

Product Key Facts

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

Management Company:



UBS Fund Management (Luxembourg) S.A.

April 2022

<p><i>This statement provides you with key information about this product.</i> <i>This statement is a part of the offering document.</i> <i>You should not invest in this product based on this statement alone.</i></p>		
Quick Facts		
Management Company:	UBS Fund Management (Luxembourg) S.A.	
Portfolio Manager:	UBS Asset Management (Americas) Inc., Chicago (internal delegation)	
Depository:	UBS Europe SE, Luxembourg Branch	
Dealing frequency:	Daily (Luxembourg business day)	
Base currency:	USD	
Ongoing charges over a year:	P-acc	1.56% [#]
	P-dist [^]	1.56% [#]
	P-mdist [^]	1.57% [#]
	(EUR hedged) P-acc	1.61% [#]
	(EUR hedged) P-dist [^]	1.61% [#]
<p>[^]Share classes with “-dist” or “-mdist” in their name may make distributions out of capital (i.e. which includes the existing issued share capital, realised and unrealised capital gains) (“Capital”), at the discretion of the Management Company, or pay distributions out of gross income while charging/ paying all or part of a Sub-Fund’s fees and expenses to/ out of the capital of the relevant Sub-Fund, resulting in an increase in distributable income for the payment of distributions by the Sub-Fund and therefore, the Sub-Fund may effectively pay distributions out of Capital. Any distributions involving payment of dividends out of the Sub-Fund’s Capital or payment of dividends effectively out of the Sub-Fund’s Capital (as the case may be) may result in an immediate reduction of the net asset value per share. Share classes with “-mdist” in their name may make monthly distributions excluding fees and expenses.</p> <p>[#]The ongoing charges figure is an annualised figure based on expenses for the interim period ended 30 November 2021. This figure may vary from time to time.</p>		
Dividend Policy:	P-acc	Accumulating (no distribution of dividend, income will be reinvested for this sub-fund, if any)
	P-dist	Distributing annually (the Management Company will decide whether and to what extent distributions are to be declared and paid)
	P-mdist	Distributing monthly (the Management Company will decide whether and to what extent distributions are to be declared and paid)

Financial year end of this Sub-Fund:	31 May
Minimum investment:	0.001 share (initial investment and any subsequent investment) (Please also check whether your sales intermediary (if any) has any specific dealing requirements)
What is this product? The UBS (Lux) Equity SICAV – US Total Yield Sustainable (USD) (the “ Sub-Fund ”) is a sub-fund of UBS (Lux) Equity SICAV constituted as an open-ended investment fund in the form of a Luxembourg <i>Société d'Investissement à Capital Variable</i> . It is a UCITS fund and is domiciled in Luxembourg and its home regulator is the <i>Commission de Surveillance du Secteur Financier</i> .	
Objective and Investment Strategy The Sub-Fund is an actively managed equity fund that invests its assets mainly (i.e. at least two-thirds of its net asset value) in equities and other equity interests of companies that are domiciled or chiefly active in the US and which are subject to the Portfolio Manager’s Sustainability Focus strategy set out below. The Sub-Fund aims to select companies with total yields that are stable and above the market average. Total yield is the sum of yields from dividend distributions and from company profits, returned to shareholders via share repurchases. The Sub-Fund promotes environmental and social characteristics. As part of the Portfolio Manager’s Sustainability Focus strategy, the Sub-Fund will maintain (i) a sustainability profile (as measured by its weighted average ESG score (defined below)) that is higher than its benchmark’s sustainability profile (as measured by its weighted average ESG score (defined below)); (ii) a weighted average Carbon Intensity (in Scope 1 and 2 greenhouse gas emissions) that is lower than that of its benchmark; and (iii) a weighted average Temperature Alignment Score (based on the projected greenhouse gas emissions against the goals of the Paris climate accord) that is lower than that of its benchmark. The calculations of the sustainability profile, weighted average Carbon Intensity (in Scope 1 + 2 greenhouse gas emissions) and Temperature Alignment Scores (based on the projected greenhouse gas emissions against the goals of the Paris climate accord) do not take account of cash and unrated investment instruments. The Portfolio Manager utilises an ESG score to identify companies for the investment universe with strong environmental and social performance characteristics, or a strong sustainability profile. The ESG score is a score that assesses a company’s sustainability factors, such as its performance with reference to environmental, social and governance (ESG) factors. These ESG factors relate to the main areas in which the companies operate and their effectiveness in managing ESG risks. ESG factors can include the following elements: Environmental risk management, climate change, natural resource usage, pollution and waste management, human capital and corporate governance. The Sub-Fund thereby promotes environmental and social as well as governance characteristics. The Sub-Fund excludes companies with a sustainability profile that indicates high or severe ESG risk. These companies are those that have been assigned the lowest ESG scores, which typically means that the companies either do not demonstrate commitment to ESG criteria (e.g. have no commitment to reducing carbon footprint or sustainable energy), have repeatedly violated ESG criteria or environmental laws and regulations or have been involved in ESG controversies (e.g. human rights abuses, corruption, toxic waste spill). Typically, as an indication, around 15-30% of the investment universe are flagged as "high or severe ESG risk" and would subsequently be excluded. In addition to the exclusion policy of the Portfolio Manager, the Sub-Fund will not invest directly in companies that violate the principles of the UN Global Compact without discernible corrective action having been taken, or that generate a substantial part of their turnover from weapons, the production of tobacco, adult entertainment, coal or energy generated by coal-fired power stations, oil and gas in the Arctic, oil sands.	

The Sub-Fund is expected to conduct securities lending in the range of 0-40% of its net asset value. The Sub-Fund is not currently expected to engage in repurchase or reverse repurchase transactions. The Sub-Fund may use financial derivative instruments for investment and hedging purposes.

The Sub-Fund uses the benchmark MSCI USA (net div. reinvested) to measure performance, and the ESG profile, as well as for ESG and investment risk management and portfolio construction purposes. The benchmark is not designed to promote ESG characteristics. The investment strategy and monitoring process ensure that the environmental or social characteristics of the product are taken into account. The Sub-Fund's sustainability profile is measured by its benchmark's profile and the corresponding results are calculated at least once a year from the respective monthly profiles and published in the annual report. The Portfolio Manager may use discretion when constructing the portfolio and is not tied to the benchmark in terms of investment selection or weight. This means that the investment performance of the Sub-Fund may differ from the benchmark. For share classes with "hedged" in their name, currency-hedged versions of the benchmark may be used if available.

Use of derivatives

The Sub-Fund's net derivative exposure may be up to 50% of the Sub-Fund's net asset value.

What are the key risks?

Investment involves risks. Please refer to the offering document for details including the risk factors.

Investment risk

- The Sub-Fund is an investment fund. There is no guarantee of the repayment of principal.
- The Sub-Fund's investment portfolio may fall in value and therefore your investment in the Sub-Fund may suffer losses.

Risk associated with funds that have a sustainable investment focus

- The Sub-Fund primarily invests in issuers demonstrating sustainability characteristics. As such, there is a risk that, under certain market conditions, the Sub-Fund may underperform funds that do not utilize a sustainable investment strategy.
- The implementation of the sustainable investment strategy by the Sub-Fund may result in foregoing opportunities to buy certain securities when it might otherwise be advantageous to do so, and/or selling securities when it might be disadvantageous to do so. This may adversely affect the Sub-Fund's investment performance.
- In assessing the eligibility of an issuer, there is a dependence upon information and data from external research data providers and internal analyses, which may be subjective, incomplete, inaccurate or unavailable. As a result, there is a risk of incorrectly or subjectively assessing a security or issuer or there is a risk that the Sub-Fund could have exposure to issuers who do not meet the relevant criteria. In addition, there is a lack of standardized taxonomy of ESG investments.
- As the Sub-Fund focuses on ESG investments, the value of the Sub-Fund may be more volatile than that of a fund having a more diverse portfolio of investments.
- Neither the Fund, the Management Company nor the Portfolio Manager make any representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of an assessment of external research data, the application of the standards issued by United Nations Sustainable Development Goals and other sustainability/ESG criteria, and the correct execution of sustainability strategy.
- The securities held by the Sub-Fund may be subject to the risk that its investments over time no longer meet Sub-Fund's investment criteria. The Portfolio Manager may need to dispose of such securities when it may be disadvantageous to do so. This may lead to a fall in the Sub-Fund's net asset value.

Equity risk

- The returns of securities are affected by various factors including the underlying strength of cash flows, balance sheets and management. These factors may impact the ability of the underlying company to meet the challenges of fluctuating economic growth, structural change and competitive forces and the ability to pay dividends to shareholders.

- Dividends declared by the companies in which the Sub-Fund may invest are not guaranteed. Investment in equities may result in the loss of capital.

Concentration risk

- The Sub-Fund's investments are concentrated in the US. The value of the Sub-Fund may be more volatile than that of a Sub-Fund having a more diverse portfolio of investments.
- The value of the Sub-Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the US market.

Risks connected with the use of derivatives

- The Sub-Fund's use of financial derivative instruments for investment management and/or hedging purposes may become ineffective and/or cause the Sub-Fund to suffer significant losses.

Risk relating to distribution out of capital or out of gross income

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

Risks relating to securities lending transactions

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

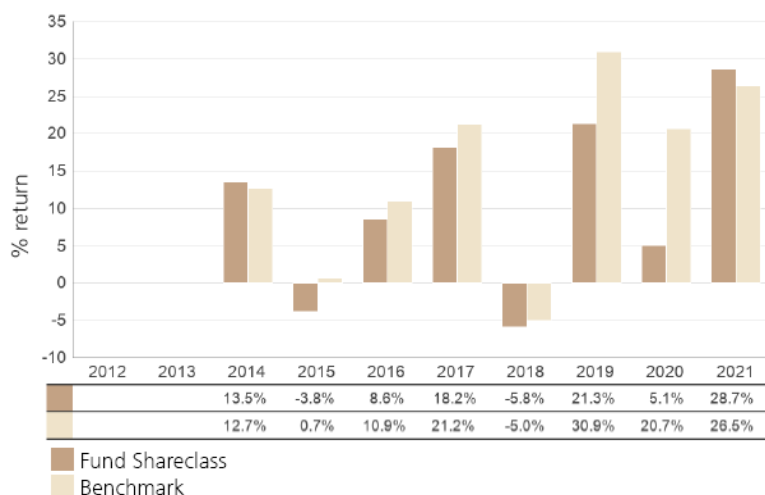
Foreign investment risk

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

Risk relating to hedged share classes

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

How has the Sub-Fund performed?



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-To-NAV, with dividend reinvested.
- These figures show by how much the share class increased or decreased in value during the calendar year being shown. Performance data has been calculated in USD including ongoing charges and excluding subscription fee and redemption fee you might have to pay.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- Sub-Fund launch date: 15 February 2013
- P-acc launch date: 15 February 2013
- P-acc is selected as representative share class as it is the major share class subscribed by investors or denominated in the Sub-Fund's base currency.
- **"Benchmark"** as shown in the graph above refers to the benchmark as disclosed under the objective and investment strategy above.

Is there any guarantee?

This Sub-Fund does not have any guarantees. You may not get back the full amount of money you invest.

What are the fees and charges?

Charges which may be payable by you

You may have to pay the following fees when dealing in the shares of the Sub-Fund.

<u>Fee</u>	<u>What you pay</u>
Subscription fee:	Up to 5%* of the subscription amount
Switching fee: (Conversion fee)	Up to 5%* of the net asset value per share of the Sub-Fund or share class from which the shareholder is switching out multiplied by the number of shares to be switched by the shareholder
Redemption charge:	NIL

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

Ongoing fees payable by this Sub-Fund

The following expenses will be paid out of the Sub-Fund's assets. They affect you because they reduce the return you get on your investments.

	Annual rate (as a % of average net asset value (NAV) of the Sub-Fund)
Management fee, Depositary fee & Administration fee:	<p>For non-currency hedged unit classes P: Currently at 1.50% p.a. This is the maximum flat management fee^ the Sub-Fund may charge (maximum management fee currently at 1.20% p.a.).</p> <p>For share classes P with "hedged" in their name: Currently at 1.55% p.a. This is the maximum flat management fee^ the Sub-Fund may charge (maximum management fee currently at 1.24% p.a.).</p> <p>Investors will be given at least one month's prior notice (or such notice period as the SFC may approve in advance) in respect of any increase in the level of the flat fee.</p>
Performance fee:	N/A

[^]The maximum flat fee does not include the following fees and additional expenses which are also charged to the Sub-Fund, such as but not limited to additional expenses related to management of the Sub-Fund's asset for the sale and purchase of assets, auditor's fees for annual audit, fees for legal and tax advisers, costs for the Sub-Fund's legal documents etc. The aforementioned fees and additional expenses are not an exhaustive list, for further details, please refer to the section headed "Expenses paid by the Company" and under the heading "The sub-funds and their special investment policies" in the Prospectus.

Other Fees

You may have to pay other fees and charges when dealing in the shares of the Sub-Fund. Refer to the offering document for details.

Additional Information

- You generally buy and redeem shares at the Sub-Fund's next-determined net asset value (NAV) after the relevant authorized distributor or the Hong Kong Representative receives your request in good order by or before 5:00 pm (Hong Kong time) on a business day in Hong Kong. The relevant authorized distributor(s) may impose different dealing deadlines for receiving instructions for subscriptions, redemptions or switching. Investors should pay attention to the arrangements of the relevant authorized distributor(s) concerned.
- The net asset value of this Sub-Fund is calculated, and the price of the shares published, each business day (as more particularly defined and described in the offering document), the prices are available online at <https://www.ubs.com/hk/en/asset-management/>.*
- Investors may obtain the past performance information of other share classes offered to Hong Kong investors from <https://www.ubs.com/hk/en/asset-management/>.*
- The compositions of the distributions (i.e. the relative amounts pay out of (i) net distributable income and (ii) capital) for the last 12 months will be made available by the Hong Kong Representative on request and also on <https://www.ubs.com/hk/en/asset-management/>.*

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

Important

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.