Product Key Facts

UBS (Lux) Equity SICAV – Global Opportunity Sustainable (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 (UK) Ltd, London (internal delegation)	
Depositary:	UBS Europe SE, Luxembourg Branch	
Dealing frequency:	Daily (Luxembourg business day)	
Base currency:	USD	
Ongoing charges over a year:	P-acc	1.87%#

 # 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.

Dividend policy:	P-acc	Accumulating (no distribution of dividend, income will be reinvested in the Sub-Fund, if any).
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 – Global Opportunity 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 *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

The Sub-Fund invests at least two-thirds of its assets in shares and equity securities worldwide and which are subject to the Portfolio Manager's Sustainability Focus strategy set out below. The Sub-Fund invests mainly in shares and equity securities of large caps worldwide. The Sub-Fund assets are also invested in shares and equity securities of small and medium-sized companies worldwide. The Sub-Fund promotes environmental and social characteristics.

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. Environmental and social factors can include (amongst others) the following: environmental footprint and operational efficiency, environmental risk management, climate change, natural resource usage, pollution and waste management, employment standards and supply chain monitoring, human capital, diversity within the board of directors, occupational health and safety, product safety, as well as anti-fraud and anti-corruption guidelines. The 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 investment portfolio has either (i) a higher weighted average UBS ESG consensus score than the weighted average UBS ESG consensus score of MSCI 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. The calculation does not take account of cash and unrated investment instruments to which the Sub-Fund intends to have limited exposure under normal market circumstances. 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 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" based on the UBS ESG consensus scores 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 may invest up to 30% of its total net asset value in instruments with loss-absorption features including contingent convertible debt securities.

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

The Sub-Fund 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, efficient portfolio management and hedging purposes. The Sub-Fund may use derivatives (such as index futures) to raise or lower its investment level to a minimum of 75% and a maximum of 125% of net assets. In accordance with Point 5 of the investment principles "Special techniques and instruments with securities and money market instruments as underlying assets" in the Prospectus, the Sub-Fund is also permitted to use index futures to raise or reduce its market exposure.

The Sub-Fund uses the benchmark MSCI World (net dividend reinvested) to measure performance and the ESG profile, as well as for ESG and investment risk management and portfolio construction purposes. The benchmark is not designed to promote ESG characteristics. The 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.

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.

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 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.

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.

Emerging market risks:

- The Sub-Fund invests in emerging markets which may involve increased risks and 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.

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.

Risks associated with investments in instruments with loss-absorption features

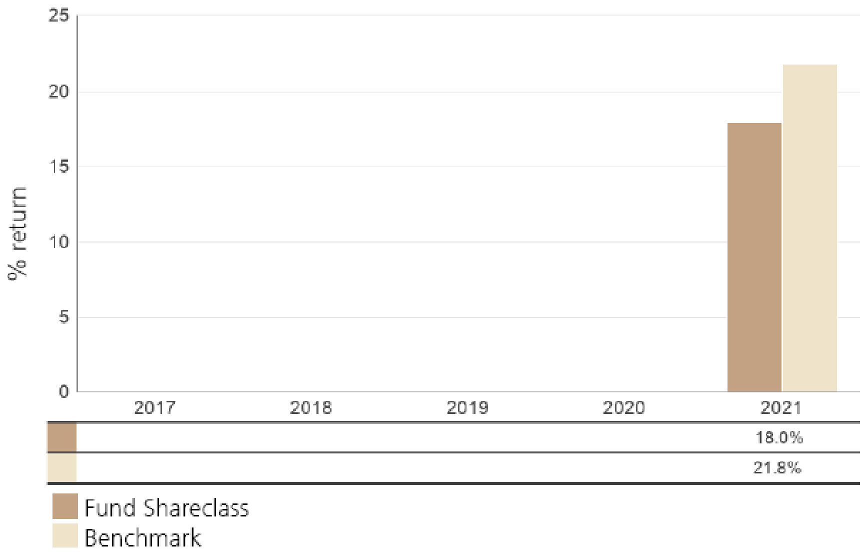
- Debt instruments with loss-absorption features are subject to greater risks when compared to traditional debt instruments as such instruments are typically subject to the risk of being written down or converted to ordinary shares upon the occurrence of a pre-defined trigger events (e.g. when the issuer is near or at the point of non-viability or when the issuer's capital ratio falls to a specified level), which are likely to be outside of the issuer's control. Such trigger events are complex and difficult to predict and may result in a significant or total reduction in the value of such instruments.
- In the event of the activation of a trigger, there may be potential price contagion and volatility to the entire asset class. Debt instruments with loss-absorption features may also be exposed to liquidity, valuation and sector concentration risk.
- The Sub-Fund may invest in contingent convertible debt securities, commonly known as CoCos, which are highly complex and are of high risk. Upon the occurrence of the trigger event, CoCos may be converted into shares of the issuer (potentially at a discounted price), or may be subject to the permanent write-down to zero. Coupon payments on CoCos are discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time.

- The Sub-Fund may invest in senior non-preferred debts. While these instruments are generally senior to subordinated debts, they may be subject to write-down upon the occurrence of a trigger event and will no longer fall under the creditor ranking hierarchy of the issuer. This may result in total loss of principal invested.

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.

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.
- The benchmark of the Sub-Fund is MSCI World (net dividend reinvested).
- Sub-Fund launch date: 20 February 2020
- P-acc launch date: 20 February 2020
- P-acc is selected as representative share class as it is the major share class subscribed by investors or denominated in the Sub-Funds base currency.

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

You should check with the relevant authorised distributor to confirm the applicable fees and charges (including any additional taxes or commissions, where applicable) incurred in Hong Kong on the subscription, redemption or conversion of shares.

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:	The Sub-Fund may charge a maximum flat fee^ of 1.80% p.a. (maximum management fee at 1.44% 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 (such as bid-ask spreads and brokerage fees in line with the market), 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 Sales 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 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.