including zero-coupon bonds, subordinated bonds, covered bonds, perpetual bonds, and securities issued on a discount basis) and other fixed-interest and floating-rate securities (including fixed rate bonds, floating rate notes) of corporate, quasi-sovereign and semi-government issuers which are domiciled in or carry out the bulk of their business activities in the Latin American region
Up to one-third of the Subfund's net assets may be invested in bonds or fixed income securities other than the above.
A maximum of 20% of the Subfund's net assets may be invested in contingent capital instruments.
In aggregate, the Subfund may invest up to 20% of its total net assets in structured products (certificates, notes) linked to bonds, credit or interest rates issued by first-class banks (or issuers offering investor protection equivalent to that of first-class banks) and in asset backed securities.
These structured products must qualify as transferable securities pursuant to Article 41 of the Law of December 17, 2010 and must be valued regularly and transparently on the basis of independent sources. Unless these structured products contain embedded derivatives pursuant to Article 42 (3) of the Law of December 17, 2010 such products must not entail any leverage effect. The derivatives embedded in such structured products may only be based on investment instruments specified in Chapter 6, "Investment Restrictions", section 1). In addition to the provisions on risk diversification, the composition of the underlying asset baskets and underlying indices must be sufficiently diversified.
Additionally, the Subfund may invest up to 20% of its net assets in convertible bonds, convertible notes and warrant bonds.
Subject to conditions set out in Chapter 4 "Investment Policy", the Subfund may invest in ancillary liquid assets (i.e. bank deposit at sight) up to 20% of the total net assets of the Subfund in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets under Part I of the Law of December 17, 2010 or for a period of time strictly necessary in case of unfavourable market conditions. The Subfund may also invest up to 20% of its net assets (including the bank deposits at sight referred to above) in cash or cash equivalent, time deposits, liquidity funds, money market funds, money market instruments and short dated debt instruments having a maturity of less than 12 months, in any convertible currency. In any case and for the avoidance of doubt, investments in liquidity funds and money market funds is limited to 10% of the total net assets.
The Subfund may be invested up to 85% of its net assets in non-investment grade debt instruments. Up to 25% of the Subfund's net assets may be invested in debt instruments with a rating below "B-" by Standard & Poor's, "B3" by Moody's.. Although distressed security exposure is not intended to be a key driver of the investment strategy, the Subfund may invest up to 10% of its net assets in debt instruments with a rating below CCC by Standard & Poor's, Caa2 by Moody's at time the investment is made or which exhibit similar credit quality in the view of the Management Company. Distressed bonds are securities issued by companies or public institutions in serious financial difficulty, and thus bear a high risk of capital loss.
In addition to direct investments, the Subfund may conduct futures and options as well as swap transactions (interest-rate swaps, credit default swaps (on single issuer and indexes) and total return swaps) for the purpose of hedging and the efficient management of the portfolio. Furthermore, the Subfund may actively manage its currency exposure through the use of forward exchange transactions and swap transactions.
The principal amount of the Subfund's assets that can be subject to total return swaps may represent up to a maximum of 20% of the net asset value of the Subfund calculated by way of the sum of notionals of the total return swaps. It is generally expected that the amount of such total return swap will remain within the range of 0% to 20% of the net asset value of the Subfund calculated by way of the sum of notionals of the total return swaps. In certain circumstances this proportion may be higher.
The sum of notionals takes into account the absolute value of the notional exposure of the total return swaps used by the Subfund. The expected amount of such total return swaps is an indicator of the intensity of the use of total return swaps within the Subfund. However, it is not necessarily an indicator of the investment risks in relation to those instruments because it does not take into account any netting or hedging effects.
The Subfund promotes environmental and/or social characteristics and complies with Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR"). As such it does consider principal adverse impacts on sustainability factors due to its investment strategy and the nature of the underlying investments (Art. 7(2) SFDR). Further information related to environmental and/or social characteristics is available in the SFDR Annex to this document (SFDR RTS Art. 14(2)).

Global Exposure
The global exposure of the Subfund will be calculated on the basis of the commitment approach.

Risk Information
Investors should read, be aware of and consider Chapter 7, "Risk Factors" of the Prospectus and the risk information described below:
Since this Subfund may hold debt instruments in the non-investment grade sector, the debt instruments may present a greater risk in terms of further downgrading or may exhibit a greater default risk than debt instruments of first-class issuers. The higher return should be viewed as compensation for the greater degree of risk attached to the debt instruments and the Subfund's higher volatility. The potential investor must be aware that even the complete loss of some investments cannot be fully ruled out. In order to reduce such risks, however, the issuers are carefully monitored, and they are widely diversified.
The probable returns on securities of issuers from emerging countries (emerging markets) are generally higher than the returns on similar securities of equivalent issuers from countries not classed as emerging (i.e. developed countries).
A "developed country" would be a country that is classified by the World Bank as being a "high income country" and/or not included in an emerging market financial index by a leading index provider and shall be understood as a country which, unlike emerging countries, is considered in common practice to have a mature and sophisticated economy, in particular with advanced technological infrastructures, diversified sectors of activity, quality healthcare system and higher access to education.
In this context, emerging countries and developing markets are defined as countries which are not classified by the World Bank as high income countries. In addition, high income countries which are included in an emerging market financial index of a leading service provider may also be considered as emerging countries and developing markets if deemed appropriate by the Management Company in the context of a Subfund's investment universe. The markets in emerging countries are much less liquid than the developed equity markets. Moreover, in the past, these markets have experienced higher volatility than the developed markets. Potential investors should be aware that, due to the political and economic situation in emerging countries, investments in this Subfund entail a greater degree of risk, which could in turn reduce the return on the Subfund's assets. Investments in this Subfund should only be made on a long-term basis. The investments of this Subfund are exposed to the following risks (among others): less effective public supervision, accounting and auditing methods and standards which do not match the requirements of Western legislation, possible restrictions on repatriation of the capital invested, counterparty risk in respect of individual transactions, market volatility, and insufficient liquidity affecting the Subfund's investments. It must also be borne in mind that companies are selected regardless of their market capitalization (small, mid, large caps) or sector. This may lead to a concentration in terms of market segments or sectors.
Contingent capital instruments can convert from bonds to equities or could be written-down should specific events occur, (a so-called "mechanical trigger"). The conversion into equity or a write-down may lead to a substantial loss in value. In the event of a conversion, the equities received may be at a discount to the share price of that equity when the bond was purchased, resulting in an increased risk of capital loss. Contingent capital instruments may, in addition to or next to, mechanical triggers, be subject to "point of non-viability triggers" which bear the same consequences, i.e. conversion into equity or write-down. These point of non-viability triggers are activated based on the relevant regulator's assessment of the issuers solvency prospects. Certain subordinated corporate debt securities may be callable, meaning they may be redeemed by the issuer on a specific date at a predefined price. In the event such debt securities are not redeemed on the specified call date, the issuer may extend the maturity indefinitely and defer or reduce the coupon payment. The credit worthiness of unrated debt securities is not measured by reference to an independent credit rating

agency. Subordinated corporate debt securities carry a higher risk of loss than senior corporate debt securities, including those issued by the same issuer. Investors are advised to consider the risks corresponding to investments in contingent capital instruments set out in Chapter 7, “Risk Factors”.
Sustainability Risks may result in a negative impact on the returns of the Subfund. The main Sustainability Risks are identified and managed in the context of the overall risk management process and may change over time. Potential investors are also referred to the risks set out in Chapter 7, “Risk Factors” under section “Sustainability Risks”.

Investor Profile
The fund is suitable for investors with medium risk tolerance and a medium-term view who wish to invest in a broadly diversified portfolio of debt securities within Latin America.

Investment Manager
The Management Company has appointed UBS Asset Management Switzerland AG, Zurich, as Investment Manager.

Reference Currency
The reference currency of the Subfund is USD.

Subscription, Redemption and Conversion of Shares
Subscription, redemption and conversion applications must be submitted in written form to the UCI Administrator or a Distributor authorized by the Company to accept such applications, by 3 p.m. (Central European Time) one Banking Day prior to the Valuation Day on any day on which banks are open for business in Luxembourg.
Subscription, redemption and conversion applications received after this cut-off time shall be deemed to have been received prior to 3 p.m. on the next following Banking Day.
Payment of the issue price must be effected within two Banking Days after the Valuation Day on which the issue price of the Shares was determined. Payment of the redemption price of the Shares shall be made two Banking Days following calculation of this price.

Subfund specific fees

Share classes	**Maximum management fee (per annum)**	**Maximum management fee (per annum) for share classes with “hedged” in their name**	**Maximum Depositary Bank fee (per annum)**	**Maximum fee (per annum) for book-keeping and calculation of the Net Asset Value**
Share classes with “P” in their name	1.20%	1.30%	0.10%	0.10%
Share classes with “K-1” in their name	0.80%	0.90%	0.10%	0.10%
Share classes with “K-B” in their name	n/a	0.10%	0.10%	0.10%
Share classes with “K-X” in their name	n/a	n/a	n/a	n/a
Share classes with “F” in their name	0.30%	0.40%	0.10%	0.10%
Share classes with “Q” in their name	0.90%	1.00%	0.10%	0.10%
Share classes with “QL” in their name	0.90%	1.00%	0.10%	0.10%
Share classes with “I-A1” in their name	0.70%	0.80%	0.10%	0.10%
Share classes with “I-A2” in their name	0.30%	0.40%	0.10%	0.10%
Share classes with “I-A3” in their name	0.30%	0.40%	0.10%	0.10%
Share classes with “I-A4” in their name	0.30%	0.40%	0.10%	0.10%
Share classes with “I-B” in their name	Maximum management service fee 0.35% (per annum)*			
Share classes with “I-X” in their name	n/a	n/a	n/a	n/a
Share classes with “U-X” in their name	n/a	n/a	n/a	n/a

* as specified in Chapter 3, “Description of Share Classes” covering all fees and expenses as described in Chapter 9, “Expenses and Taxes”

UBS (Lux) Emerging Market Corporate Investment Grade Bond Fund

Investment Objective

The main objective of the Subfund is to achieve return in excess of the Emerging Market bond market by investing in US Dollar-denominated or US Dollar hedged primarily investment grade of debt securities and similar debt instruments issued by borrowers by institutions and corporations having their head office in, or conducting a significant part of their business in, Emerging Market countries.
This Subfund aims to outperform the return of the JP Morgan Corporate Emerging Markets Bond Index Broad Diversified High Grade benchmark. The Subfund is actively managed. The benchmark has been selected because it is representative of the investment universe of the Subfund and it is therefore an appropriate performance comparator. The majority of the Subfund's exposure to bonds will likely be components of or have weightings derived from the benchmark. The Investment Manager will to some extent use its discretion to overweight or underweight certain components of the benchmark and to a lesser extent invest in bonds not included in the benchmark in order to take advantage of specific investment opportunities. It is thus expected that the performance of the Subfund may to a limited extent deviate from the Benchmark.

Investment Principles

At least two-thirds of the Subfund's assets shall be invested in fixed or variable-interest debt securities and rights which have a rating of at least BBB- (Standard & Poor's, Fitch), Baa3 (Moody's) or an equivalent rating from another rating agency or which, in the absence of a rating, are deemed to be of the same quality, which are denominated in USD or another freely convertible currency and issued by corporations (including government-owned corporations) which are domiciled in or carry out the bulk of their business activities in an emerging market country.
Furthermore, the Subfund's net assets may to a limited extent also be invested in fixed or variable-interest debt securities and rights which have a rating of at least BBB- (Standard & Poor's, Fitch), Baa3 (Moody's) or an equivalent rating from another ratings agency or which, in the absence of a rating, are deemed to be of the same quality, which are denominated in USD or another freely convertible currency and issued or guaranteed by sovereign issuers of an emerging market country.
In this context, emerging countries and developing markets are defined as countries which are not classified by the World Bank as high income countries. In addition, high income countries which are included in an emerging market financial index of a leading service provider may also be considered as emerging countries and developing markets if deemed appropriate by the Management Company in the context of the Subfund's investment universe.
The Subfund may invest in Onshore Renminbi denominated debt securities which are traded on the China interbank bond market (the "Onshore Debt Securities"). For the purposes of this Prospectus, "PRC" refers to the People's Republic of China (excluding the Hong Kong and Macau Special Administrative Regions and Taiwan) and the term "Chinese" shall be construed accordingly.
Under PRC regulations, certain qualified overseas financial institutions are eligible to participate in the China interbank bond direct access program (the "CIBM Program") to make investments in the PRC interbank bond market. The Investment Manager, on behalf of the Subfund has registered as a qualified institution under the CIBM Program via an onshore interbank bond trade and settlement agent, which has the responsibility for making the relevant filings and account opening with the relevant PRC authorities. The Subfund may make investments through the CIBM Program. With the appropriate disclosures to the investors, the Subfund may also seek exposure to PRC fixed income securities through other cross border programmes approved by competent regulators including the CSSF. The Subfund will not invest in asset-backed securities (ABS) and mortgage-backed securities (MBS).
In addition, the Subfund may invest up to 10% of the Subfund's total assets in contingent convertible instruments.
The Subfund may invest up to 30% of its net assets in debt securities and rights denominated in a freely convertible currency that are issued or guaranteed by government or corporate issuers from developed countries and that are listed or traded on an exchange or a regulated market.
Furthermore, the Subfund's assets may to a limited extent be invested in the following:

a) fixed or variable-interest debt securities and rights with a rating lower than specified under the second paragraph of this section that are denominated in USD or another freely convertible currency and issued by government issuers, including government issuers from any country, or corporate issuers with their registered office in any country;
b) convertible bonds or debt securities with warrants issued by corporate issuers with their registered office in any country and denominated in USD or another freely convertible currency.

The sum of the investments in Convertible Bonds and High Yield rated below BBB- will be maximum 10%.
In addition to direct investments, the Subfund may contract futures and options as well as swap transactions (interest-rate swaps, inflation swaps and total return swaps) for the purpose of hedging and efficient portfolio management, provided due account is taken of the investment restrictions set out in Chapter 6, "Investment Restrictions".
The principal amount of the Subfund's assets that can be subject to total return swaps may represent up to a maximum of 10% of the net asset value of the Subfund calculated by way of the sum of the notionals of the total return swaps. It is generally expected that the amount of such total return swap will remain within the range of 0% to 10% of the net asset value of the Subfund calculated by way of the sum of the notionals of the total return swaps. In certain circumstances this proportion may be higher.
The sum of notionals takes into account the absolute value of the notional exposure of the total return swaps used by the Subfund. The expected amount of such total return swaps is an indicator of the intensity of the use of total return swaps within the Subfund. However, it is not necessarily an indicator of the investment risks in relation to those instruments because it does not take into account any netting or hedging effects.
Furthermore, the Subfund may actively manage its currency and credit exposure through the use of foreign exchange forwards and credit default swaps.
Subject to conditions set out in Chapter 4 "Investment Policy", the Subfund may invest in ancillary liquid assets (i.e., bank deposits at sight) up to 20% of the total net assets of the Subfund in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets under Part I of the Law of December 17, 2010 or for a period of time strictly necessary in case of unfavourable market conditions. The Subfund may also invest up to 20% of its total net assets (including the bank deposits at sight referred to above) in cash, time deposits, liquidity funds, money market funds and money market instruments. In any case and for the avoidance of doubt, investment in liquidity funds and money market funds is limited to 10% of the total net assets.
The Subfund promotes environmental and/or social characteristics and complies with Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR"). As such it does consider principal adverse impacts on sustainability factors due to its investment strategy and the nature of the underlying investments (Art. 7(2) SFDR). Further information related to environmental and/or social characteristics is available in the SFDR Annex to this document (SFDR RTS Art. 14(2)).

Global Exposure

The global exposure of the Subfund will be calculated on the basis of the commitment approach.

Risk Information

Investors should read, be aware of and consider Chapter 7, "Risk Factors" of the Prospectus and all the risk information described below:
The probable returns on securities of issuers from emerging countries (emerging markets) are generally higher than the returns on similar securities of equivalent issuers from countries not classed as emerging (i.e. developed countries). A "developed country" would be a country that is classified by the World Bank as being a "high income country" and/or not included in an emerging market financial index by a leading index provider and shall be understood as a country which, unlike emerging countries, is considered in common practice to have a mature and sophisticated economy, in particular with advanced technological infrastructures, diversified sectors of activity, quality healthcare system and higher access to education.
Emerging countries and developing markets are defined as countries which are not classified by the World Bank as high income countries. In addition, high income countries which are included in an emerging market financial index of a leading service provider may also be considered as emerging countries and developing markets if deemed appropriate by the Management Company in the context of the Subfund's investment universe.
The markets in emerging countries are much less liquid than the developed equity markets. Moreover, in the past, these markets have experienced higher volatility than the developed markets.
Potential investors should be aware that, due to the political and economic situation in emerging countries, investments in this Subfund entail a greater degree of risk, which could in turn reduce the return on the Subfund's assets. Investments in these Subfunds should only be made on a long-term basis. The investments of this Subfund are exposed to the following risks (among others): less effective public supervision, accounting and auditing methods and standards which do not match the requirements of Western legislation, possible restrictions on repatriation of the capital invested, counterparty risk in respect of individual transactions, market volatility, and insufficient liquidity affecting the Subfund's investments. It must also be borne in mind that companies are selected regardless of their market

capitalization (micro, small, mid, large caps) or sector. This may lead to a concentration in terms of market segments or sectors.
Contingent convertible instruments can convert from bonds to equities or could be written-down should specific events occur, (a so-called "mechanical trigger"). The conversion into equity or a write-down may lead to a substantial loss in value. In the event of a conversion, the equities received may be at a discount to the share price of that equity when the bond was purchased, resulting in an increased risk of capital loss. Contingent convertible instruments may, in addition to or next to, mechanical triggers, be subject to "point of non-viability triggers" which bear the same consequences, i.e. conversion into equity or write-down. These point of non-viability triggers are activated based on the relevant regulator's assessment of the issuer's solvency prospects. Certain subordinated corporate debt securities may be callable, meaning they may be redeemed by the issuer on a specific date at a predefined price. In the event such debt securities are not redeemed on the specified call date, the issuer may extend the maturity indefinitely and defer or reduce the coupon payment. The credit worthiness of unrated debt securities is not measured by reference to an independent credit rating agency. Subordinated corporate debt securities carry a higher risk of loss than senior corporate debt securities, including those issued by the same issuer. Investors are advised to consider the risks corresponding to investments in contingent convertible instruments set out in Chapter 7, "Risk Factors".
Investments through the China Interbank Bond Market or other similar scheme(s) established under applicable laws and regulations from time to time (the "CIBM") involve specific risks. Accordingly, potential investors are referred in particular to the risks set out in Chapter 7, "Risk Factors" under section "Investment through CIBM Program".
Sustainability Risks may result in a negative impact on the returns of the Subfund. The main Sustainability Risks are identified and managed in the context of the overall risk management process and may change over time. Potential investors are also referred to the risks set out in Chapter 7, "Risk Factors" under section "Sustainability Risks".

Investor Profile
The Subfund is suitable for investors with high risk tolerance and a long-term view who wish to invest in a broadly diversified portfolio of debt securities within Emerging Markets.

Investment Manager
UBS Asset Management Switzerland AG has been appointed as Investment Manager for the Subfund.

Reference Currency
The reference currency of the Subfund is USD.

Subscription, Redemption and Conversion of Shares
Subject to the restrictions set out in Chapter 7, "Risk Factors" under section "Effect of PRC Regulations on Subscription, Redemption and Conversion", subscription, redemption and conversion applications must be submitted in written form to the UCI Administrator or a Distributor authorized by the Company to accept such applications, by 3 p.m. (Central European Time) one Banking Days prior to the Valuation Day on any day on which banks are open for business in Luxembourg.
Subscription, redemption and conversion applications received after this cutoff point shall be deemed to have been received prior to 3 p.m. on the next following Banking Day.
Payment of the issue price must be effected within two Banking Days after the Valuation Day on which the issue price of the Shares was determined. Payment of the redemption price of the Shares shall be made within two Banking Days following calculation of this price.

Assets entrusted with financial service providers
Part of the assets of the Subfund in the PRC will be safekept by the Sub-custodian. The securities account(s) and cash account(s) with the PRC Sub-custodian and applicable PRC depositary, registration and clearing institutions for the Subfund are opened in the joint names of the Investment Manager (as applicant under the CIBM Program) and the Subfund pursuant to applicable PRC regulations. There will be segregation of assets by the Sub-custodian such that the assets of the Subfund are separately recorded as belonging to the Subfund and not the Investment Manager.

Sub-custodian
Industrial and Commercial Bank of China Limited has been appointed as sub-custodian and the interbank bond trade and settlement agent for the Subfund for the purposes of the investments made through the CIBM Program (the "Sub-custodian").

Subfund specific fees

Share classes	Maximum management fee (per annum)	Maximum management fee (per annum) for share classes with "hedged" in their name	Maximum Depositary Bank fee (per annum)	Maximum fee (per annum) for book-keeping and calculation of the Net Asset Value
Share classes with "P" in their name	1.20%	1.30%	0.10%	0.10%
Share classes with "K-1" in their name	0.60%	0.70%	0.10%	0.10%
Share classes with "K-B" in their name	n/a	0.10%	0.10%	0.10%
Share classes with "K-X" in their name	n/a	n/a	n/a	n/a
Share classes with "F" in their name	0.30%	0.40%	0.10%	0.10%
Share classes with "Q" in their name	0.90%	1.00%	0.10%	0.10%
Share classes with "QL" in their name	0.90%	1.00%	0.10%	0.10%
Share classes with "I-A1" in their name	0.60%	0.70%	0.10%	0.10%
Share classes with "I-A2" in their name	0.30%	0.40%	0.10%	0.10%
Share classes with "I-A3" in their name	0.30%	0.40%	0.10%	0.10%
Share classes with "I-A4" in their name	0.30%	0.40%	0.10%	0.10%
Share classes with "I-B" in their name	Maximum management service fee 0.35% (per annum)*			
Share classes with "I-X" in their name	n/a	n/a	n/a	n/a
Share classes with "U-X" in their name	n/a	n/a	n/a	n/a

* as specified in Chapter 3, "Description of Share Classes" covering all fees and expenses as described in Chapter 9, "Expenses and Taxes"

UBS (Lux) Commodity Index Plus USD Fund

The currency mentioned in the name of the Subfund is the Reference Currency in which the performance and Net Asset Value of the Subfund are calculated and is not necessarily the investment currency of the Subfund.

Investment Objective and Investment Policy

The investment objective of the Subfund is to achieve the highest possible capital appreciation by investing in the commodities markets. The Subfunds' investment policy is to use various financial derivative instruments. In this case, the obligations entered into with the derivatives shall be permanently covered by bank deposits, money market instruments or debt securities with a remaining average term to maturity not exceeding 18 months ("Liquid Assets"), and at least 90% of these investments must be denominated in US dollars.

This Subfund aims to outperform the return of the Bloomberg Commodity Index (TR) benchmark. The Subfund is actively managed. The benchmark is used as a reference point for portfolio construction. The majority of the Subfund's exposures will refer to, and have weightings derived from, the benchmark. The Investment Manager will use its discretion to overweight or underweight certain components of the benchmark and may invest in sectors not included in the benchmark in order to take advantage of specific investment opportunities. It is thus expected that the performance of the Subfund will materially deviate from the benchmark.

The Subfund's assets shall be invested in accordance with Article 41 (1) g) of the Law of December 17, in financial derivative instruments such as swaps (including total return swaps), index forwards or futures and options on commodity indices or in certificates on commodity indices, provided these certificates are issued by first class banks (or by issuers providing investor protection equivalent with that provided by such banks), qualify as transferable securities pursuant to Article 41 (1) a) to d) of the Law of December 17, 2010 and are sufficiently liquid. The certificates must be instruments that are settled in cash, and their valuation must be performed regularly and be transparent at all times on the basis of the last available stock market price or, where this price does not accurately reflect the real market value, be conducted by an independent valuation agency. The certificates must not entail any leverage effect.

In order to achieve the Investment Objective, the Subfund will mainly invest all or part of the net proceeds of any issue of Units in one or more OTC swap transactions negotiated at arm's length with a first class financial institution acting as the swap counterparty (the "Swap Counterparty") and exchange the invested net proceeds against a payoff linked to the Index. Accordingly, the Subfund may be at any time fully or partially exposed to one or more OTC Swap transaction(s).

Any indices on which derivatives or embedded derivatives are based shall be chosen in accordance with Art. 9 of the Grand-Ducal Decree of 8 February 2008 and Chapter XIII of ESMA Guidelines on ETFs and Other UCITS Issues (ESMA/2012/832).

The Subfund covers the obligations entered into through the use of derivatives (except for derivatives which do not need to be taken into account when calculating the commitment) constantly with bank deposits, money market instruments, debt securities with a remaining average term to maturity of no more than 18 months or other short-term liquidity. A derivative is not taken into account when calculating the commitment if it meets both of the following conditions: (i) the combined holding by the Subfund of a derivative relating to a financial asset and cash which is invested in risk free assets is equivalent to holding a cash position in the given financial asset and (ii) the derivative is not considered to generate any incremental exposure and leverage or market risk. Assets which provide a risk-free return are generally accepted as those which provide the return of short-dated (generally 3-month) high quality government bonds. To determine the remaining term to maturity of the debt securities, the related derivatives are taken into consideration.

In the case of debt securities, for which, in accordance with their terms of issue, the interest rate is adjusted to market conditions at least once a year, the period until the next interest rate adjustment is to be taken as the remaining term to maturity.

Forward exchange contracts, call options and put options are used to hedge against currency risks compared with the Reference Currency.

Greater recourse may be made to interest rate futures and interest rate swaps to hedge against interest rate risks and to manage the duration, in accordance with the conditions set out in Chapter 6, "Investment Restrictions", section 3).

In accordance with Chapter 6, "Investment Restrictions", sections 3 g) and h), the Subfund may also use securities (credit linked notes) and techniques and instruments (credit default swaps) for managing the credit risks. Credit default swaps may be used for hedging credit risks only.

The principal amount of the Subfund's assets that can be subject to total return swaps may represent up to a maximum of 130% of the net asset value of the Subfund calculated by way of the sum of the notionals of the total return swaps. It is generally expected that the amount of such total return swap will remain within the range of 90% to 115% of the net asset value of the Subfund calculated by way of the sum of the notionals of the total return swaps. In certain circumstances this proportion may be higher. The sum of the notionals takes into account the absolute value of the notional exposure of the total return swaps used by the Subfund. The expected amount of such total return swaps is an indicator of the intensity of the use of total return swaps within the Subfund. However, it is not necessarily an indicator of the investment risks in relation to these instruments, because it does not take into account any netting or hedging effects.

The assets of the Subfund may not be invested in equity or equity-type securities or in convertible or warrant bonds. Furthermore, the Subfund may not invest directly in commodities or in derivatives on individual commodities.

When applying the limits specified in section 4) a) of Chapter 6, "Investment Restrictions" of the general part of the Prospectus to the OTC financial derivative (e.g. swap transactions, index forward or options), reference should be made to the net counterparty risk exposure. Thus, the Management Company may reduce the gross counterparty risk of the Subfund's OTC financial derivative by causing the Swap Counterparty to deliver to the Subfund collateral eligible in accordance with the eligibility requirements described in Collateral Policy under Chapter 18, "Regulatory Disclosure".

Subject to conditions set out in Chapter 4 "Investment Policy", the Subfund may invest in ancillary liquid assets (i.e., bank deposits at sight) up to 20% of the total net assets of the Subfund in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets under Part I of the Law of December 17, 2010 or for a period of time strictly necessary in case of unfavourable market conditions. The Subfund may also invest up to 20% of its total net assets (including the bank deposits at sight referred to above) in cash, time deposits, liquidity funds, money market funds and money market instruments. In any case and for the avoidance of doubt, investment in liquidity funds and money market funds is limited to 10% of the total net assets.

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

This Subfund complies with Article 6 of the SFDR. As such it does not consider principal adverse impacts on sustainability factors due to its investment strategy and the nature of the underlying investments (Art. 7(2) SFDR).

The Subfund does not promote Environmental, Social or Governance (ESG) characteristics or pursue a sustainability or impact objective. Sustainability Risks are not systematically integrated due to the investment strategy and the nature of the underlying investments. The Subfund may invest in underlying strategies and/or instruments which are ESG integrated. However, the allocation to these investments does not allow for this Subfund to be categorised by UBS Asset Management as an ESG-integrated fund. Sustainability Risks are currently not expected to have a material impact on the returns of the Subfund.

Global Exposure

The global exposure of the Subfund will be calculated on the basis of the commitment approach.

Specific Risk Information

In addition to the risks listed in Chapter 7, "Risk Factors", potential investors should note that investments in commodity indices differ from traditional investments and entail additional risk potential. The value of the derivatives on commodity indices is affected in particular by fluctuations on the commodity markets, and with options and structured products also by volatility of commodity indices and changes in interest rates. Historical financial market scenarios are not a guarantee of future developments. There can therefore be no guarantee that the investment objective will be met. Potential investors should be aware of the fact that the counterparty risk cannot be eliminated completely in derivative strategies. In case of default of the counterparty, the investor returns may be reduced. However, when it has been considered as appropriate, the Subfund, will endeavour to mitigate this risk by the receipt of financial collateral given as guarantees or minimize this risk by taking various diversification measures.

The use of derivatives also involves specific risks. Accordingly, potential investors are referred in particular to the risks associated with derivatives set out in Chapter 7, "Risk Factors". Investors should note that the Subfund may, to a substantial extent, make use of total return swaps, including for investment purposes as well as for efficient portfolio management and hedging transactions. Investors are invited to consider the specific description of these instruments in Chapter 4"Investment Policy", as well as the risk warnings on Total Return Swaps, Collateral Management and

Legal, Regulatory, Political and Tax Risk set out in Chapter 7, "Risk Factors".
Sustainability Risks may result in a negative impact on the returns of the Subfund. The main Sustainability Risks are identified and managed in the context of the overall risk management process and may change over time. Potential investors are also referred to the risks set out in Chapter 7, "Risk Factors" under section "Sustainability Risks".

Profile of the Typical Investor
The Subfund is suitable for investors with medium risk appetite and a long-term view who wish to seek exposure to risk and return characteristics of commodities.

Investment Manager
The Management Company has appointed UBS Asset Management (Americas) LLC, as Investment Manager to perform the management of the Subfund.

Reference Currency
The reference currency of the Subfund is USD.

Subscription, Redemption and Conversion of Units
Subscription, redemption and conversion applications must be submitted in written form to the UCI Administrator or a Distributor authorized by the Management Company to accept such applications, by 3 p.m. (Central European Time) one Banking Day prior to the Valuation Day on any day on which banks are open for business in Luxembourg.
Subscription, redemption and conversion applications received after this cut-off point shall be deemed to have been received prior to 3 p.m. on the next following Banking Day.
Payment of the issue price must be effected within two Banking Days after the Valuation Day on which the issue price of the Units was determined. Payment of the redemption price of the Units shall be made within two Banking Days following calculation of this price.

Subfund specific fees

Share classes	Maximum management fee (per annum)	Maximum management fee (per annum) for share classes with "hedged" in their name	Maximum Depositary Bank fee (per annum)	Maximum fee (per annum) for book-keeping and calculation of the Net Asset Value
Share classes with "P" in their name	1.40%	1.50%	0.10%	0.10%
Share classes with "K-1" in their name	0.60%	0.70%	0.10%	0.10%
Share classes with "K-B" in their name	n/a	0.10%	0.10%	0.10%
Share classes with "K-X" in their name	n/a	n/a	n/a	n/a
Share classes with "F" in their name	0.50%	0.60%	0.10%	0.10%
Share classes with "Q" in their name	1.05%	1.15%	0.10%	0.10%
Share classes with "QL" in their name	1.05%	1.15%	0.10%	0.10%
Share classes with "I-A1" in their name	0.60%	0.70%	0.10%	0.10%
Share classes with "I-A2" in their name	0.50%	0.60%	0.10%	0.10%
Share classes with "I-A3" in their name	0.50%	0.60%	0.10%	0.10%
Share classes with "I-A4" in their name	0.50%	0.60%	0.10%	0.10%
Share classes with "I-B" in their name	Maximum management service fee 0.35% (per annum)*			
Share classes with "I-X" in their name	n/a	n/a	n/a	n/a
Share classes with "U-X" in their name	n/a	n/a	n/a	n/a

* as specified in Chapter 3, "Description of Share Classes" covering all fees and expenses as described in Chapter 9, "Expenses and Taxes"

24. SFDR Annex

UBS (Lux) Financial Bond Fund

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: UBS (Lux) Financial Bond Fund (the "Subfund")

Legal entity identifier: 549300J3GFD3B1413R61

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** ___%	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** ___%	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The following characteristic is promoted by the financial product:

- A sustainability profile that is higher than its benchmark's sustainability profile or a minimum of 51% of assets invested in issuers with sustainability profiles in the top half of the UBS Blended ESG Score scale.

The benchmark is a broad market index which does not assess or include constituents according to environmental and/or social characteristics and therefore is not intended to be consistent with the characteristics promoted by the financial product. No ESG reference benchmark has been designated for the purpose of attaining the characteristics promoted by the financial product.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

The above characteristic is measured using the following indicators respectively:

The UBS Blended ESG Score is used to identify issuers/companies for the investment universe with strong environmental and social performance characteristics, or a strong sustainability profile. The UBS Blended ESG Score represents an average of normalized ESG assessment data from UBS and two recognized external ESG data providers, MSCI and Sustainalytics. This blended score approach enhances the quality of the derived sustainability profile by integrating multiple independent ESG assessments, rather than depending solely on one single view. The UBS Blended ESG Score represents an entity's sustainability profile assessing material environmental, social, and governance factors. These factors may include, but are not limited to, environmental footprint and operational efficiency, risk management, climate change response, natural resource utilization, pollution and waste management, employment standards, supply chain oversight, human capital development, board diversity, occupational health and safety, product safety, and anti-fraud and anti-corruption policies. Each assessed entity is assigned a UBS Blended ESG Score, which ranges from 0 to 10, with 10 indicating the best sustainability profile. There is no minimum UBS Blended ESG Score required to be met at individual investment level.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

Not applicable.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

Not applicable.

How have the indicators for adverse impacts on sustainability factors been taken into account?

Not applicable.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Not applicable.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Does this financial product consider principal adverse impacts on sustainability factors?

✖ Yes, principal adverse impacts the ("PAI") are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect to human rights, anti-corruption, and anti-bribery matters. UBS integrates PAI indicators in its decision making process.

At present, the following PAI indicators are considered by means of exclusions from the investment universe:

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

1.4 "Exposure to companies active in the fossil fuel sector":

- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.

1.10 "Violations of UN Global Compact principles and Organistaion for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises":

- Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM's Stewardship Committee are excluded.

1.14 "Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons"):

- UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non-Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the company is involved in development, production, storage, maintenance or transport of controversial weapons, or is a majority stakeholder (>50% ownership stake) of such a company.

The link to the Sustainability Exclusion Policy can be found in the section headed "Sustainable Exclusion Policy" in the main body of the Sales Prospectus.

Information on consideration of PAIs on sustainability factors is also available in the Subfund's annual report.

☐ No

What investment strategy does this financial product follow?

ESG Integration:

ESG Integration is driven by taking into account material Sustainability Risks as part of the research process. ESG integration enables the Investment Manager to identify financially relevant sustainability factors that impact investment decisions and to incorporate ESG considerations when implementing investment decisions, and allows Sustainability Risks to be systematically monitored and compared to risk appetite and constraints. It also assists in portfolio construction through securities selection, investment conviction and portfolio weightings.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

- For corporate issuers, this process utilizes an internal UBS ESG material issues framework which identifies the financially relevant factors per sector that can impact investment decisions. This orientation toward financial materiality ensures that analysts focus on sustainability factors that can impact the financial performance of the company and therefore investment returns. ESG integration can also identify opportunities for engagement to improve the company's sustainability risk profile and thereby mitigate the potential negative impact of ESG issues on the company's financial performance. The Investment Manager employs an internal UBS ESG Risk Dashboard that combines multiple internal and external ESG data sources in order to identify companies with material Sustainability Risks. An actionable risk signal highlights Sustainability Risks to the Investment Manager for incorporation in their investment decision making process.

- For non-corporate issuers, the Investment Manager applies a qualitative or quantitative Sustainability Risk assessment that integrates data on material ESG factors.

The analysis of material sustainability/ESG considerations can include many different aspects, such as the following among others: the carbon footprint, health and well-being, human rights, supply chain management, fair customer treatment and governance.

Sustainability Exclusion Policy:
The Sustainability Exclusion Policy of the Investment Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the main body of the Sales Prospectus.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding element(s) of the investment strategy are used to select the investments to attain the characteristic(s) promoted by this financial product.

A sustainability profile that is higher than its benchmark's sustainability profile or a minimum of 51% of assets invested in issuers with sustainability profiles in the top half of the UBS Blended ESG Score scale.

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

The characteristic(s) and the minimum proportion of investments used to meet the environmental and/or social characteristics promoted by the financial product are calculated at quarter end using the average of all business day's values in the quarter.

Sustainability Exclusion Policy:

The Sustainability Exclusion Policy of the Investment Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the main body of the Sales Prospectus.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

Not applicable.

What is the policy to assess good governance practices of the investee companies?

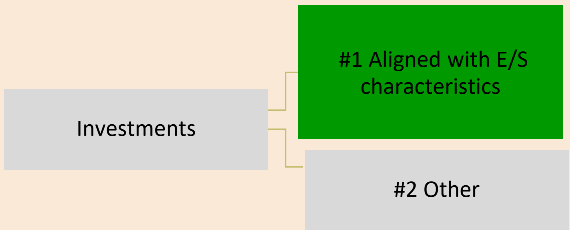
Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

Good corporate governance is a key driver of sustainable performance and is therefore embedded in the Investment Manager's investment strategy. The Investment Manager employs a proprietary ESG Risk Dashboard that combines multiple ESG data sources from internal and recognized external providers in order to identify companies with material Sustainability Risks. An actionable risk signal highlights Sustainability Risks to the Investment Manager for incorporation in their investment decision making process. The assessment of good governance includes consideration of board structure and independence, remuneration alignment, transparency of ownership and control, and financial reporting.

What is the asset allocation planned for this financial product?

The minimum proportion of the investments used to meet the environmental and/or social characteristics promoted by the financial product is 51%.

Asset allocation describes the share of investments in specific assets.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product*?**

Derivatives are not used for the attainment of the characteristics promoted by this financial product. Derivatives are primarily used for hedging and liquidity management purposes.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Not applicable.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

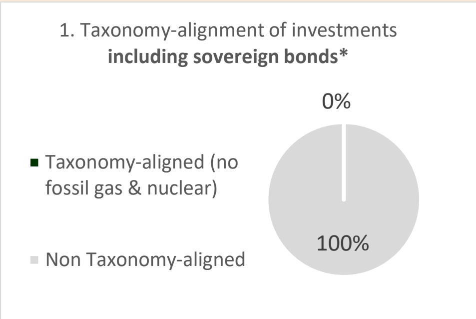
Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

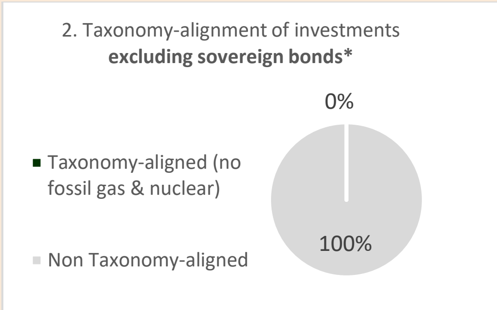
☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





This graph represents x%** of the total investments.

* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

*** No percentage has been inserted as it is not relevant (no Taxonomy-aligned investments)*

What is the minimum share of investments in transitional and enabling activities?

Not applicable.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable.

What is the minimum share of socially sustainable investments?

Not applicable.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

Included in "#2 Other" are cash and unrated instruments for the purpose of liquidity and portfolio risk management. Unrated instruments may also include securities for which data

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

needed for the measurement of attainment of environmental or social characteristics is not available.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No ESG reference benchmark has been designated for the purpose of determining whether the financial product is aligned with the characteristics that it promotes.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  Not applicable.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  Not applicable.

- ***How does the designated index differ from a relevant broad market index?***

  Not applicable.

- ***Where can the methodology used for the calculation of the designated index be found?***

  Not applicable.

Where can I find more product specific information online?

More product-specific information can be found on the website: www.ubs.com/funds

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

UBS (Lux) Credit Income Fund

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: UBS (Lux) Credit Income Fund (the "Subfund")

Legal entity identifier: RXN40DS7SNSLC5FIRJ39

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?	
☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** ___%	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** ___%	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The following characteristic is promoted by the financial product:

- A sustainability profile that is higher than its benchmark's sustainability profile or a minimum of 51% of assets invested in issuers with sustainability profiles in the top half of the UBS Blended ESG Score scale.

The benchmark is a broad market index which does not assess or include constituents according to environmental and/or social characteristics and therefore is not intended to be consistent with the characteristics promoted by the financial product. No ESG reference benchmark has been designated for the purpose of attaining the characteristics promoted by the financial product.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The above characteristic is measured using the following indicators respectively:

The UBS Blended ESG Score is used to identify issuers/companies for the investment universe with strong environmental and social performance characteristics, or a strong sustainability profile. The UBS Blended ESG Score represents an average of normalized ESG assessment data from UBS and two recognized external ESG data providers, MSCI and Sustainalytics. This blended score approach enhances the quality of the derived sustainability profile by integrating multiple independent ESG assessments, rather than depending solely on one single view. The UBS Blended ESG Score represents an entity's sustainability profile assessing material environmental, social, and governance factors. These factors may include, but are not limited to, environmental footprint and operational efficiency, risk management, climate change response, natural resource utilization, pollution and waste management, employment standards, supply chain oversight, human capital development, board diversity, occupational health and safety, product safety, and anti-fraud and anti-corruption policies. Each assessed entity is assigned a UBS Blended ESG Score, which ranges from 0 to 10, with 10 indicating the best sustainability profile. There is no minimum UBS Blended ESG Score required to be met at individual investment level.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

Not applicable.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

Not applicable.

How have the indicators for adverse impacts on sustainability factors been taken into account?

Not applicable.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Not applicable.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Does this financial product consider principal adverse impacts on sustainability factors?

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

✖ Yes, Principal adverse impacts the ("PAI") are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect to human rights, anti-corruption, and anti-bribery matters. UBS integrates PAI indicators in its decision making process.

At present, the following PAI indicators are considered by means of exclusions from the investment universe:

1.4 "Exposure to companies active in the fossil fuel sector":

- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.

1.10 "Violations of UN Global Compact principles and Organistaion for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises":

- Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM's Stewardship Committee are excluded.

1.14 "Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons"):

- UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non-Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the company is involved in development, production, storage, maintenance or transport of controversial weapons, or is a majority stakeholder (>50% ownership stake) of such a company.

The link to the Sustainability Exclusion Policy can be found in the section headed "Sustainable Exclusion Policy" in the main body of the Sales Prospectus.

Information on consideration of PAIs on sustainability factors is also available in the Subfund's annual report.

☐ No

What investment strategy does this financial product follow?

ESG Integration:

ESG Integration is driven by taking into account material Sustainability Risks as part of the research process. ESG integration enables the Investment Manager to identify financially relevant sustainability factors that impact investment decisions and to incorporate ESG considerations when implementing investment decisions, and allows Sustainability Risks to be systematically monitored and compared to risk appetite and constraints. It also assists in portfolio construction through securities selection, investment conviction and portfolio weightings.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

- For corporate issuers, this process utilizes an internal UBS ESG material issues framework which identifies the financially relevant factors per sector that can impact investment decisions. This orientation toward financial materiality ensures that analysts focus on sustainability factors that can impact the financial performance of the company and therefore investment returns. ESG integration can also identify opportunities for engagement to improve the company's Sustainability Risk profile and thereby mitigate the potential negative impact of ESG issues on the company's financial performance. The Investment Manager employs an internal UBS ESG Risk Dashboard that combines multiple internal and external ESG data sources in order to identify companies with material Sustainability Risks. An actionable risk signal highlights Sustainability Risks to the Investment Manager for incorporation in their investment decision making process.

- For non-corporate issuers, the Investment Manager applies a qualitative or quantitative Sustainability Risk assessment that integrates data on material ESG factors.

The analysis of material sustainability/ESG considerations can include many different aspects, such as the following among others: the carbon footprint, health and well-being, human rights, supply chain management, fair customer treatment and governance.

Sustainability Exclusion Policy:

The Sustainability Exclusion Policy of the Investment Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the main body of the Sales Prospectus.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The following binding element(s) of the investment strategy are used to select the investments to attain the characteristic(s) promoted by this financial product.

A sustainability profile that is higher than its benchmark's sustainability profile or a minimum of 51% of assets invested in issuers with sustainability profiles in the top half of the UBS Blended ESG Score scale.

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

The characteristic(s) and the minimum proportion of investments used to meet the environmental and/or social characteristics promoted by the financial product are calculated at quarter end using the average of all business day's values in the quarter.

Sustainability Exclusion Policy:

The Sustainability Exclusion Policy of the Investment Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the main body of the Sales Prospectus.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

Not applicable.

- ***What is the policy to assess good governance practices of the investee companies?***

Good corporate governance is a key driver of sustainable performance and is therefore embedded in the Investment Manager's investment strategy. The Investment Manager employs a proprietary ESG Risk Dashboard that combines multiple ESG data sources from internal and recognized external providers in order to identify companies with material Sustainability Risks. An actionable risk signal highlights Sustainability Risks to the Investment Manager for incorporation in their investment decision making process. The assessment of good governance includes consideration of board structure and independence, remuneration alignment, transparency of ownership and control, and financial reporting.

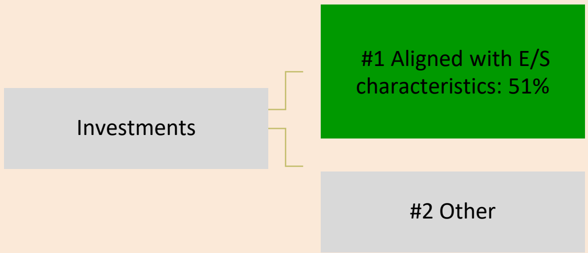
Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the asset allocation planned for this financial product?

The minimum proportion of the investments used to meet the environmental and/or social characteristics promoted by the financial product is 51%.

***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product*?**

Asset allocation describes the share of investments in specific assets.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

Derivatives are not used for the attainment of the characteristics promoted by this financial product. Derivatives are primarily used for hedging and liquidity management purposes.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Not applicable.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments

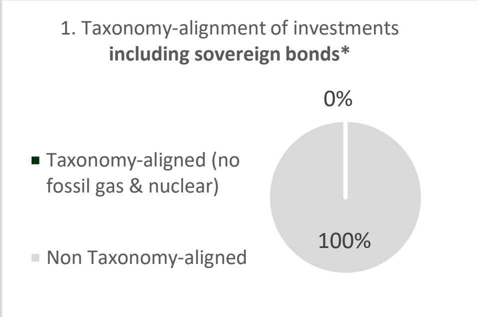
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

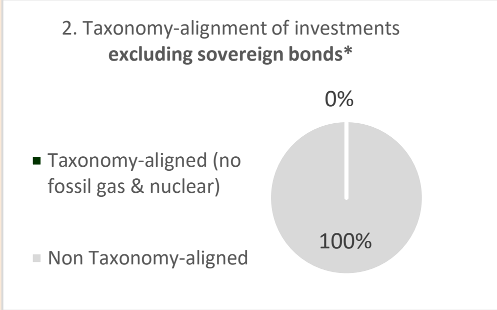
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





This graph represents x%** of the total investments.

* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

*** No percentage has been inserted as it is not relevant (no Taxonomy-aligned investments)*

What is the minimum share of investments in transitional and enabling activities?

Not applicable.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

Not applicable.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

Included in "#2 Other" are cash and unrated instruments for the purpose of liquidity and portfolio risk management. Unrated instruments may also include securities for which data needed for the measurement of attainment of environmental or social characteristics is not available.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No ESG reference benchmark has been designated for the purpose of determining whether the financial product is aligned with the characteristics that it promotes.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?

Not applicable.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  Not applicable.

- ***How does the designated index differ from a relevant broad market index?***

  Not applicable.

- ***Where can the methodology used for the calculation of the designated index be found?***

  Not applicable.

Where can I find more product specific information online?

More product-specific information can be found on the website: www.ubs.com/funds

UBS (Lux) Latin America Corporate Bond Fund

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: UBS (Lux) Latin America Corporate Bond Fund (the "Subfund")
Legal entity identifier: 549300RFIZDOZW01UJ83

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?	
☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** ___%	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** ___%	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The following characteristic is promoted by the financial product:

- A sustainability profile that is higher than its benchmark's sustainability profile or a minimum of 51% of assets invested in issuers with sustainability profiles in the top half of the UBS Blended ESG Score scale.

The benchmark is a broad market index which does not assess or include constituents according to environmental and/or social characteristics and therefore is not intended to be consistent with the characteristics promoted by the financial product. No ESG reference benchmark has been designated for the purpose of attaining the characteristics promoted by the financial product.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

The above characteristic is measured using the following indicators respectively:

The UBS Blended ESG Score is used to identify issuers/companies for the investment universe with strong environmental and social performance characteristics, or a strong sustainability profile. The UBS Blended ESG Score represents an average of normalized ESG assessment data from UBS and two recognized external ESG data providers, MSCI and Sustainalytics. This blended score approach enhances the quality of the derived sustainability profile by integrating multiple independent ESG assessments, rather than depending solely on one single view. The UBS Blended ESG Score represents an entity's sustainability profile assessing material environmental, social, and governance factors. These factors may include, but are not limited to, environmental footprint and operational efficiency, risk management, climate change response, natural resource utilization, pollution and waste management, employment standards, supply chain oversight, human capital development, board diversity, occupational health and safety, product safety, and anti-fraud and anti-corruption policies. Each assessed entity is assigned a UBS Blended ESG Score, which ranges from 0 to 10, with 10 indicating the best sustainability profile. There is no minimum UBS Blended ESG Score required to be met at individual investment level.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

Not applicable.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

Not applicable.

How have the indicators for adverse impacts on sustainability factors been taken into account?

Not applicable.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Not applicable.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or

Does this financial product consider principal adverse impacts on sustainability factors?

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

☒ Yes, Principal adverse impacts the ("PAI") are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect to human rights, anti-corruption, and anti-bribery matters. UBS integrates PAI indicators in its decision making process.

At present, the following PAI indicators are considered by means of exclusions from the investment universe:

1.4 "Exposure to companies active in the fossil fuel sector":

- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.

1.10 "Violations of UN Global Compact principles and Organistaion for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises":

- Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM's Stewardship Committee are excluded.

1.14 "Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons"):

- UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non-Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the company is involved in development, production, storage, maintenance or transport of controversial weapons, or is a majority stakeholder (>50% ownership stake) of such a company.

The link to the Sustainability Exclusion Policy can be found in the section headed "Sustainable Exclusion Policy" in the main body of the Sales Prospectus.

Information on consideration of PAIs on sustainability factors is also available in the Subfund's annual report.

☐ No

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

ESG Integration

ESG Integration is driven by taking into account material Sustainability Risks as part of the research process. ESG integration enables the Investment Manager to identify financially relevant sustainability factors that impact investment decisions and to incorporate ESG considerations when implementing investment decisions, and allows Sustainability Risks to be systematically monitored and compared to risk appetite and constraints. It also assists in portfolio construction through securities selection, investment conviction and portfolio weightings.

- For corporate issuers, this process utilizes an internal UBS ESG material issues framework which identifies the financially relevant factors per sector that can impact investment decisions. This orientation toward financial materiality ensures that analysts focus on sustainability factors that can impact the financial performance of the company and therefore investment returns. ESG integration can also identify opportunities for engagement to improve the company's Sustainability Risk profile and thereby mitigate the potential negative impact of ESG issues on the company's financial performance. The Investment Manager employs an internal UBS ESG Risk Dashboard that combines multiple internal and external ESG data sources in order to identify companies with material Sustainability Risks. An actionable risk signal highlights Sustainability Risks to the Investment Manager for incorporation in their investment decision making process.

- For non-corporate issuers, the Investment Manager applies a qualitative or quantitative Sustainability Risk assessment that integrates data on material ESG factors.

The analysis of material sustainability/ESG considerations can include many different aspects, such as the following among others: the carbon footprint, health and well-being, human rights, supply chain management, fair customer treatment and governance.

Sustainability Exclusion Policy:

The Sustainability Exclusion Policy of the Investment Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the main body of the Sales Prospectus.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding element(s) of the investment strategy are used to select the investments to attain the characteristic(s) promoted by this financial product.

A sustainability profile that is higher than its benchmark's sustainability profile or a minimum of 51% of assets invested in issuers with sustainability profiles in the top half of the UBS Blended ESG Score scale.

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

The characteristic(s) and the minimum proportion of investments used to meet the environmental and/or social characteristics promoted by the financial product are calculated at quarter end using the average of all business day's values in the quarter.

Sustainability Exclusion Policy:

The Sustainability Exclusion Policy of the Investment Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the main body of the Sales Prospectus.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

Not applicable.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

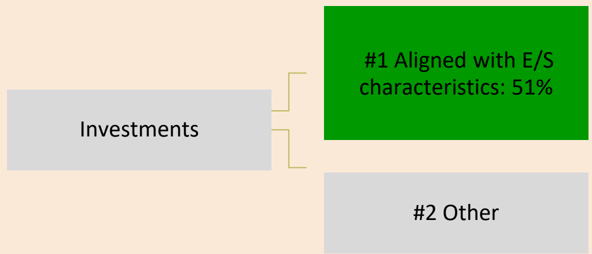
What is the policy to assess good governance practices of the investee companies?

Good corporate governance is a key driver of sustainable performance and is therefore embedded in the Investment Manager's investment strategy. The Investment Manager employs a proprietary ESG Risk Dashboard that combines multiple ESG data sources from internal and recognized external providers in order to identify companies with material Sustainability Risks. An actionable risk signal highlights Sustainability Risks to the Investment Manager for incorporation in their investment decision making process. The assessment of good governance includes consideration of board structure and independence, remuneration alignment, transparency of ownership and control, and financial reporting.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The minimum proportion of the investments used to meet the environmental and/or social characteristics promoted by the financial product is 51%.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are not used for the attainment of the characteristics promoted by this financial product. Derivatives are primarily used for hedging and liquidity management purposes.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Not applicable.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

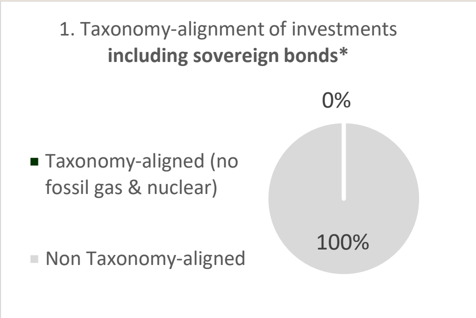
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

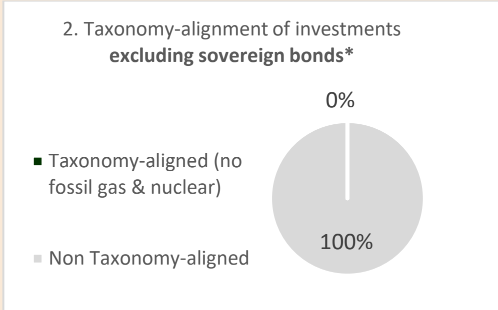
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





This graph represents x%** of the total investments.

* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

*** No percentage has been inserted as it is not relevant (no Taxonomy-aligned investments)*

What is the minimum share of investments in transitional and enabling activities?

Not applicable.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

Not applicable.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

Included in "#2 Other" are cash and unrated instruments for the purpose of liquidity and portfolio risk management. Unrated instruments may also include securities for which data needed for the measurement of attainment of environmental or social characteristics is not available.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No ESG reference benchmark has been designated for the purpose of determining whether the financial product is aligned with the characteristics that it promotes.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?

Not applicable.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  Not applicable.

- ***How does the designated index differ from a relevant broad market index?***

  Not applicable.

- ***Where can the methodology used for the calculation of the designated index be found?***

  Not applicable.

Where can I find more product specific information online?

More product-specific information can be found on the website: www.ubs.com/funds

UBS (Lux) Emerging Market Corporate Investment Grade Bond Fund

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: UBS (Lux) Emerging Market Corporate Investment Grade Bond Fund (the "Subfund")
Legal entity identifier: 529900PTOUHXEPD0CP85

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** ___%	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** ___%	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The following characteristic is promoted by the financial product:

- A sustainability profile that is higher than its benchmark's sustainability profile or a minimum of 51% of assets invested in issuers with sustainability profiles in the top half of the UBS Blended ESG Score scale.

The benchmark is a broad market index which does not assess or include constituents according to environmental and/or social characteristics and therefore is not intended to be consistent with the characteristics promoted by the financial product. No ESG reference benchmark has been designated for the purpose of attaining the characteristics promoted by the financial product.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The above characteristic is measured using the following indicators respectively:

The UBS Blended ESG Score is used to identify issuers/companies for the investment universe with strong environmental and social performance characteristics, or a strong sustainability profile. The UBS Blended ESG Score represents an average of normalized ESG assessment data from UBS and two recognized external ESG data providers, MSCI and Sustainalytics. This blended score approach enhances the quality of the derived sustainability profile by integrating multiple independent ESG assessments, rather than depending solely on one single view. The UBS Blended ESG Score represents an entity's sustainability profile assessing material environmental, social, and governance factors. These factors may include, but are not limited to, environmental footprint and operational efficiency, risk management, climate change response, natural resource utilization, pollution and waste management, employment standards, supply chain oversight, human capital development, board diversity, occupational health and safety, product safety, and anti-fraud and anti-corruption policies. Each assessed entity is assigned a UBS Blended ESG Score, which ranges from 0 to 10, with 10 indicating the best sustainability profile. There is no minimum UBS Blended ESG Score required to be met at individual investment level.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

Not applicable.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

Not applicable.

How have the indicators for adverse impacts on sustainability factors been taken into account?

Not applicable.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Not applicable.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or

Does this financial product consider principal adverse impacts on sustainability factors?

✖ Yes, Principal adverse impacts the ("PAI") are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect to human rights, anti-corruption, and anti-bribery matters. UBS integrates PAI indicators in its decision making process.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

At present, the following PAI indicators are considered by means of exclusions from the investment universe:

1.4 "Exposure to companies active in the fossil fuel sector":

- Companies that exceed a certain revenue threshold (as per the UBS AM Sustainability Exclusion Policy) from thermal coal mining and its sale to external parties or from oil sands extraction are excluded.

1.10 "Violations of UN Global Compact principles and Organistaion for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises":

- Companies violating the United Nations Global Compact (UNGC) principles which do not demonstrate credible corrective action as determined by UBS-AM's Stewardship Committee are excluded.

1.14 "Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons"):

- UBS-AM does not invest in companies involved in: cluster munitions, anti-personnel mines or chemical and biological weapons, nor does it invest in companies in breach of the Treaty on the Non-Proliferation of Nuclear Weapons. UBS-AM considers a company to be involved in controversial weapons if the company is involved in development, production, storage, maintenance or transport of controversial weapons, or is a majority stakeholder (>50% ownership stake) of such a company.

The link to the Sustainability Exclusion Policy can be found in the section headed "Sustainable Exclusion Policy" in the main body of the Sales Prospectus.

Information on consideration of PAIs on sustainability factors is also available in the Subfund's annual report.

☐ No

What investment strategy does this financial product follow?

<u>ESG Integration</u>

ESG Integration is driven by taking into account material Sustainability Risks as part of the research process. ESG integration enables the Investment Manager to identify financially relevant sustainability factors that impact investment decisions and to incorporate ESG considerations when implementing investment decisions, and allows Sustainability Risks to be systematically monitored and compared to risk appetite and constraints. It also assists in portfolio construction through securities selection, investment conviction and portfolio weightings.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

- For corporate issuers, this process utilizes an internal UBS ESG material issues framework which identifies the financially relevant factors per sector that can impact investment decisions. This orientation toward financial materiality ensures that analysts focus on sustainability factors that can impact the financial performance of the company and therefore investment returns. ESG integration can also identify opportunities for engagement to improve the company's Sustainability Risk profile and thereby mitigate the potential negative impact of ESG issues on the company's financial performance. The Investment Manager employs an internal UBS ESG Risk Dashboard that combines multiple internal and external ESG data sources in order to identify companies with material Sustainability Risks. An actionable risk signal highlights Sustainability Risks to the Investment Manager for incorporation in their investment decision making process.

- For non-corporate issuers, the Investment Manager applies a qualitative or quantitative Sustainability Risk assessment that integrates data on material ESG factors.

The analysis of material sustainability/ESG considerations can include many different aspects, such as the following among others: the carbon footprint, health and well-being, human rights, supply chain management, fair customer treatment and governance.

Sustainability Exclusion Policy:

The Sustainability Exclusion Policy of the Investment Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the main body of the Sales Prospectus.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding element(s) of the investment strategy are used to select the investments to attain the characteristic(s) promoted by this financial product.

A sustainability profile that is higher than its benchmark's sustainability profile or a minimum of 51% of assets invested in issuers with sustainability profiles in the top half of the UBS Blended ESG Score scale.

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

The characteristic(s) and the minimum proportion of investments used to meet the environmental and/or social characteristics promoted by the financial product are calculated at quarter end using the average of all business day's values in the quarter.

Sustainability Exclusion Policy:

The Sustainability Exclusion Policy of the Investment Manager outlines the exclusions applied to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the main body of the Sales Prospectus.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

Not applicable.

What is the policy to assess good governance practices of the investee companies?

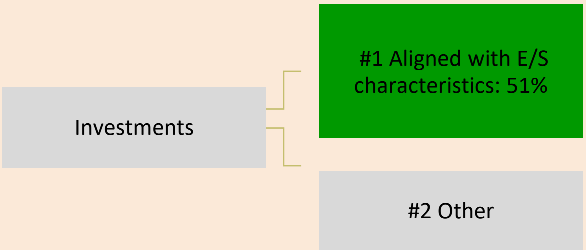
Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

Good corporate governance is a key driver of sustainable performance and is therefore embedded in the Investment Manager's investment strategy. The Investment Manager employs a proprietary ESG Risk Dashboard that combines multiple ESG data sources from internal and recognized external providers in order to identify companies with material Sustainability Risks. An actionable risk signal highlights Sustainability Risks to the Investment Manager for incorporation in their investment decision making process. The assessment of good governance includes consideration of board structure and independence, remuneration alignment, transparency of ownership and control, and financial reporting.

Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?

The minimum proportion of the investments used to meet the environmental and/or social characteristics promoted by the financial product is 51%.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

- ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product*?**

Derivatives are not used for the attainment of the characteristics promoted by this financial product. Derivatives are primarily used for hedging and liquidity management purposes.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Not applicable.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

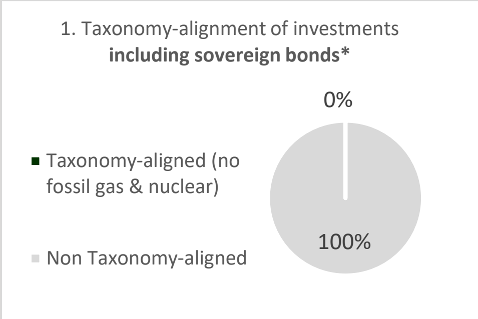
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

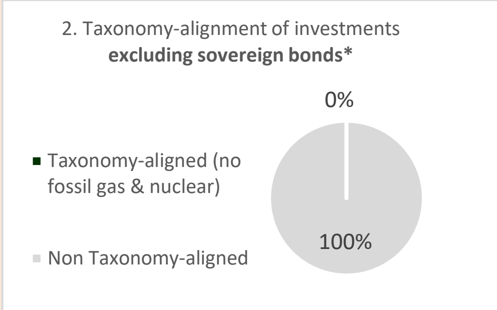
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





This graph represents x%** of the total investments.

* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

*** No percentage has been inserted as it is not relevant (no Taxonomy-aligned investments)*

What is the minimum share of investments in transitional and enabling activities?

Not applicable.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

Not applicable.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

Included in "#2 Other" are cash and unrated instruments for the purpose of liquidity and portfolio risk management. Unrated instruments may also include securities for which data needed for the measurement of attainment of environmental or social characteristics is not available.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No ESG reference benchmark has been designated for the purpose of determining whether the financial product is aligned with the characteristics that it promotes.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?

Not applicable.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  Not applicable.

- ***How does the designated index differ from a relevant broad market index?***

  Not applicable.

- ***Where can the methodology used for the calculation of the designated index be found?***

  Not applicable.

Where can I find more product specific information online?

More product-specific information can be found on the website: www.ubs.com/funds

CS Investment Funds 1
33A, avenue J.F. Kennedy,
L-1855 Luxembourg
www.ubs.com