Product Key Facts

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

Management Company:

UBS Fund Management (Luxembourg) S.A. **July 2022**

This statement provides you with key information about this product.
This statement is a part of the offering document.
You should not invest in this product based on this statement alone.

Quick Facts

Management Company:	UBS Fund Management (Luxembourg) S.A**.**	
Portfolio Manager:	UBS Asset Management (Americas) Inc., Chicago (internal delegation)+ + Please also see "Additional Information" section.	
Depositary:	UBS Europe SE, Luxembourg Branch	
Dealing frequency:	Daily (Luxembourg business day)	
Base currency:	USD	
Ongoing charges over a year:	P-acc	1.86%#
	(EUR hedged) P-acc	1.91%#
	(HKD) P-acc*	1.91%##

 # The ongoing charges figure is an annualized figure based on expenses for the interim period ended 30 November 2021. This figure may vary from time to time.

As the first issue of this share class has not yet occurred at the time of publication of this statement, the estimated ongoing charges figure is based on the ongoing charges figure of (EUR hedged) P-acc for the interim period ended 30 November 2021. The actual figure may differ and the figure may vary from time to time.

Dividend Policy:	Accumulating (no distribution of dividend, income (if any) will be reinvested for the respective share classes)
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 – Long Term Themes (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 *Société d'Investissement à Capital Variable*. It is a UCITS fund and is domiciled in Luxembourg and its home regulator is the *Commission de Surveillance du Secteur Financier*.

Objective and Investment Strategy

<u>Objective</u>

The Sub-Fund aims to generate capital appreciation with a reasonable level of income, while giving due consideration to capital security and the liquidity of the Sub-Fund's assets. The Sub-Fund promotes environmental and social as well as governance characteristics.

<u>Strategy</u>

The Sub-Fund invests its assets chiefly (i.e. at least two-thirds of its net asset value) in equities and other equity interest of small, medium and large-capitalisation companies in developed and emerging markets worldwide, and which are subject to the Portfolio Manager's Sustainability Focus strategy set out below. The Sub-Fund focuses on long-term aspects which the portfolio manager views as attractive from an investment perspective. These aspects can comprise any sectors, countries and company capitalisations. These aspects can relate to the global growth in population, the trend towards an ageing population or increasing urbanisation. These global trends are expected to influence the economy and society for decades to come.

As part of the Portfolio Manager's Sustainability Focus strategy, the Portfolio Manager will use a combination of proprietary tools, research techniques, analytics third party firms and qualitative and quantitative analysis to assess each company against the ESG criteria (defined below), and assign each company a score (on a scale of 0-10, with 10 having the best sustainability profile) based on its relative standing in accordance with ESG criteria against other companies in the investment universe (the "**UBS ESG consensus score**").

The process involves incorporating ESG factors as key considerations into the Portfolio Manager's stock selection process and stock analysis. ESG factors include amongst others the following: environmental footprint and operational efficiency, environmental risk management, climate change, natural resource usage, pollution and waste management, employment standards and supply chain monitoring, human capital, diversity within the board of directors, occupational health and safety, product safety, as well as anti-fraud and anti-corruption guidelines. The criteria against which the Portfolio Manager will analyse the ESG factors of companies, their sectors and activities include those defined in United Nations Sustainable Development Goals and other principles that are based on corporate governance and corporate social responsibility ("**ESG criteria**").

The Portfolio Manager will manage the Sub-Fund's portfolio such that the Sub-Fund's portfolio, exclusive of cash and unrated investment instruments, maintains either (i) a higher weighted average UBS ESG consensus score than the UBS ESG Consensus Score of MSCI AC World (net dividend reinvested); or (ii) a weighted average UBS ESG consensus score of 7 or above (out of 10), indicating a strong sustainability profile relative to other companies in the investment universe. This means that the individual UBS ESG consensus score of an investment and the effect of this UBS ESG consensus score on the weighted average UBS ESG consensus score of the Sub-Fund's investment portfolio will be key considerations of the Portfolio Manager's stock selection process.

The UBS ESG consensus score is used to exclude from investment any companies which demonstrate "high or severe ESG risk" when assessed against the ESG criteria. These companies are those that have been assigned the lowest UBS ESG consensus score, 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" based on the UBS ESG consensus score assigned and would subsequently be excluded.

In addition to UBS Asset Management's Sustainability Exclusion Policy as set out in the Prospectus, the Sub-Fund will not invest directly in companies that generate a substantial part of their turnover from the production of tobacco, adult entertainment, coal or energy generated by coal-fired power stations.

The Sub-Fund's exposure may also include China A-Shares traded via Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect (collectively, the "**Stock Connect**"). China-A Shares are renminbi-denominated A shares of companies domiciled in mainland China; these are traded on Chinese stock exchanges such as the Shanghai Stock Exchange and the Shenzhen Stock Exchange. The aggregate exposure to China A-Share and China B-Share markets for the Sub-Fund may be 30% or more (up to 100%) of its total net asset value. The Sub-Fund may invest in aggregate 30% or more (up to 100%) of its total net asset value in stocks listed on the ChiNext market.

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 AC World (net dividend reinvested) to measure performance and the ESG profile, as well as for ESG and investment risk management and portfolio construction purposes. The benchmark is not designed to promote ESG characteristics. The 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. As the Sub-Fund invests in many foreign currencies due to its global orientation, the portfolio or parts thereof may be subject to currency fluctuation risks. For avoidance of doubt, the Sub-Fund will not track a reference ESG benchmark.

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 due to any of the key risk factors below 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.

Currency risk

- The Sub-Fund may hold assets that are not denominated in its base currency. Also, a share class may be designated in a currency other than the base currency of the Sub-Fund. In the short to medium term, the actual exchange rates can deviate from the long-term equilibrium due to different types of focus in the market such as geopolitical, capital flows, risk appetite and macroeconomic expectations. The net asset value of the Sub-Fund may be affected unfavourably by fluctuations in the exchange rates between these currencies and the base currency and by changes in exchange rate controls. Under extreme market conditions and circumstances, such currency fluctuation may potentially result in total loss.
- Where the portfolio of the Sub-Fund or parts thereof are hedged against the base currency of the Sub-Fund, the multi-currency hedging undertaken by the Sub-Fund may incur additional transactions costs or be subject to additional risks.

Equity risk

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

Risk of thematic-based investment strategy

- Investments in specific themes may not achieve the desired results under all circumstances and market conditions. The investments of the Sub-Fund may be periodically rebalanced and therefore the Sub-Fund may incur greater transaction costs than a fund with static allocation strategy.
- While the long-term aspects which the Portfolio Manager focuses on can comprise any industries, sectors, countries and company capitalisations, the Sub-Fund's investments may be concentrated in specific themes. The value of the Sub-Fund may be more volatile than that of a fund having a more diverse portfolio of investments.

Risks relating to Mainland China A-Shares risk

- The price at which securities may be purchased or sold by the Sub-Fund and the net asset value of the Sub-Fund may be adversely affected if trading markets for A-Shares are limited or absent. The A-Share market may be more volatile and unstable (for example, due to the risk of suspension of a particular stock or government intervention) than those in more developed markets. Market volatility and settlement difficulties in the A-Share markets may also result in significant fluctuations in the prices of the securities traded on such markets and thereby may affect the value of the Sub-Fund.
- Trading band limits are imposed by the stock exchanges in China on A-Shares, where trading in any A-Share security on the relevant stock exchange may be suspended if the trading price of the security has increased or decreased to the extent beyond the trading band limit. A suspension will render it impossible for the Portfolio Manager to liquidate positions and can thereby expose the Sub-Fund to significant losses. Further, when the suspension is subsequently lifted, it may not be possible for the Portfolio Manager to liquidate position at a favourable price.

Risks related to investment via Stock Connect

- The relevant rules and regulations on the Stock Connect are subject to change which may have potential retrospective effect. The Stock Connect is subject to quota limitations. Where a suspension in the trading through the programmes is effected, the Sub-Fund's ability to invest in China A-Shares or access the mainland Chinese market through the programmes will be adversely affected. In such event, the Sub-Fund's ability to achieve its investment objective could be negatively affected.

China/Emerging market risks

- The China market is considered as an emerging market. Investors should note that such emerging markets are at an early stage of development and suffer from certain increased risks and involve special considerations not typically associated with investment in more developed markets, such as liquidity risks, currency risks/control, political and economic uncertainties,

legal and taxation risks, settlement risks, custody risk and the likelihood of a high degree of volatility
- High market volatility and potential settlement difficulties in the emerging markets may also result in significant fluctuations in the prices of the securities traded on such markets and thereby may adversely affect the value of the Sub-Fund.
- Securities exchanges in emerging markets typically have the right to suspend or limit trading in any security traded on the relevant exchange. The government or the regulators may also implement policies that may affect the financial markets. All these may have a negative impact on the Sub-Fund.

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

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

Risks associated with the ChiNext market
- The Sub-Fund may invest in the ChiNext market of the Shenzhen Stock Exchange via the Shenzhen-Hong Kong Stock Connect. Investments in the ChiNext market may result in significant losses for the Sub-Fund and its investors.

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

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

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

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

PRC tax risk
- There are risks and uncertainties associated with the current PRC tax laws, regulations and practice in respect of capital gains realised via Stock Connect (which may have retrospective effect). Any increased tax liabilities on the Sub-Fund may adversely affect the Sub-Fund's value.
- Based on professional and independent tax advice, the Sub-Fund currently does not make any PRC tax provision.

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

Risks connected with the use of derivatives
- Risks associated with derivatives include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. The leverage element/component of a derivative can result in a loss significantly greater than the amount invested in the derivative by the Sub-Fund. Exposure to derivatives may lead to a high risk of significant loss by the Sub-Fund.

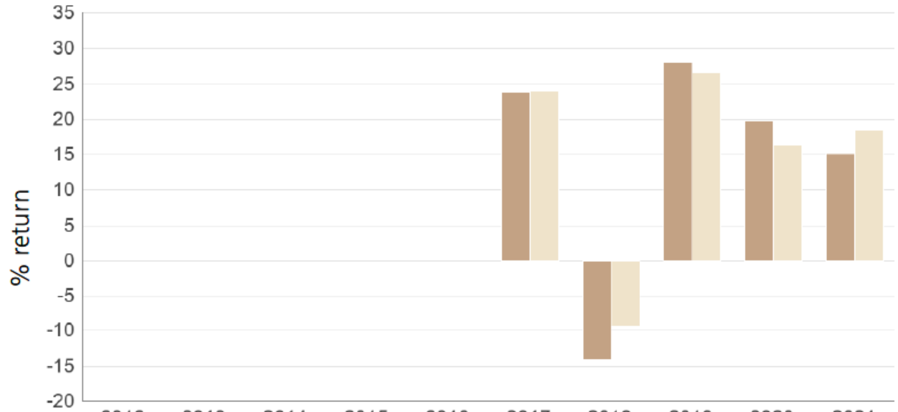
Foreign investment risk

- 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.
- Adverse exchange rate fluctuations between the base currency of the Sub-Fund and the class currency of the hedged share classes may result in a decrease in return and/or loss of capital for investors.
- The costs of the hedging transactions will be reflected in the net asset value of a hedged share class and therefore, an investor of such hedged share class will have to bear the associated hedging costs, which may be significant depending on prevailing market conditions.
- If the counterparties of the instruments used for hedging purpose default, investors of the relevant hedged share class may be exposed to currency exchange risk on an unhedged basis and may therefore suffer further losses.
- While hedging strategies may protect investors in a hedged share class against a decrease in the value of the Sub-Fund's base currency relative to the class currency of the hedged share class, it may also preclude investors from benefiting from an increase in the value of the Sub-Fund's base currency.

How has the Sub-Fund performed?



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Fund Shareclass						23.9%	-14.1%	28.1%	19.7%	15.2%
Benchmark						24.0%	-9.4%	26.6%	16.3%	18.5%

Fund Shareclass
Benchmark

- 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: 28 January 2016
- P-acc launch date: 28 January 2016
- 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.

Fee	**What you pay**
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

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:	For non-currency hedged share classes P: 1.80% p.a. This is the maximum flat fee^ the Sub-Fund may charge (maximum management fee at 1.44% p.a.). For share classes P with "hedged" in their name: 1.85% p.a. This is the maximum flat fee^ the Sub-Fund may charge (maximum management fee at 1.48% p.a.). 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.
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

- Please also refer to the sub-section headed "Portfolio Managers" in respect of the Sub-Fund under "16. Additional information on Sub-Funds" in the Information for Hong Kong Investors for further details.

- 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/*.

** 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.