UBS (LUX) KEY SELECTION SICAV

UBS (LUX) KEY SELECTION SICAV – CHINA ALLOCATION OPPORTUNITY (USD)
UBS (LUX) KEY SELECTION SICAV – DYNAMIC ALPHA (USD)
UBS (LUX) KEY SELECTION SICAV – EMERGING MARKETS INCOME (USD)
UBS (LUX) KEY SELECTION SICAV – EUROPEAN GROWTH AND INCOME (EUR)
UBS (LUX) KEY SELECTION SICAV – GLOBAL ALLOCATION (EUR)

ESTABLISHED IN LUXEMBOURG

SINGAPORE PROSPECTUS

This Singapore Prospectus incorporates and is not valid without the attached Luxembourg Prospectus dated January 2016 for UBS (Lux) Key Selection SICAV (the "**Luxembourg Prospectus**"). Unless the context otherwise requires, terms defined in the Luxembourg Prospectus shall have the same meaning when used in this Singapore Prospectus except where specifically provided for by this Singapore Prospectus.

UBS (Lux) Key Selection SICAV is an open-ended investment company with variable capital incorporated under the laws of Luxembourg and is constituted outside Singapore. The management company of the UBS (Lux) Key Selection SICAV, UBS Fund Management (Luxembourg) S.A., has appointed UBS Asset Management (Singapore) Ltd (whose details appear in the Directory of this Singapore Prospectus) as the UBS (Lux) Key Selection SICAV's Singapore Representative and agent for service of process.

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IMPORTANT INFORMATION

The collective investment schemes offered in this Singapore Prospectus, namely, the UBS (Lux) Key Selection SICAV – China Allocation Opportunity (USD), UBS (Lux) Key Selection SICAV – Dynamic Alpha (USD), UBS (Lux) Key Selection SICAV – Emerging Markets Income (USD), UBS (Lux) Key Selection SICAV – European Growth and Income (EUR) and the UBS (Lux) Key Selection SICAV – Global Allocation (EUR) (each a "**Sub-Fund**" and, collectively, the "**Sub-Funds**"), established as sub-funds of the UBS (Lux) Key Selection SICAV (the "**Company**"), are recognised schemes under the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**").

A copy of this Singapore Prospectus has been lodged with and registered by the Monetary Authority of Singapore (the "**Authority**"). The Authority assumes no responsibility for the contents of this Singapore Prospectus. The registration of this Singapore Prospectus by the Authority does not imply that the SFA or any other legal or regulatory requirements have been complied with. The Authority has not, in any way, considered the investment merits of the Sub-Funds. **You should note that other sub-funds or other share classes referred to in the Luxembourg Prospectus but which are not listed or described in Paragraph 2 of this Singapore Prospectus are not available for subscription by retail investors in Singapore. Such references are not and should not be construed as an offer of shares in such other sub-funds and share classes to retail investors in Singapore.**

The date of registration of this Singapore Prospectus with the Authority is 23 June 2016. This Singapore Prospectus shall be valid for a period of 12 months from the date of registration (up to and including 22 June 2017) and shall expire on 23 June 2017.

The assets of the Company are held in different sub-funds. Each Sub-Fund is a separate portfolio of securities managed in accordance with specific investment objectives. Separate classes of shares may be issued in relation to each Sub-Fund. Please note that only the classes of shares listed or described in Paragraph 2 in respect of each Sub-Fund are available to retail investors in Singapore.

The Directors have taken all reasonable care to ensure that the facts stated in this Singapore Prospectus are true and accurate in all material respects and that there are no other material facts the omission of which makes any statement of fact or opinion in this Singapore Prospectus misleading. The Directors accept responsibility accordingly.

The distribution of this Singapore Prospectus and the offering of shares of the Sub-Funds may be restricted in certain jurisdictions. This Singapore Prospectus is not an offer or solicitation in any jurisdiction where such offer or solicitation is unlawful, where the person making the offer or solicitation is not authorised to make it or a person receiving the offer or solicitation may not lawfully receive it.

You should be aware of (a) the legal requirements within your own country for the purchase of the shares, (b) any foreign exchange restrictions which may be applicable, and (c) the income and other tax consequences of purchase, conversion and redemption of the shares.

You are advised to carefully consider the risk factors set out in the Luxembourg Prospectus and under Paragraph 7 of this Singapore Prospectus. **You should note that the Sub-Funds may invest in financial derivative instruments for hedging purposes, for the purpose of efficient portfolio management or investment purposes to the extent permitted under the Luxembourg laws.**

If you are in any doubt about the contents of this Singapore Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser. Shares are offered on the basis of the information contained in this Singapore Prospectus and the documents referred to in this Singapore Prospectus. No person is authorised to give any information or to make any representations concerning the Company or the Sub-Funds other than as contained in this Singapore Prospectus. Any purchase made by any person on the basis of statements or representations not contained in or inconsistent with the information and representations contained in this Singapore Prospectus will be solely at the risk of the purchaser.

The delivery of this Singapore Prospectus or the issue of shares in any Sub-Fund shall not, under any circumstances, create any implication that the affairs of the Company and/or the Sub-Funds have not changed since the date of this Singapore Prospectus. To reflect material changes, this Singapore Prospectus may be updated from time to time and you should investigate whether any more recent Singapore Prospectus is available.

You may wish to consult an independent financial adviser about the suitability of the Sub-Funds for your investment needs.

IMPORTANT: PLEASE READ AND RETAIN THIS SINGAPORE PROSPECTUS FOR FUTURE REFERENCE

DIRECTORY

THE COMPANY

Board of Directors of the Company	Robert Süttinger (Chairman) Michael Kehl Thomas Portmann Kai Gammelin

REGISTERED OFFICE OF THE COMPANY

33A avenue J.F. Kennedy, L-1855 Luxembourg, B.P. 91, L-2010 Luxembourg

MANAGEMENT COMPANY

UBS Fund Management (Luxembourg) S.A.

Board of Directors of the Management Company	Andreas Schlatter (Chairman) Martin Thommen Gilbert Schintgen Pascal Kistler Christian Eibel
Executive Board of the Management Company	Gilbert Schintgen Valérie Bernard

REGISTERED OFFICE OF THE MANAGEMENT COMPANY

33A avenue J.F. Kennedy, L-1855 Luxembourg

PORTFOLIO MANAGER FOR UBS (LUX) KEY SELECTION SICAV – CHINA ALLOCATION OPPORTUNITY (USD)

UBS Asset Management (Hong Kong) Limited, 43/F Two International Finance Centre, 8 Finance Street, Central, Hong Kong

PORTFOLIO MANAGER FOR UBS (LUX) KEY SELECTION SICAV – EUROPEAN GROWTH AND INCOME (EUR)

UBS Asset Management (UK) Ltd., 21 Lombard Street, London EC3V 9AH, England

PORTFOLIO MANAGER FOR UBS (LUX) KEY SELECTION SICAV – DYNAMIC ALPHA (USD), UBS (LUX) KEY SELECTION SICAV – EMERGING MARKETS INCOME (USD) AND UBS (LUX) KEY SELECTION SICAV – GLOBAL ALLOCATION (EUR)

UBS AG, UBS Asset Management, Basel and Zurich, Aeschenvorstadt 1, CH-4002 Basel and Bahnhofstrasse 45, CH-8098 Zurich Switzerland, which may delegate this function worldwide within the UBS Group.

CUSTODIAN BANK AND MAIN PAYING AGENT

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

ADMINISTRATIVE AGENT

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

SINGAPORE REPRESENTATIVE AND AGENT FOR SERVICE OF PROCESS IN SINGAPORE

UBS Asset Management (Singapore) Ltd, Company Registration No. 199308367C, whose operating office is at One Raffles Quay, #50-01 North Tower, Singapore 048583

AUDITOR OF THE COMPANY

Ernst & Young S.A., 7, rue Gabriel Lippmann - Parc d’Activité Syrdall 2, L-5365 Munsbach

LEGAL ADVISERS AS TO SINGAPORE LAW

Allen & Gledhill LLP, One Marina Boulevard, #28-00, Singapore 018989

1. THE COMPANY

1.1 The Company was established on 9 August 2002 in Luxembourg as an open-ended investment fund in the form of a "S*ociété d'Investissement à Capital Variable*" (SICAV), pursuant to Part I of the Luxembourg Law of 30 March 1988 relating to undertakings for collective investment and was adapted in February 2004 to conform to the provisions of the Law of 20 December 2002 relating to undertakings for collective investment; it has been subject to the Law of 17 December 2010 on undertakings for collective investment (the "**Law of 2010**") since 1 July 2011.

1.2 The Company is organised in the form of an umbrella fund and comprises separate sub-funds, each representing interests in a defined portfolio of assets and liabilities managed in accordance with its specific investment objective and policies. Each sub-fund may further be divided into separate classes of shares.

1.3 The articles of incorporation of the Company were first published in the *Mémorial, Recueil des Sociétés et Associations* on 23 August 2002 and the consolidated version of the articles of incorporation of the Company is deposited at the Trade and Companies Register (*Registre de Commerce et des Sociétés*) in Luxembourg for inspection.

1.4 You may inspect copies of the articles of incorporation of the Company, free of charge, at the operating office of the Singapore Representative, during normal Singapore business hours. You may also obtain, free of charge, copies of the articles of incorporation of the Company, the latest copies of the annual and semi-annual reports and the latest copies of the semi-annual accounts and annual accounts of the Company from the Singapore Representative upon request.

1.5 Full details of the Company are set out under the section headed "THE COMPANY" in the Luxembourg Prospectus.

1.6 In the interest of efficiency, the Company may permit internal merging and/or the joint management of assets from particular sub-funds. In such a case, assets from different sub-funds are managed together. The assets under joint management are referred to as a 'pool'; pools are used exclusively for internal management purposes. Pools are not separate units and cannot be accessed directly by shareholders. Full details are set out under the section headed "INVESTMENT PRINCIPLES" under the sub-headings "MERGING ASSETS", "POOLING" and "JOINT MANAGEMENT" in the Luxembourg Prospectus.

2. THE SUB-FUNDS

2.1 The sub-funds currently offered in Singapore pursuant to this Singapore Prospectus are (each a "**Sub-Fund**" and, collectively, the "**Sub-Funds**"):

	Sub-Fund	**Currency of account**
2.1.1	UBS (Lux) Key Selection SICAV – China Allocation Opportunity (USD) (the "**China Allocation Opportunity (USD)**")	US Dollar

	Sub-Fund	Currency of account
2.1.2	UBS (Lux) Key Selection SICAV – Dynamic Alpha (USD) (formerly known as UBS (Lux) Key Selection SICAV - Absolute Return Plus (USD)) (the "**Dynamic Alpha (USD)**")	US Dollar
2.1.3	UBS (Lux) Key Selection SICAV – Emerging Markets Income (USD) (the "**Emerging Markets Income (USD)**")	US Dollar
2.1.4	UBS (Lux) Key Selection SICAV – European Growth and Income (EUR) (the "**European Growth and Income (EUR)**")	Euro
2.1.5	UBS (Lux) Key Selection SICAV – Global Allocation (EUR) (the "**Global Allocation (EUR)**")	Euro

2.2 One or more share classes can be offered within each Sub-Fund. As of the date of this Singapore Prospectus, you may be able to subscribe for shares in the following classes of shares in respect of each Sub-Fund:

Sub-Fund	Share Class	Currency Denomination of the Share Class	Use of earnings
China Allocation Opportunity (USD)	P-acc	US Dollar	Accumulating
	P-mdist	US Dollar	Distributing
	P-6%-mdist	US Dollar	Distributing
	(SGD hedged) P-acc*	Singapore Dollar	Accumulating
	(SGD hedged) P-mdist	Singapore Dollar	Distributing
	(SGD hedged) P-6%-mdist	Singapore Dollar	Distributing
	(SGD) P-acc*	Singapore Dollar	Accumulating
	(SGD) P-mdist*	Singapore Dollar	Distributing
	(SGD) P-6%-mdist	Singapore Dollar	Distributing
	(AUD hedged) P-acc*	Australian Dollar	Accumulating
	(AUD hedged) P-mdist*	Australian Dollar	Distributing
	(AUD hedged) P-6%-	Australian Dollar	Distributing

Sub-Fund	Share Class	Currency Denomination of the Share Class	Use of earnings
	mdist		
	(RMB hedged) P-mdist*	Renminbi	Distributing
	(RMB hedged) P-6%-mdist	Renminbi	Distributing
	(HKD hedged) P-mdist*	Hong Kong Dollar	Distributing
	(HKD) P-6%-mdist	Hong Kong Dollar	Distributing
Dynamic Alpha (USD)	P-acc	US Dollar	Accumulating
	(CHF hedged) P-acc	Swiss Franc	Accumulating
	(EUR hedged) P-acc	Euro	Accumulating
Emerging Markets Income (USD)	P-acc	US Dollar	Accumulating
	P-dist	US Dollar	Distributing
	P-mdist	US Dollar	Distributing
	(SGD) P-acc*	Singapore Dollar	Accumulating
	(SGD) P-mdist*	Singapore Dollar	Distributing
	(AUD hedged) P-mdist	Australian Dollar	Distributing
	(EUR hedged) P-acc	Euro	Accumulating
	(EUR hedged) P-dist	Euro	Distributing
	(SGD hedged) P-acc*	Singapore Dollar	Accumulating
	(SGD hedged) P-mdist	Singapore Dollar	Distributing
	(HKD) P-mdist	Hong Kong Dollar	Distributing

Sub-Fund	Share Class	Currency Denomination of the Share Class	Use of earnings
European Growth and Income (EUR)	P-acc	Euro	Accumulating
	P-mdist*	Euro	Distributing
	P-8%-mdist	Euro	Distributing
	(USD hedged) P-acc	US Dollar	Accumulating
	(USD hedged) P-mdist	US Dollar	Distributing
	(USD hedged) P-8%-mdist	US Dollar	Distributing
	(SGD hedged) P-acc	Singapore Dollar	Accumulating
	(SGD hedged) P-mdist	Singapore Dollar	Distributing
	(SGD hedged) P-8%-mdist	Singapore Dollar	Distributing
	(SGD) P-acc*	Singapore Dollar	Accumulating
	(SGD) P-mdist*	Singapore Dollar	Distributing
	(SGD) P-8%-mdist*	Singapore Dollar	Distributing
	(AUD hedged) P-acc*	Australian Dollar	Accumulating
	(AUD hedged) P-mdist*	Australian Dollar	Distributing
	(AUD hedged) P-8%-mdist	Australian Dollar	Distributing
	(RMB hedged) P-mdist*	Renminbi	Distributing
	(RMB hedged) P-8%-mdist	Renminbi	Distributing
	(HKD hedged) P-mdist*	Hong Kong Dollar	Distributing
	(HKD hedged) P-8%-mdist	Hong Kong Dollar	Distributing
	(GBP hedged) P-8%-mdist	British Pounds	Distributing

Sub-Fund	Share Class	Currency Denomination of the Share Class	Use of earnings
Global Allocation (EUR)	P-acc	United States Dollar	Accumulating
	(SGD hedged) P-acc	Singapore Dollar	Accumulating
	(SGD hedged) P-mdist*	Singapore Dollar	Distributing
	(CAD hedged) P-acc	Canadian Dollar	Accumulating
	(GBP hedged) P-acc	British Pounds	Accumulating

** This share class has not been launched as at the date of this Singapore Prospectus. You may wish to check with your Singapore Approved Distributor on the future availability of this share class.*

2.3 The Company may in its discretion from time to time and in respect of any Sub-Fund, make available for subscription any other share classes with "P" in their name (with the relevant additional characteristics referenced in the Luxembourg Prospectus) in addition to the share classes listed in the table above or may close any share class to new subscriptions. The list of share classes which may be available to you for subscription may therefore change from time to time. You may wish to contact your Singapore Approved Distributor for the latest list of available share classes. Share classes available for subscription in Singapore pursuant to this Singapore Prospectus shall be referred to as the "**Share Classes**" and shares within such Share Classes shall be referred to as "**Shares**".

2.4 Characteristics of the respective Share Classes are set out under the section headed "SHARE CLASSES" in the Luxembourg Prospectus.

2.5 Shares are issued as registered shares only (full details are set out in the section headed "ISSUE OF SHARES" in the Luxembourg Prospectus).

2.6 The Company may from time to time, subject to obtaining the relevant regulatory approvals if required, create additional share classes in respect of any Sub-Fund and may offer such additional share classes or any other existing share classes in Singapore.

3. MANAGEMENT AND ADMINISTRATION

3.1 Board of Directors of the Company

The Board of Directors of the Company as listed in the Directory herein is ultimately responsible for managing the business affairs of the Company in accordance with the Company's articles of incorporation.

3.2 Management Company and its Directors and Key Executives

3.2.1 Management Company

Effective 16 May 2011, UBS Fund Management (Luxembourg) S.A. (the "**Management Company**") assumed the function of management company of the Company. The Management Company was established on 1 July 2010 as a public-limited company in Luxembourg for an unlimited duration. The Management Company is regulated by the Commission de Surveillance du Secteur Financier (CSSF).

One of the purposes of the Management Company is to manage undertakings for collective investment under Luxembourg law and to issue/redeem units in these products. In addition to the Company, the Management Company currently manages other undertakings for collective investment as well. The Management Company has been managing collective investment schemes since 15 September 2010.

Further details on the Management Company are set out under the section headed "MANAGEMENT COMPANY" in the Luxembourg Prospectus.

3.2.2 Directors of the Management Company

Andreas Schlatter

Andreas Schlatter holds a PhD in mathematics. Today he is holding independent board memberships in the financial industry and is a lecturer in mathematics and physics at universities.

Andreas previously held various senior positions at UBS Asset Management like Global Head of Distribution 2014-15 and CEO Switzerland 2009-14. He worked for UBS since 1996.

Martin Thommen

Martin Thommen is responsible for the distribution of UBS Asset Management's products to UBS Wealth Management in Switzerland and Europe.

Martin began his financial career in 1982 with the former Swiss Bank Corporation. He has spent the majority of his career in asset management and the investment fund industry. With over 34 years of experience in the investment fund industry, Martin is one of the most experienced fund specialists in Europe.

In addition to being a member of the Board of the Management Company, Martin is a member of the Board of the Swiss Funds & Asset Management Association (SFAMA) and a member of the Board of Directors of the European Fund and Asset Management Association (EFAMA).

Martin graduated from the Swiss Banking School.

Gilbert Schintgen

Gilbert Schintgen is responsible for conducting the business of the Management Company. In this capacity he is responsible for identifying, assessing and monitoring risks to which the Management Company and the Luxembourg domiciled UBS funds which are managed by the Management Company could be exposed and to ensure adequate controls are in place.

Gilbert has approximately 35 years of experience in the financial industry.

Gilbert joined UBS in 1995 and was appointed head of the Management Services department in 1999, covering legal services, corporate accounting and financial control, human resources and product control. He has been a member of the Executive Management Board of UBS Fund Services (Luxembourg) S.A. since 1999, and a Board member of the Luxembourg domiciled UBS funds since 2001. He was appointed to his current role in July 2010.

Prior to joining UBS he had 15 years of experience at Banque Générale du Luxembourg S.A. where he had responsibilities in both the investment banking and investment funds departments.

Gilbert holds a Diploma EUPED from University Centre of Luxembourg.

Pascal Kistler

Pascal Kistler is General Counsel EMEA for UBS Asset Management. In this role, he is responsible for the legal function in Europe, Middle East and Africa (EMEA) on the whole spectrum of asset management services; including traditional asset management, alternatives (including real estate, private equity and infrastructure), structuring of investment vehicles and 3rd party distribution. Pascal is a member of various management boards including UBS Asset Management EMEA Management Committee and Global Fund Management Committee.

Pascal joined UBS in 2011 as Head of Legal Asset Management Switzerland. Pascal was previously Head of Advisory Control Group Asset Management Switzerland for Credit Suisse AG from 2009 to 2011. In this role, he was responsible for private and institutional, discretionary management business in Switzerland including global coordination of private clients business.

Pascal has a Doctor of Law Degree with a specialization in Stock Exchange and Business Law from the University of Zurich in 2001 and holds a LL.M. degree in International and European Business Law.

Pascal acts as a Board Member of UBS Clean Energy Infrastructure Switzerland AG.

Christian Eibel

Christian Eibel is the Head Regulatory Risk Management of UBS Asset Management Switzerland and is responsible for the ongoing measurement and mitigation of risks as well as ensuring regulatory compliance.

Before this, Christian was the Global Head of Operational Risk of the UBS Asset Management division and the regional head Compliance and Operational Risk Control in Asset Management Switzerland.

Prior to joining Operational Risk Control in UBS Global Asset Management (now known as UBS Asset Management) in 2008, Christian was Head of Platform and Tools Strategy for UBS Wealth Management. Prior to this, he was Head of CH Investment Services Equities.

Christian joined UBS in 2002 and before this was a self-employed consultant for e-commerce solutions and portfolio management tools. He has approximately 15 years of investment industry experience.

Christian is also a Director on the Board of UBS Fund Management Switzerland AG.

Christian graduated from the University of Applied Sciences (Switzerland).

3.2.3 Key Executives of the Management Company

Gilbert Schintgen (Chief Executive Officer and Conducting Officer)

A write-up on Gilbert Schintgen is provided in Paragraph 3.2.2 of this Singapore Prospectus.

Valérie Bernard (Conducting Officer)

Valérie Bernard is acting as conducting officer of the Management Company, which manages the Luxembourg domiciled investment funds designed and launched by UBS Asset Management. In her role as Risk Manager, she is coordinating and overseeing all risk monitoring activities in relation to investment risks as well as the risks resulting from the delegation of core activities of the Management Company.

Valérie joined UBS in 1997 and was appointed head of the Product Control department of UBS Fund Services (Luxembourg) S.A. in 1999, which includes responsibilities such as the monitoring of compliance with investment restrictions, investment universe and internal investment guidelines of a product, and was appointed head of NAV Administration in UBS Fund Services (Luxembourg) S.A. in 2011. She was appointed to her current role in August 2013.

Prior to joining UBS she was a senior external auditor for Deloitte Luxembourg for 4 years.

Valérie holds a Masters in Business Administration from Liège University (Belgium) and a Masters in European Business from the University of Northampton (UK).

Geoffrey Lahaye (Conducting Officer)

Geoffrey joined the Management Company on 15 September 2015, and is responsible for conducting the business of the Management Company.

In this capacity, he is responsible for identifying, assessing and monitoring risks to which the Management Company and the Luxembourg domiciled UBS funds (managed by the Management Company) could be exposed and to ensure adequate controls are in place.

Prior to joining UBS he was an Audit Manager at Ernst & Young Luxembourg for 7 years and, afterwards a Vice President at J.P. Morgan Bank Luxembourg S.A. for 7 years.

Geoffrey holds a Master's in Business Administration from the University of Louvain-La-Neuve (Belgium).

Ashley Perrott (Head of Pan Asia Fixed Income)

Ashley Perrott, Head of Pan Asia Fixed Income, Managing Director, has overall responsibility for all Pan-Asia fixed income activities and strategy. He is responsible for Pan Asia interest rate and sector allocation strategies. Prior to taking on his current role, Ashley had been an investment specialist for the Pan-Asia fixed income capability, where he was responsible for communicating and developing Asian and global fixed income strategies and was a member of the Pan-Asia fixed income strategy team. Ashley joined UBS Asset Management in 2004 based in Sydney.

Prior to this, Ashley gained extensive fund management experience covering a wide variety of investment markets and clients. He was Head of Fixed Income at Westpac Investment Management for 5 years where his team was responsible for the management of all cash and fixed interest funds. Ashley has also previously worked as Head of Fixed Income at Barclays Global Investors (Australia) for 3 years and as a senior portfolio manager with AMP Investments for over 10 years, both in Australia and London.

Ashley holds a Bachelor of Commerce from the University of NSW (Australia) and has 30 years of investment industry experience.

3.3 Portfolio Managers

Sub-Fund	Portfolio Manager
China Allocation Opportunity (USD)	UBS Asset Management (Hong Kong) Limited, Hong Kong
European Growth and Income (EUR)	UBS Asset Management (UK) Ltd., London
Dynamic Alpha (USD) Emerging Markets Income (USD) Global Allocation (EUR)	UBS AG, UBS Asset Management, Basel and Zurich, which may delegate these duties to any unit worldwide within the UBS Group. Detailed information on the relevant Portfolio Manager is available at the registered office of the Company.

Each Portfolio Manager is commissioned to manage the securities portfolio of the respective Sub-Funds (as set out above) under the supervision and responsibility of the Management Company and carry out all relevant transactions while adhering to the prescribed investment restrictions.

A Portfolio Manager may transfer its mandates, fully or partially, to associated portfolio managers within UBS Asset Management. However, responsibility in each case remains with the relevant Portfolio Manager.

3.3.1 UBS Asset Management (Hong Kong) Limited

UBS Asset Management (Hong Kong) Limited, a subsidiary of UBS AG incorporated in Hong Kong, is regulated by the Hong Kong Securities and Futures Commission.

UBS Asset Management (Hong Kong) Limited has been managing collective investment schemes and discretionary funds since 1992. As of 31 December 2015, UBS Asset Management (Hong Kong) Limited had approximately HKD 81.5 billion assets under management.

3.3.2 UBS Asset Management (UK) Ltd.

UBS Asset Management (UK) Ltd. was incorporated in England on 19 February 1981 and is authorised and regulated in the United Kingdom in the conduct of financial services and investment management activities by the UK Financial Conduct Authority.

It is a wholly owned subsidiary of UBS AG and is part of UBS Asset Management, a business division of UBS AG. UBS Asset Management (UK) Ltd. (through predecessor entities) began managing its first external pension fund in 1952.

3.3.2 **UBS Asset Management, Basel and Zurich**

UBS Asset Management, Basel and Zurich, a division of UBS AG, (based in Basel and Zurich), has been managing collective investment schemes and discretionary funds since 1943 and is regulated by the Swiss Financial Market Supervisory Authority (FINMA).

As of 31 March 2016, UBS Asset Management had approximately CHF 628 billion of assets under management. UBS Asset Management is a business division of UBS AG. UBS Asset Management provides a diverse range of traditional, alternative, real estate, infrastructure and private equity investment solutions to private clients, financial intermediaries and institutional investors around the globe.

As at the date of this Singapore Prospectus, the target funds (as defined in Paragraph 6 below) are managed either by the Portfolio Managers or their affiliates and subsidiaries or are managed by other investment managers that are not part of the UBS Group, as selected by the Portfolio Manager in its discretion.

Past performance of the Management Company, the Portfolio Managers or their affiliates and subsidiaries is not necessarily indicative of their future performance or of the Sub-Funds.

4. OTHER PARTIES

4.1 The Singapore Representative and Agent for Service of Process

4.1.1 UBS Asset Management (Singapore) Ltd has been appointed by the Management Company as the representative for the Sub-Funds in Singapore (the "**Singapore Representative**") for the purposes of performing administrative and other related functions relating to the offer of Shares under Section 287 of the SFA and such other functions as the Authority may prescribe.

4.1.2 Key functions carried out by the Singapore Representative in respect of the distribution of the Sub-Funds in Singapore include:

(i) facilitating:

(a) the issue and redemption of Shares in the Sub-Funds:

(b) the publishing of the issue and redemption prices of Shares in the Sub-Funds;

(c) the sending of reports of the Sub-Funds to Singapore shareholders;

(d) the inspection of instruments constituting the Company and the Sub-Funds; and

(ii) maintaining for inspection in Singapore a subsidiary register of shareholders who subscribed for or purchased their shares in Singapore ("**Singapore Participants' Records**[1]") or maintaining in Singapore any other facility that enables the inspection or extraction of the equivalent information.

4.1.3 The Singapore Participants' Records are available for inspection by Singapore shareholders at the operating office of the Singapore Representative.

4.1.4 The Singapore Representative has also been appointed by the Management Company to act as the Company's local agent in Singapore to accept service of process on behalf of the Company.

4.2 **The Administrative Agent and registrar**

UBS Fund Services (Luxembourg) S.A. has been appointed as the administrative agent of the Company (the "**Administrative Agent**") as well as the Company's registrar.

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

4.3 **The Custodian Bank and main paying agent**

UBS (Luxembourg) S.A. (the "**Custodian Bank**") has been appointed by the Company to act as the custodian bank and main paying agent of the Company. The Custodian Bank is regulated by the Commission de Surveillance du Secteur Financier (CSSF).

The Custodian Bank is responsible for: (i) the general supervision of all Company assets; (ii) the safekeeping of the Company assets entrusted to the Custodian Bank and held by the Custodian Bank or in its name; and (iii) administrative activities in connection with corresponding obligations.

The Custodian Bank may appoint sub-custodians for instance where the Company invests in markets where the Custodian Bank is not yet active or due to regulatory requirements. The Custodian Bank will ensure that it is satisfied that such sub-custodians are reputable, competent and has sufficient financial resources. The sub-custodians selected by the Custodian Bank generally have a banking licence and are supervised by the competent authorities of their respective jurisdictions.

5. INVESTMENT OBJECTIVES AND POLICIES

The investment objectives and policies of the Company are described in the section headed "INVESTMENT OBJECTIVE AND INVESTMENT POLICY OF THE SUBFUNDS" of the Luxembourg Prospectus and should be read together with the investment objective and policy of the Sub-Funds as described in the same section under the sub-headings "UBS (LUX) KEY SELECTION SICAV – CHINA ALLOCATION OPPORTUNITY (USD)", "UBS (LUX) KEY SELECTION SICAV – DYNAMIC ALPHA (USD)", "UBS (LUX) KEY SELECTION SICAV– EMERGING MARKETS INCOME (USD)", "UBS (LUX) KEY

[1] Commonly referred to in Singapore as a "Singapore Subsidiary Register".

SELECTION SICAV – EUROPEAN GROWTH AND INCOME (EUR)" and "UBS (LUX) KEY SELECTION SICAV – GLOBAL ALLOCATION (EUR)".

For easy reference, part of the investment objectives and policies of the Sub-Funds on offer in Singapore has been extracted from these sections of the Luxembourg Prospectus and is reproduced below. **You should review the full investment objectives and policies as set out in the Luxembourg Prospectus.**

5.1 **Investment objective and general investment policy of the Company**

The aim of the Company is to achieve high growth and/or current earnings, while giving due consideration to capital security and the liquidity of the Company's assets.

Assets of the sub-funds under the Company are invested following the principle of risk diversification and their assets are invested worldwide in equities, other equity-type capital participations such as cooperative shares, dividend-right certificates and profit participation certificates (equities and equity rights), short-term securities, money market instruments, warrants on securities, as well as debt securities and claims. Debt securities and claims include bonds, notes, all types of asset-backed securities, convertible bonds, convertible notes, warrant bonds and all legally permissible assets. In addition, the sub-funds under the Company may invest in American depositary receipts (ADRs), global depositary receipts (GDRs) and structured products linked to equities, such as equity-linked notes.

5.2 **Investment objective and policy of the Sub-Funds**

5.2.1 UBS (Lux) Key Selection SICAV – China Allocation Opportunity (USD)

The objective of the Sub-Fund is to achieve capital growth and generate income by investing in a diversified portfolio with a focus on China.

To achieve this objective, the Sub-Fund invests mainly in equities and equity rights or bonds and claims of companies domiciled or chiefly active in China, in addition to other permissible investments which focus on China. The Sub-Fund may also invest in securities traded on the onshore China securities market. These include Chinese A-shares ("**A-shares**") as well as RMB-denominated fixed-income instruments traded on the Chinese interbank bond market or the exchange-traded bond market ("**Chinese onshore bonds**"). In particular, the Sub-Fund may invest directly or indirectly in A-shares/Chinese onshore bonds through the Renminbi Qualified Foreign Institutional Investors regime, in UCITS or other UCI with exposure to A-shares/Chinese onshore bonds and/or access products such as ETFs. You should note that the Sub-Fund's investment exposure may also include A-shares traded via Shanghai-Hong Kong Stock Connect.

The Sub-Fund may invest in bonds and claims with a low rating, i.e. a rating of BBB (Standard & Poor's) or lower, a comparably low rating from another recognised rating agency or – insofar as a new issue is concerned that does not yet have an official rating or an issue that has no rating at all – a comparably low internal UBS rating. Investments with lower ratings may carry an above-average yield, but also a higher credit risk than investments in securities of first-class borrowers.

The Sub-Fund may make investments denominated in USD and other currencies (including HKD and RMB).

In order to fulfil its investment objective and achieve broad diversification, the Sub-Fund may invest up to 100% of its net assets in UCITS[2] and 30% of its net assets in other UCI[2]. You should refer to the section headed "INVESTMENTS IN UCI AND UCITS" of the Luxembourg Prospectus for details on this method of investment and the associated expenses.

In order to fulfil its investment objective, the Sub-Fund may also invest in all other legally permissible instruments, including structured products, certificates and derivative financial instruments, which can be used for hedging purposes and/or for participating in the anticipated market performance.

Further information on such investments is set out in the section headed "INVESTMENT OBJECTIVE AND INVESTMENT POLICY OF THE SUBFUNDS" of the Luxembourg Prospectus under the sub-heading "UBS (LUX) KEY SELECTION SICAV – CHINA ALLOCATION OPPORTUNITY (USD)".

5.2.2 UBS (Lux) Key Selection SICAV – Dynamic Alpha (USD)

The Sub-Fund invests in line with the above-mentioned investment policy of the Company in order to participate in the growth potential of the global financial markets on a broadly diversified and dynamically-managed basis.

Up to 25% of fund assets may also be invested in the commodities asset class through participation in the performance of commodities indices. In so doing so, that the possibility of physical delivery to the Sub-Fund is excluded at all times. The Portfolio Manager achieves such participation by, for example, entering into swaps on the aforementioned indices.

In addition, the Sub-Fund may invest in stock market-traded investment funds (exchange-traded funds (ETFs)) on commodity indices, which as a rule use the above-mentioned swaps in order to achieve exposure to commodities. The Portfolio Manager may also purchase ETF securities on commodity indices. These are stock market traded securities whose price is coupled to the performance of a commodity index, and which must comply with legally defined criteria. The Sub-Fund may also invest in UCI and UCITS with a focus on commodities, on the condition that these in turn invest exclusively via participation in commodity indices.

A maximum of 20% of the net assets may be invested in bonds with a rating between BBB- and C (Standard & Poor's), a similar rating from another recognised agency or – in so far as new issues are concerned that does not yet have an official rating - a comparable internal UBS rating; however, a maximum of 10% of the net assets may be invested in bonds rated between CCC and C. **Investments rated between BB+ and C may carry an above-average yield, but also a higher credit risk than investments in securities of first-class issuers. The Sub-Fund may be exposed to greater volatility.**

[2] "UCIs" means Undertakings for Collective Investment and "UCITS" means Undertakings for Collective Investment in Transferable Securities constituted under Part I of the Law of 2010.

Investments of the Sub-Fund are made in the currencies deemed best suited for good performance and are actively managed in respect of the currency of account of the Sub-Fund.

To achieve a broad spread (diversification) of all investments in terms of markets, sectors, issuers, ratings and companies, the Sub-Fund may invest up to 10% of its net assets in UCI and UCITS[2] (including ETFs on commodities indices and UCI or UCITS focusing on commodities), provided that the investment policy of the target fund is largely in line with the Sub-Fund's investment policy. You should refer to the section headed "INVESTMENTS IN UCI AND UCITS" of the Luxembourg Prospectus for details on this method of investment and the associated expenses.

5.2.3 UBS (Lux) Key Selection SICAV – Emerging Markets Income (USD)

The objective of the Sub-Fund is the combination of investments in different asset classes with a focus on emerging markets in such a way that the portfolio generates a high income (mainly through e.g. dividends, interest payments, payment streams from derivatives).

To achieve this objective, the Sub-Fund may invest in traditional asset classes such as equities and bonds, as well as, within the legally permissible framework, in non-traditional asset classes focusing for instance on real estate, infrastructure or commodities.

In order to fulfil its investment objective and achieve a broad diversification, the Sub-Fund may invest up to 100% of its net assets in UCITS[2] and 30% of its net assets in other UCI[2]. You should refer to the section headed "INVESTMENTS IN UCI AND UCITS" of the Luxembourg Prospectus for details on this method of investment and the associated expenses.

In order to fulfil its investment objective, the Sub-Fund may also invest in all other legally permissible instruments, including structured products, certificates and derivative financial instruments, which can be used for hedging purposes and/or for participating in the anticipated market performance.

This also applies to those parts of the fund assets that, where applicable, participate in the performance of commodity indices or commodity subindices. In so doing, the possibility of physical delivery to the Sub-Fund is excluded at all times. The Portfolio Manager achieves this participation by, for example, entering into swap transactions on the indices/ subindices.

The Sub-Fund may invest in UCI and UCITS with an investment focus on commodities, including exchange traded funds (ETFs), provided that these invest exclusively in commodities indices and commodities subindices. Where the Sub-Fund participates in the performance of real estate, this primarily takes place through investments in units issued by real estate companies (real estate investment trusts (REITs)), or UCITS or other UCI which invest either directly or indirectly in real estate.

Further information on such investments is set out in the section headed "INVESTMENT OBJECTIVE AND INVESTMENT POLICY OF THE SUBFUNDS" of the Luxembourg Prospectus under the sub-heading "UBS (LUX) KEY SELECTION SICAV – EMERGING MARKETS INCOME (USD)".

The Sub-Fund invests primarily in assets which focus on emerging markets. This means that the Sub-Fund is exposed to specific risks which may be greater than the normal risks inherent in internationally oriented investments.

5.2.4 UBS (Lux) Key Selection SICAV – European Growth and Income (EUR)

The aim of the Sub-Fund is to achieve long-term growth using a diversified portfolio consisting primarily of European equities, bonds and convertible bonds. Investing in high-yield bonds plays a central role in the investment strategy. As a result, a maximum of 75% of the Sub-Fund's investments shall be in debt securities, claims and convertible bonds which have lower ratings, i.e. a maximum rating of BBB (Standard & Poor's), a comparably low rating from another recognised rating agency or – insofar as a new issue is concerned that does not yet have an official rating or an issue that has no rating at all – a comparably low internal UBS rating. Investments with lower ratings may carry an above-average yield, but also a higher credit risk than investments in securities of first-class borrowers. The Sub-Fund may invest a maximum of 40% of its assets in all types of convertible, exchangeable and warrant-linked bonds, including synthetic convertible bonds (combination of derivatives and bonds), worldwide.

In order to fulfil its investment objective and achieve a broad diversification, the Sub-Fund may invest up to 100% of its net assets in UCITS[2] and 30% of its net assets in other UCI[2]. You should refer to the section headed "INVESTMENTS IN UCI AND UCITS" of the Luxembourg Prospectus for details on this method of investment and the associated expenses.

In order to fulfil its investment objective, the Sub-Fund may also invest in all other legally permissible instruments, including structured products, certificates and derivative financial instruments, which can be used for hedging purposes and/or for participating in the anticipated market performance.

In principle, investments made by the Sub-Fund are carried out in EUR. If other currencies are used, then these shall be partially hedged against the currency of account (EUR).

Further information on such investments is set out in the section headed "INVESTMENT OBJECTIVE AND INVESTMENT POLICY OF THE SUBFUNDS" of the Luxembourg Prospectus under the sub-heading "UBS (LUX) KEY SELECTION SICAV – EUROPEAN GROWTH AND INCOME (EUR)".

5.2.5 UBS (Lux) Key Selection SICAV – Global Allocation (EUR)

The aim of the Sub-Fund is to participate on a broadly diversified basis in the growth potential of the global financial markets.

To this end and within the framework of the investment policy described above, this Sub-Fund invests either directly or via existing UCI or UCITS[2].

In so doing, a maximum of 20% of the investments may be made in bonds with a rating between BBB- and C (Standard & Poor's), a similar rating from another recognised agency or – in so far as a new issue is concerned that does not yet have an official rating – a comparable internal UBS rating; however, a maximum of 10% may be invested in bonds rated between CCC and C. **Investments rated between BB+ and C may carry an above-average yield, but also a higher credit risk than investments in securities of first-class issuers. You are expressly informed of this potentially increased risk of loss.**

Investments of the Sub-Fund are made in the currencies deemed best suited for good performance and are actively managed in respect of the currency of account.

To achieve a broad spread (diversification) of all investments in terms of markets, sectors, borrowers, ratings and companies, the Sub-Fund may invest up to 10% of its net assets in UCITS or other UCI[2].

You should refer to the section headed "INVESTMENTS IN UCI AND UCITS" of the Luxembourg Prospectus for details on this method of investment and the associated expenses.

This Sub-Fund may, within the legally permissible framework, also invest in investments which focus on the real estate asset class (e.g. in the form of real estate investment trusts (REITs)).

Up to 25% of the Sub-Fund assets may also be invested in the commodities asset class through participation in the performance of commodities indices. In this, it is ensured at all times that physical delivery to the Sub-Fund is excluded. The Portfolio Manager achieves this participation by, for example, entering into swap transactions on the abovementioned indices. In addition, the Sub-Fund may invest in stock market-traded investment funds (exchange-traded funds (ETFs)) on commodity indices, which as a rule use the above-mentioned swaps in order to achieve exposure to commodities. The Portfolio Manager may also purchase ETF securities on commodity indices. These are stock market-traded securities whose price is coupled to the performance of a commodity index, and which must comply with legally defined criteria. In accordance with the investment restrictions applicable to the Sub-Fund, the Sub-Fund may also invest in existing UCI and UCITS with a focus on commodities, on the condition that these in turn invest exclusively via a participation in commodity indices.

Further information on such investments is set out in the section headed "INVESTMENT OBJECTIVE AND INVESTMENT POLICY OF THE SUBFUNDS" of the Luxembourg Prospectus under the sub-heading "UBS (LUX) KEY SELECTION SICAV – GLOBAL ALLOCATION (EUR)".

No guarantee can be given that the investment objective of any of the Sub-Funds will be achieved.

The Sub-Funds are not capital guaranteed funds. You should consider carefully and understand the risks of investing in each Sub-Fund, which are set out in Paragraph 7 headed "RISK FACTORS" below, before making an investment decision.

5.3 **Profile of a typical investor**

5.3.1 UBS (Lux) Key Selection SICAV – China Allocation Opportunity (USD)

The Sub-Fund is suitable for investors who wish to invest in a diversified portfolio of shares and bonds with a focus on China. These investors have a long-term investment horizon and are willing to accept the risk associated with investments in China.

The Sub-Fund's net asset value is likely to have a high volatility due to its investment policies and portfolio management techniques.

5.3.2 UBS (Lux) Key Selection SICAV – Dynamic Alpha (USD)

The Sub-Fund is suitable for investors with a medium to long-term investment horizon and a medium to high risk tolerance who wish to invest in a globally diversified portfolio, seek to use attractive yield opportunities in every market environment and are prepared to accept the associated risk.

The Sub-Fund may be exposed to greater volatility and is therefore particularly suitable for investors with a long-term orientation.

5.3.3 UBS (Lux) Key Selection SICAV – Emerging Markets Income (USD)

The Sub-Fund is suitable for investors who wish to focus on income generation, while benefitting from a broad diversification across different asset classes with a focus on emerging markets and have a long-term investment horizon and are willing to accept the risk associated with investments in emerging markets.

The Sub-Fund's net asset value may have a high volatility due to its investment policies or portfolio management techniques.

5.3.4 UBS (Lux) Key Selection SICAV – European Growth and Income (EUR)

The Sub-Fund is suitable for risk-conscious investors who wish to invest in a diversified portfolio of equities, bonds and convertible bonds with a focus on Europe and the high-yield bond market and have a long-term investment horizon and are willing to accept the risk associated with investments in equities and high-yield bonds.

The Sub-Fund's net asset value is likely to have a high volatility due to its investment policies and portfolio management techniques.

5.3.5 UBS (Lux) Key Selection SICAV – Global Allocation (EUR)

This Sub-Fund is suitable for investors oriented towards capital gains and seeking to invest in a globally diversified, rounded portfolio with the reference currency listed the Sub-Fund name. You should note that the Sub-Fund is suitable for investors who are prepared to accept moderate to high levels of volatility.

Investments of the Sub-Fund may be subject to substantial fluctuations. The Sub-Fund's net asset value may fluctuate significantly due to its equity exposure, which may be very high, and is also impacted by changes in interest rates given the fixed income holdings. No guarantee can be given

that the net asset value of the Sub-Fund will not fall below its value at the time of acquisition.

You should consult your financial advisers if in doubt whether this product is suitable for you.

5.4 **Investment Principles and Investment Restrictions**

Details on the investments that may be made by the Sub-Funds as well as the investment principles and investment restrictions on such investments are set out in the section headed "INVESTMENT PRINCIPLES" of the Luxembourg Prospectus.

You should note that each Sub-Fund may invest in financial derivative instruments for hedging purposes, for the purpose of efficient portfolio management or investment purposes to the extent permitted under the Luxembourg laws. Underlying investments of a Sub-Fund shall be investments listed under paragraph 1.1 of the section headed "INVESTMENT PRINCIPLES" in the Luxembourg Prospectus.

Investments by the Sub-Funds in financial derivative instruments shall be in accordance with the investment restrictions set out in paragraphs 1.1(g) and 1.3 of the section headed "INVESTMENT PRINCIPLES" under the sub-heading "PERMITTED INVESTMENTS OF THE COMPANY" in the Luxembourg Prospectus.

In addition, the Company may employ the techniques and instruments for each Sub-Fund as described in the section headed "INVESTMENT PRINCIPLES" under the sub-heading "SPECIAL TECHNIQUES AND INSTRUMENTS THAT HAVE SECURITIES AND MONEY MARKET INSTRUMENTS AS UNDERLYING ASSETS" of the Luxembourg Prospectus (which includes details on the securities lending transactions which the Company may engage in).

You should also take note of the sections in the Luxembourg Prospectus headed "USE OF DERIVATIVES", "RISK MANAGEMENT" and "LEVERAGE" (which sets out the global risk calculation method used for the relevant Sub-Fund).

You may obtain supplementary information relating to the risk management methods employed by the Sub-Funds, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments from the Singapore Representative (whose contact details are set out in the Directory of this Singapore Prospectus) upon request.

6. FEES, CHARGES AND EXPENSES

A summary of the fees and charges applicable to the Share Classes on offer is set out below:

Fees and charges payable by you in respect of each Share Class*	
Issuing Commission **(or subscription charge)****	Share Classes with "mdist" in their name: Up to 6% of the gross subscription amount Other Share Classes: Up to 2.500% of the gross subscription amount

Fees and charges payable by you in respect of each Share Class*	
Redemption Commission (or redemption charge)**	Nil
Conversion Commission (or switching fee)**	Up to an amount equalling the amount of the maximum Issuing Commission

*You may have to pay additional fees to the Approved Singapore Distributors depending on the specific nature of services provided to you by the Approved Singapore Distributors. You should check with the Approved Singapore Distributors to confirm the applicable fees and charges (including any additional taxes or commissions, where applicable) incurred in Singapore on the issuance, redemption or conversion of Shares.

** Any Issuing Commission, Redemption Commission and Conversion Commission is currently paid to and retained by the Approved Singapore Distributors. In addition to the Issuing and Redemption Commission, if you request for an in-kind subscription or redemption, you should note that the associated costs of an audit on the investments or payments for such in-kind subscription or redemption will be charged to you. You should refer to the "INVESTING IN UBS (LUX) KEY SELECTION SICAV" section of the Luxembourg Prospectus under the sub-headings "CONDITIONS FOR THE ISSUE AND REDEMPTION OF SHARES", "ISSUE OF SHARES" and "REDEMPTION OF SHARES" for further information.

Fees and charges payable by each Sub-Fund	
Sub-Fund	**Fees and charges payable by Share Classes with "P" in their name**[Note 1]
UBS (Lux) Key Selection SICAV – China Allocation Opportunity (USD)	1.800% (1.440%) p.a.
UBS (Lux) Key Selection SICAV – Dynamic Alpha (USD)	1.920% (1.540%) p.a.
UBS (Lux) Key Selection SICAV – Emerging Markets Income (USD)	2.080% (1.660%) p.a.
UBS (Lux) Key Selection SICAV – European Growth and Income (EUR)	1.700% (1.360%) p.a.
UBS (Lux) Key Selection SICAV – Global Allocation (EUR)	2.040% (1.630%) p.a.

Notes:

1. Flat fee of the Company. The amount in brackets indicates the amount of the maximum management fee, which makes up 80% of the amount of the flat fee. The flat fee will be used for the management, administration, portfolio management and distribution of the Company (if applicable), as well as for all the

tasks of the Custodian Bank. The flat fee does not include certain fees and additional expenses (as disclosed in the "TAXES AND EXPENSES" section of the Luxembourg Prospectus) which will be charged to the Company.

2. You should note that where the Sub-Funds invest in other UCI or UCITS (i.e. the "**target funds**") there may also be charges at the level of the target funds. As the Sub-Funds may invest in the target funds from time to time, all fees and charges incurred by a Sub-Fund in respect of its investment into the target funds are currently not ascertainable. In such a case, the total flat fees chargeable at the level of the Sub-Funds or Share Classes and Company shall amount to not more than 1.00% plus the respective flat fee for the Share Class of the Sub-Fund making the investment. Certain commission payments and expenses may occur more than once when investing in existing funds (for example, commission for the Custodian Bank and the central Administrative Agency, management/advisory fees and issuing/redemption commission of the UCI and/or UCITS in which an investment is made). Such commission payments and expenses are charged at the level of the target fund as well as of the Sub-Funds.

   Where a Sub-Fund invests in units / shares of target funds managed by UBS AG or by a company with which it is associated through common management or control or through a substantial direct or indirect stake, the Sub-Fund making the investment may not be charged any of such target funds' issue or redemption commissions.

   Please note that the actual fees and charges of the target funds in which the Sub-Funds invest may vary and the actual commission charged will be disclosed in the annual and semi-annual reports of the Company.

A more detailed description of the fees and charges payable by the Sub-Funds is set out in the "TAXES AND EXPENSES" section of the Luxembourg Prospectus. You should read this section carefully for further information on the fees and charges payable by the Sub-Funds.

You should also note that if the total subscriptions or redemptions of all the share classes of a Sub-Fund on a single trading day come to a net capital inflow or outflow, the Sub-Fund's net asset value per share may be increased or reduced accordingly (so-called single swing pricing). Swing pricing is meant to reduce the dilution impact on an existing investor's interest in a fund due to the trading costs resulting from subscriptions and redemptions in the fund by other investors. The partial swing pricing applied by the Sub-Funds means that the net asset value would be adjusted only if the swing threshold is exceeded and an existing investor's shareholding may be diluted when net subscriptions or redemptions are below the swing threshold. The maximum adjustment amounts to 2% of the net asset value. Please refer to the fourth paragraph under the section headed "NET ASSET VALUE, ISSUE, REDEMPTION AND CONVERSION PRICE" of the Luxembourg Prospectus for further details on potential adjustments to the net asset value of a Sub-Fund and transaction costs and tax charges. The flat fee of the Company is based on the total net assets of the Company which is calculated without swing pricing.

7. RISK FACTORS

7.1 General

You should consider and understand the risks of investing in any of the Sub-Funds. Investments in the Sub-Fund may go up or down due to changing economic, political or market conditions that impact the share price of the companies that the Sub-Funds invest in. There can be no assurance that the Sub-Funds will achieve their investment objectives. The value of the Shares may rise and fall, as the capital value of the securities in which a Sub-Fund invests may fluctuate and you may not realise the value of your initial investment.

7.2 Risks specific to the Sub-Funds

7.2.1 UBS (Lux) Key Selection SICAV – China Allocation Opportunity (USD)

Due to the political situation and economic and regulatory developments in China, investments with a focus on China may be affected by legal uncertainties or other accompanying factors. The Sub-Fund is exposed to specific risks that may be greater than those normally associated with investments with an international focus; as a result, the Sub-Fund is suitable for risk-conscious investors. Please refer to the sections headed "INVESTING IN EMERGING MARKETS" and "SPECIFIC RISKS WHEN INVESTING IN THE PEOPLE'S REPUBLIC OF CHINA ("PRC")" for a detailed description of the risks connected with an investment in the Sub-Fund. The Sub-Fund is only suitable for investors who are willing to accept these risks.

The Sub-Fund's net asset value is likely to have a high volatility due to its investment policies or portfolio management techniques.

7.2.2 UBS (Lux) Key Selection SICAV – Dynamic Alpha (USD)

Since the Portfolio Manager is aiming for higher returns in the long term with the Sub-Fund, the Sub-Fund may be exposed to greater volatility in its net asset value. The Sub-Fund is therefore suitable particularly for investors with a long-term orientation.

In addition, as the Sub-Fund makes investments in emerging markets, the Sub-Fund may be exposed to risks associated with such investments. Please refer to the section headed "INVESTING IN EMERGING MARKETS" of the Luxembourg Prospectus for further details.

Up to 25% of Sub-Fund assets may be invested in the commodities asset class through participation in the performance of commodities indices. Generally, a portfolio containing commodities is likely to have a higher volatility than a portfolio consisting solely of equities. For this reason, you should note that the Sub-Fund is suitable for investors who are prepared to accept moderate to high levels of volatility.

7.2.3 UBS (Lux) Key Selection SICAV – Emerging Markets Income (USD)

As the Sub-Fund invests primarily in assets which focus on emerging markets, the Sub-Fund is exposed to specific risks which may be greater than the normal risks inherent in internationally orientated investments. Please refer to the section headed “INVESTING IN EMERGING MARKETS” of the Luxembourg Prospectus for further details.

The Sub-Fund’s net asset value may have a high volatility due to its investment policies or portfolio management techniques.

7.2.4 UBS (Lux) Key Selection SICAV – European Growth and Income (EUR)

The aim of this Sub-Fund is to achieve long-term growth using a diversified portfolio consisting primarily of European equities, bonds and convertible bonds. Investing in high-yield bonds plays a central role in the investment strategy of the Sub-Fund. As a result, a maximum of 75% of the Sub-Fund's investments shall be in debt securities, claims and convertible bonds which have lower ratings, i.e. a maximum rating of BBB (Standard & Poor's), a comparably low rating from another recognised rating agency or – insofar as a new issue is concerned that does not yet have an official rating or an issue that has no rating at all – a comparably low internal UBS rating.

The Sub-Fund will be subject to the credit risks of issuers of its bonds. Although investments with lower ratings may carry an above-average yield, such investments may also carry a higher credit risk than investments in securities of first-class borrowers.

The value of the Sub-Fund is impacted by changes in interest rates due to the Sub-Fund’s fixed income holdings and may also fluctuate given the Sub-Fund’s equity exposure. For this reason, a long term investment horizon and corresponding risk tolerance and capacity are required. All investments are subject to market fluctuations. Every fund has specific risks, which can significantly increase under unusual market conditions. The Sub-Fund can use derivatives, which may result in additional risks (particularly counterparty risk).

The Sub-Fund’s net asset value is likely to have a high volatility due to its investment policies and portfolio management techniques.

7.2.5 UBS (Lux) Key Selection SICAV – Global Allocation (EUR)

Investments of the Sub-Fund may be subject to substantial fluctuations.

The Sub-Fund’s net asset value may fluctuate significantly due to its equity exposure, which may be very high, and is also impacted by changes in interest rates given the fixed income holdings. No guarantee can be given that the net asset value of the Sub-Fund will not fall below its value at the time of acquisition.

As the Sub-Fund makes investments in emerging markets, the Sub-Fund may be exposed to risks associated with such investments. Please refer to the section headed “INVESTING IN EMERGING MARKETS” of the Luxembourg Prospectus for further details.

Up to 25% of Sub-Fund assets may be invested in the commodities asset class through participation in the performance of commodities indices. Generally, a portfolio containing commodities is likely to have a higher volatility than a portfolio consisting solely of equities. For this reason, you should note that the Sub-Fund is suitable for investors who are prepared to accept moderate to high levels of volatility.

7.3 **Exchange rate risks**

An investment in the Shares of any Sub-Fund may entail exchange rate risks as: (i) the investments of the Sub-Fund may be denominated in currencies different from that of the currency of account of that Sub-Fund; and (ii) a Share Class may be denominated in a currency different from that of the Sub-Fund.

You should note that the Sub-Funds are not denominated in Singapore Dollars and the Share Classes may not be denominated in Singapore Dollars. With the exception of the SGD hedged Share Classes, the relevant Portfolio Manager currently does not intend to hedge against currency fluctuations between the Singapore Dollar and that of the currency of account of the Sub-Funds and between the Singapore Dollar and that of the currency denomination of the Share Classes. You may therefore be exposed to this exchange rate risk if you reference currency is Singapore Dollars.

You should also note that for Share Classes whose reference currencies are not identical to the currency of account of the Sub-Fund, and which have "hedged" in their name ("**Share Classes in foreign currencies**"), the fluctuation risk of the reference currency price for those Share Classes (SGD in case of "SGD hedged" Share Classes) is hedged against the currency of account of the Sub-Fund. Provision is made for the amount of the hedging to be in principle between 90% and 110% of the total net assets of the Share Class in foreign currency. Changes in the market value of the portfolio, as well as subscriptions and redemptions of Share Classes in foreign currencies, can result in the hedging temporarily surpassing the range mentioned above.

You should also note that the hedging described above has no effect on the currency risks resulting from investments for the account of a Sub-Fund which may be acquired in currencies different from the currency of account of that Sub-Fund.

A Sub-Fund may engage in foreign currency transactions in order to hedge against currency fluctuations between its currency of account and its underlying investments.

In the case of the UBS (Lux) Key Selection SICAV – Global Allocation (EUR), investments of the Sub-Fund are made in the currencies deemed best suited for good performance and are actively managed in respect of the currency of account of the Sub-Fund.

In the case of the UBS (Lux) Key Selection SICAV – European Growth and Income (EUR), in principle, investments made by the Sub-Fund are in EUR. If other currencies are used, then these shall be partially hedged against the currency of account (EUR).

A Sub-Fund's hedging transactions, while potentially reducing the currency risks to which the Sub-Fund would otherwise be exposed, involve certain other risks, including risk of default by a counterparty.

You should also note the specific RMB exchange rate risks associated with an investment into RMB Share Classes as set out in the section headed "SHARE CLASSES" in the Luxembourg Prospectus under the "RMB hedged" section.

7.4 **Risks associated with securities lending**

The Company may lend portions of its securities portfolio to third parties (including related corporations of the Management Company) ("**securities lending**") for the purposes of efficient portfolio management. 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 Board of Directors of the Company has approved instruments of the following asset classes as collateral from securities lending transactions: (i) fixed and variable-rate interest-bearing instruments; and (ii) shares. Not all the revenue from such securities lending transactions will accrue to the Company. The Management Company and the Portfolio Managers may share in the revenue generated. The Management Company and the Portfolio Managers currently do not expect conflicts of interest to arise in relation to such securities lending transactions. However, should any potential conflicts of interest arise, such conflicts of interest will be managed in accordance with Paragraph 16 of this Singapore Prospectus. Further details on the securities lending transactions which the Company may engage in are set out in the section headed "INVESTMENT PRINCIPLES" under the sub-heading "SPECIAL TECHNIQUES AND INSTRUMENTS THAT HAVE SECURITIES AND MONEY MARKET INSTRUMENTS AS UNDERLYING ASSETS" of the Luxembourg Prospectus.

Securities lending involves counterparty risk, including the risk that the lent securities may not be returned or returned in a timely manner and/or at a loss of rights in the collateral if the borrower or the lending agent defaults. This risk is increased when a Sub-Fund's lendings are concentrated with a single or limited number of borrowers. Should the borrower of securities fail to return securities lent by a Sub-Fund, there is a risk that the collateral received may be realised at a value lower than the value of the securities lent out, whether due to inaccurate pricing of the collateral, adverse market movements in the value of the collateral, a deterioration in the credit rating of the issuer of the collateral, or the illiquidity of the market in which the collateral is traded.

7.5 **Liquidity risks associated with the redemption of Shares**

The Sub-Funds are not listed in Singapore and there is no secondary market for the Sub-Funds in Singapore. Therefore, you can only redeem your Shares on Dealing Days by submitting your redemption request as described in Paragraph 10 of this Singapore Prospectus. In addition, if there is an excessively large volume of redemption orders, the Company may decide to delay execution of redemption orders (please refer to Paragraph 10.3 below for further details). The Company may also temporarily suspend redemption of Shares in any Sub-Fund in certain circumstances as described in Paragraph 13 below.

7.6 **Risks associated with the use of financial derivative instruments**

The Sub-Funds use the following approaches in determining their exposure to financial derivatives instruments. The average leverage for each Sub-Fund using the value-at-risk ("**VaR**") approach is expected to be within the range stated in the table below. Leverage is expressed as a ratio between the sum of the notionals and the net asset value of the relevant Sub-Fund. You should note that greater leverage amounts may be attained for all Sub-Funds, under certain circumstances.

Sub-Fund	Global risk calculation method	Expected leverage bandwidth
UBS (Lux) Key Selection SICAV – China Allocation Opportunity (USD)	Commitment approach	N/A
UBS (Lux) Key Selection SICAV – Dynamic Alpha (USD)	Absolute VaR approach	0-5.0
UBS (Lux) Key Selection SICAV – Emerging Markets Income (USD)	Relative VaR approach	0–0.5
UBS (Lux) Key Selection SICAV – European Growth and Income (EUR)	Commitment approach	N/A
UBS (Lux) Key Selection SICAV – Global Allocation (EUR)	Relative VaR approach	0-2.0

You should also refer to the sections headed "RISKS CONNECTED WITH THE USE OF DERIVATIVES", "RISK MANAGEMENT", "LEVERAGE", "USE OF DERIVATIVES" and "COLLATERAL MANAGEMENT" of the Luxembourg Prospectus for details of the risks associated with the use of financial derivative instruments.

7.7 Other risks

Other risks on the Sub-Funds' investments are detailed in the section headed "RISK PROFILE" of the Luxembourg Prospectus and risks that may be specific to a Share Class are detailed in the section headed "SHARE CLASSES" in the Luxembourg Prospectus.

The above should not be considered to be an exhaustive list of the risks which you should consider before investing into any Sub-Fund. You should be aware that an investment in any of the Sub-Funds may be exposed to other risks of an exceptional nature from time to time.

8. SUBSCRIPTION FOR SHARES

8.1 Subscription Procedure

You may purchase Shares through approved Singapore distributors appointed by the Management Company (or its agents) ("**Approved Singapore Distributors**").

Your subscription for Shares should be made on a share order form as may be prescribed by the Company or the relevant Approved Singapore Distributor and sending the order form, together with the payment for the Shares as may be advised by the relevant Approved Singapore Distributor, to any Approved Singapore Distributor.

The Company reserves the right to reject in whole or in part any subscription for Shares or to request further details or evidence of identity from an applicant for, or transferee of, Shares.

At the shareholders' request, the Company may also accept full or partial subscriptions in kind at its own discretion subject to certain terms and conditions as may be imposed by the Company.

Full details on the subscription procedure are set out under the "INVESTING IN UBS (LUX) KEY SELECTION SICAV" section of the Luxembourg Prospectus under the sub-headings "CONDITIONS FOR THE ISSUE AND REDEMPTION OF SHARES" and "ISSUE OF SHARES".

8.2 **Minimum Initial Subscription Amount and Minimum Subsequent Subscription**

While the Company does not currently impose any requirements on minimum initial subscription amount or minimum subsequent subscription amount, Approved Singapore Distributors may impose certain requirements on their clients. You should check with the relevant Approved Singapore Distributor whether any such requirements are imposed.

8.3 **Dealing Deadline and Pricing Basis**

Shares shall be issued on a forward pricing basis. Accordingly, the issue price of Shares shall not be ascertainable at the time of subscription. The issue price of Shares of any Share Class will vary from day to day in line with the net asset value of that Share Class.

You may place orders for subscription through the Approved Singapore Distributors. In order to subscribe for Shares on a Dealing Day[3], a properly completed share order form, together with any relevant supporting documents and subscription monies must be received by the Approved Singapore Distributor before 4.00 p.m. (Singapore time) on a Singapore Dealing Day[4] ("**Singapore Cut Off Time**"). An Approved Singapore Distributor may impose an earlier Singapore Cut Off Time, and you should confirm the applicable Singapore Cut Off Time with the relevant Approved Singapore Distributor.

The Approved Singapore Distributor shall collect all orders it receives on or before the Singapore Cut Off Time and will forward such orders to the Singapore Representative for processing with the Administrative Agent.

Orders received by the Approved Singapore Distributors before the applicable Singapore Cut Off Time will, if accepted by the Administrative Agent prior to the dealing deadline for such Dealing Day, be processed on the following Dealing Day (valuation date) on the basis of the net asset value calculated for that day.

Orders received by the Approved Singapore Distributors after the Singapore Cut Off Time or at any time on a day which is not a Singapore Dealing Day shall be deemed as having been received by the Approved Singapore Distributor before the Singapore Cut Off Time on the next Singapore Dealing Day.

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[3] "**Dealing Day**" means any Business Day. "**Business Day**" means normal bank business days in Luxembourg (i.e. each day on which the banks are open during normal business hours) except individual, non-statutory rest days (i.e. days on which banks and financial institutions are closed) and days on which stock exchanges in the main countries in which the respective Sub-Fund invests are closed, or on which 50% or more of the investments of the Sub-Fund cannot be adequately valued.

[4] "**Singapore Dealing Day**" means a Singapore Business Day which is also a Dealing Day and a "**Singapore Business Day**" means any day other than Saturday or Sunday on which commercial banks in Singapore are generally open for business.

Approved Singapore Distributors may impose additional requirements on supporting documents and payment of cleared funds. You should confirm the applicable dealing procedures with the relevant Approved Singapore Distributor.

The issue price per Share is expressed in the currency denomination of the relevant Share Class and is calculated for each Dealing Day by dividing the overall net assets of the Sub-Fund attributable to the relevant Share Class by the number of Shares in circulation in that Share Class.

Details of determining the net asset value is set out under the section headed "NET ASSET VALUE, ISSUE, REDEMPTION AND CONVERSION PRICE" of the Luxembourg Prospectus (including details on the adjustment of a Sub-Fund's net asset value if the total subscriptions or redemptions of all the share classes of that Sub-Fund on a single trading day come to a net capital inflow or outflow (so-called single swing pricing)).

Fractions of shares can be issued. Fractions of Shares will be expressed with up to a maximum of three decimal places and do not confer the right to vote at general meetings but will grant entitlement to a distribution or a proportionate distribution of the liquidation proceeds should the Sub-Fund or Share Class concerned be liquidated.

8.4 **Numerical Example of How Shares are Allotted**

The following is an illustration of the number of Shares that will be issued based on an initial subscription amount of $1,000, a notional issue price of $100.00 per Share and a notional Issuing Commission of 2.500%. The notional issue price is for illustrative purposes only, and the actual issue price will fluctuate according to the net asset value of the relevant Share Class as well as the applicable Issuing Commission*:

$1,000	-	$25	=	$975	/	$100.00	=	9.75 Shares
Initial Subscription Amount		*Notional Issuing Commission of 2.500%**		*Net Subscription Amount*		*Notional Issue Price*		*Shares Issued*

*The Issuing Commission is currently up to 6% for Share Classes with "mdist" in their name and up to 2.500% for other Share Classes.

8.5 **Trade Confirmations**

A trade confirmation will be sent by the Singapore Representative to the relevant Approved Singapore Distributor, normally two Singapore Business Days following the Singapore Representative's receipt of the Share allocation from the Company. You should contact your Approved Singapore Distributor for the details on when you may expect to receive the trade confirmations confirming ownership of the number of Shares issued to you as the trade confirmation policy may vary amongst the Approved Singapore Distributors. The trade confirmation will provide full details of the transaction.

8.6 **Cancellation of Subscription**

You should note that the Company generally does not offer a right to cancel subscriptions into the Sub-Funds.

9. REGULAR SAVINGS PLAN (RSP)

An Approved Singapore Distributor may, at its discretion, allow you to invest in one or more Share Classes offered in respect of each Sub-Fund by way of a regular savings plan (“**RSP**”).

You should check with the relevant Approved Singapore Distributor on whether any such RSP is offered and the terms and conditions on which such RSP may be offered (including the minimum amount of periodic contributions, when monies will be deducted from your account and when Shares subscribed will be allotted to you each month).

You may cease your participation in the RSP, without suffering any penalty, by giving written notice to the relevant Approved Singapore Distributor as may be required by that Approved Singapore Distributor provided that the required notice period is not longer than the period between your regular subscriptions.

10. REDEMPTION OF SHARES

10.1 Redemption Orders and Redemption Procedure

Shares may be redeemed on any Dealing Day. You must however redeem your Shares via the same Approved Singapore Distributor through whom you originally purchased your Shares. You may therefore only place redemption orders on Singapore Dealing Days.

Your orders for redemption of your Shares should be made on a share redemption form as may be prescribed by the Company or the relevant Approved Singapore Distributor and sending it, together with such documents as may be required by the Company, to the relevant Approved Singapore Distributor before the Singapore Cut Off Time (as set out in Paragraph 8.3 above).

The Company may offer full or partial redemptions in kind at its own discretion. In this case, it must be ensured that even after the capital is redeemed in kind, the remaining portfolio corresponds with the investment policy and restrictions of the relevant Sub-Fund, as well as that the remaining investors in the Sub-Fund are not disadvantaged by the redemption in kind.

Full details on the redemption procedure are set out under the “INVESTING IN UBS (LUX) KEY SELECTION SICAV” section of the Luxembourg Prospectus under the sub-headings “CONDITIONS FOR THE ISSUE AND REDEMPTION OF SHARES” and “REDEMPTION OF SHARES”.

10.2 Minimum Holding Amount and Minimum Redemption Amount

While the Company does not currently impose any requirements on minimum holding amount or minimum redemption amount, Approved Singapore Distributors may impose certain requirements on their clients. You should check with the relevant Approved Singapore Distributor whether any such requirements are imposed.

10.3 Dealing Deadline and Pricing Basis

The redemption price per Share is calculated on a forward pricing basis. Therefore, the redemption price of Shares will not be ascertainable at the time of the redemption request. The redemption price for the Shares is based on the net asset value per Share calculated on each Dealing Day by dividing the net asset value that is attributable to the relevant Share Class by the number of Shares in circulation in that Share Class.

Details of determining the net asset value are set out under the section headed “NET ASSET VALUE, ISSUE, REDEMPTION AND CONVERSION PRICE” of the Luxembourg Prospectus (including details on the adjustment of a Sub-Fund’s net asset value if the total subscriptions or redemptions of all the share classes of that Sub-Fund on a single trading day come to a net capital inflow or outflow (so-called single swing pricing)).

You may place orders to redeem Shares of any Share Class up to the Singapore Cut Off Time (as set out in Paragraph 8.3 above) on any Singapore Dealing Day. An Approved Singapore Distributor may impose an earlier Singapore Cut Off Time, and you should confirm the applicable Singapore Cut Off Time with the relevant Approved Singapore Distributor.

The Approved Singapore Distributor shall collect all orders received prior to the Singapore Cut Off Time and will forward such orders to the Singapore Representative for processing with the Administrative Agent.

Orders received by the Approved Singapore Distributors before the Singapore Cut Off Time will, if accepted by the Administrative Agent prior to the dealing deadline for such Dealing Day, be processed on the following Dealing Day (valuation date) on the basis of the net asset value calculated for that day.

Orders received by the Approved Singapore Distributors after the Singapore Cut Off Time or at any time on a day which is not a Singapore Dealing Day shall be deemed as having been received by the Approved Singapore Distributor before the Singapore Cut Off Time on the next Singapore Dealing Day.

Approved Singapore Distributors may impose additional requirements on supporting documents and timing for payment of redemption proceeds. You should confirm the applicable dealing procedures with the relevant Approved Singapore Distributor.

If there is an excessively large volume of redemption orders, the Company may decide to delay execution of redemption orders until the corresponding assets of the relevant Sub-Fund have been sold without unnecessary delay. Should such a measure be necessary, all redemption orders received on the same day will be calculated at the same price.

10.4 **Numerical Examples of Calculation of Redemption Proceeds**

The following is an illustration of the redemption proceeds payable based on a redemption order for 1,000 Shares and a notional redemption price of (i) $110.00; and (ii) $90.00 per Share. The notional redemption price is for illustrative purposes only, and the actual redemption price will fluctuate according to the net asset value of the relevant Share Class as well as the applicable Redemption Commission*:

1,000 Shares	x	$110.00	=	$110,000.00	-	$0	=	$110,000.00
Redemption request		*Redemption Price*		*Gross Redemption Proceeds*		*Redemption Commission**		*Net Redemption Proceeds*

OR

1,000 Shares	x	$90.00	=	$90,000.00	-	$0	=	$90,000.00
Redemption request		*Redemption Price*		*Gross Redemption Proceeds*		*Redemption Commission**		*Net Redemption Proceeds*

*There is currently no Redemption Commission payable.

10.5 **Payment of Redemption Proceeds**

Redemption proceeds may, in principle, only be received by shareholders in the currency in which the relevant Share Class is denominated. Further details are set out under the "INVESTING IN UBS (LUX) KEY SELECTION SICAV" section of the Luxembourg Prospectus under the sub-heading "REDEMPTION OF SHARES".

Redemption proceeds will normally be paid at the latest on the third Business Day after the order date unless legal provisions, such as foreign exchange controls or restrictions on capital movements, or other circumstances beyond the control of the Custodian Bank make it impossible to transfer redemption proceeds to Singapore.

If you had invested via an Approved Singapore Distributor, your redemption proceeds will normally be paid by the Company to your Approved Singapore Distributor. You will receive your redemption proceeds from your Approved Singapore Distributor in accordance with such instructions as agreed between you and your Approved Singapore Distributor. You should contact your Approved Singapore Distributor for further details (including the period within which the redemption proceeds will be paid out to you by the Approved Singapore Distributor) as the payment policy amongst the Approved Singapore Distributors may vary. The cost of any settlement by telegraphic transfer may be passed on to you.

10.6 **Compulsory Redemptions**

If the value of a Share Class in relation to the total net asset value of a Sub-Fund has fallen below or not reached a level that the Board of Directors of the Company has fixed as the minimum level for the economically efficient management of a Share Class, the Board of Directors of the Company may decide that all Shares of this Class are to be redeemed, upon payment of the redemption price, on a business day determined by the Board. Investors of the Share Class/Sub-Fund concerned shall not have to bear any additional costs or other financial burdens as a result of this redemption. Where applicable, the single swing pricing principle described in the "NET ASSET VALUE, ISSUE, REDEMPTION AND CONVERSION PRICE" section of the Luxembourg Prospectus shall apply.

Please also refer to the "INVESTING IN UBS (LUX) KEY SELECTION SICAV" section of the Luxembourg Prospectus under the sub-heading "SUSPENSION OF THE NET ASSET VALUE CALCULATION AND OF THE ISSUE, REDEMPTION AND CONVERSION OF SHARES" for information on powers of the Company to redeem Shares at any time as well as to request that a shareholder returns, transfers or converts his Shares if such shareholder no longer meets the requirements of a Share Class.

11. CONVERSION OF SHARES[5]

With the exception of Share Classes denominated in RMB, you may convert your Shares from one Sub-Fund into another or from one Share Class into another Share Class within the same Sub-Fund, which shall be subject to payment of a Conversion Commission, if any (as set out in Paragraph 6 above). Conversion of Share Classes denominated in RMB is only possible between the Sub-Funds or Share Classes of which the currency of account or the reference currency is RMB.

The same procedures apply to the submission of conversion orders as to the issue and redemption of Shares.

You should note in addition that, as a condition of your conversions, the new sub-fund or share class subscribed into as a result of the conversion must be available to you for subscription.

Further details on conversion procedures are set out under the "INVESTING IN UBS (LUX) KEY SELECTION SICAV" section of the Luxembourg Prospectus under the sub-heading "CONVERSION OF SHARES".

12. OBTAINING PRICE INFORMATION IN SINGAPORE

The indicative issue prices and redemption prices of the Shares are normally published in Singapore on the Singapore Representative's website at http://www.ubs.com/sg/en/asset_management/wholesale.html and in The Business Times' website at http://www.btinvest.com.sg/markets/stock_prices within two Singapore Business Days immediately succeeding each Dealing Day. The indicative issue prices and redemption prices are also normally published in Singapore in The Straits Times on a weekly basis based on the last available price calculated for a Dealing Day.

You should note that the frequency of the publication of the prices is dependent on the publication policies of the newspaper publisher concerned. The Company, the Management Company, the Portfolio Managers and the Singapore Representative do not accept any responsibility for any errors on the part of the newspaper publishers concerned in the prices published by such publisher or for any non-publication or late publication of prices by such publisher.

Please refer to the provisions under the "INFORMATION TO SHAREHOLDERS" section of the Luxembourg Prospectus under the sub-heading "REGULAR REPORTS AND PUBLICATIONS" for other sources of price information.

[5] More commonly referred to in Singapore as "switching".

13. TEMPORARY SUSPENSION OF THE CALCULATION OF THE NET ASSET VALUE AND ISSUE, REDEMPTION AND CONVERSION OF SHARES

The Company may temporarily suspend the calculation of the net asset value and hence the issue and redemption of Shares for one or more Sub-Funds, as well as the conversion between individual Sub-Funds on one or more business days in the circumstances described in the "INVESTING IN UBS (LUX) KEY SELECTION SICAV" section of the Luxembourg Prospectus under the sub-heading "SUSPENSION OF THE NET ASSET VALUE CALCULATION AND OF THE ISSUE, REDEMPTION AND CONVERSION OF SHARES".

Please also refer to this section of the Luxembourg Prospectus for information on powers of the Company to refuse subscription orders, to redeem Shares at any time as well as to request that a shareholder returns, transfers or converts his Shares if such shareholder no longer meets the requirements of a Share Class.

14. PERFORMANCE OF THE SUB-FUNDS

14.1 Performance of the Sub-Funds (as at 31 March 2016)[6]

Sub-Fund / Share Class (in %)	One-Year	Three-Year	Five-Year	Ten-Year	Since Inception
	(average compounded return)				
Dynamic Alpha (USD)*					
P-acc (Date of inception: 24 June 2005)					
Gross of costs and commissions*	-12.43%	-1.07%	1.51%	0.68%	1.32%
Net of costs and commissions **	-14.62%	-1.90%	1.00%	0.42%	1.08%
(CHF hedged) P-acc (Date of inception: 26 November 2012)					
Gross of costs and commissions*	-13.45%	-1.67%	N.A.	N.A.	-0.53%
Net of costs and commissions **	-15.62%	-2.50%	N.A.	N.A.	-1.26%

[6] Source: UBS AG. The performance of each of the Share Classes is calculated on a single pricing basis, with dividends being reinvested net of all charges payable upon reinvestment and in the respective currency denomination.

Sub-Fund / Share Class (in %)	One-Year	Three-Year	Five-Year	Ten-Year	Since Inception
	(average compounded return)				
(EUR hedged) P-acc (Date of inception: 26 November 2012)					
Gross of costs and commissions*	-12.65%	-1.15%	N.A.	N.A.	-0.05%
Net of costs and commissions **	-14.84%	-1.98%	N.A.	N.A.	-0.80%
Global Allocation (EUR)**					
P-acc (Date of inception: 24 September 2004)					
Gross of costs and commissions*	-9.70%	2.55%	2.89%	0.71%	2.04%
Net of costs and commissions**	-11.96%	1.68%	2.37%	0.45%	1.82%
(SGD hedged) P-acc (Date of inception: 30 March 2007)					
Gross of costs and commissions*	-9.07%	2.95%	3.13%	N.A.	-0.08%
Net of costs and commissions**	-11.34%	2.09%	2.61%	N.A.	-0.35%
(CAD hedged) P-acc (Date of inception: 3 June 2005)					
Gross of costs and commissions*	-9.84%	3.07%	3.44%	0.54%	1.39%
Net of costs and commissions**	-12.09%	2.21%	2.92%	0.29%	1.16%
(GBP hedged) P-acc (Date of inception: 13 December 2011)					
Gross of costs and commissions*	-9.62%	2.77%	N.A.	N.A.	6.14%
Net of costs and commissions**	-11.88%	1.90%	N.A.	N.A.	5.53%

Sub-Fund / Share Class (in %)	One-Year	Three-Year	Five-Year	Ten-Year	Since Inception
	(average compounded return)				
Emerging Markets Income (USD)****					
P-acc (Date of inception: 15 March 2013)					
Gross of costs and commissions*	-6.34%	-3.94%	N.A.	N.A.	-3.69%
Net of costs and commissions**	-8.68%	-4.75%	N.A.	N.A.	-4.48%
P-dist (Date of inception: 15 March 2013)					
Gross of costs and commissions*	-6.33%	-3.94%	N.A.	N.A.	-3.69%
Net of costs and commissions**	-8.68%	-4.74%	N.A.	N.A.	-4.47%
P-mdist (Date of inception: 15 March 2013)					
Gross of costs and commissions*	-6.34%	- 3.94%	N.A.	N.A.	-3.69%
Net of costs and commissions**	-11.96%	-5.90%	N.A.	N.A.	-5.60%
(AUD hedged) P-mdist (Date of inception: 17 June 2013)					
Gross of costs and commissions*	-5.32%	N.A.	N.A.	N.A.	-1.16%
Net of costs and commissions**	-11.00%	N.A.	N.A.	N.A.	-3.29%
(EUR hedged) P-acc (Date of inception: 15 March 2013)					
Gross of costs and commissions*	-6.73%	-4.19%	N.A.	N.A.	-3.94%
Net of costs and commissions**	-9.06%	-5.00%	N.A.	N.A.	-4.73%

Sub-Fund / Share Class (in %)	One-Year	Three-Year	Five-Year	Ten-Year	Since Inception
	(average compounded return)				
(EUR hedged) P-dist (Date of inception: 15 March 2013)					
Gross of costs and commissions*	-6.72%	-4.19%	N.A.	N.A.	-3.94%
Net of costs and commissions**	-9.05%	-4.99%	N.A.	N.A.	-4.72%
(SGD hedged) P-mdist (Date of inception: 15 March 2013)					
Gross of costs and commissions*	-6.01%	-3.85	N.A.	N.A.	-3.60%
Net of costs and commissions**	-11.65%	-5.81%	N.A.	N.A.	-5.51%
(HKD) P-mdist (Date of inception: 15 March 2013)					
Gross of costs and commissions*	-6.29%	-3.96%	N.A.	N.A.	-3.70%
Net of costs and commissions**	-11.91%	-5.92%	N.A.	N.A.	-5.61%
European Growth and Income (EUR)****					
P-acc (Date of inception: 31 March 2014)					
Gross of costs and commissions*	-4.97%	N.A.	N.A.	N.A.	3.10%
Net of costs and commissions **	-7.35%	N.A.	N.A.	N.A.	1.82%
P-8%-mdist (Date of inception: 31 March 2014)					
Gross of costs and commissions*	-4.98%	N.A.	N.A.	N.A.	3.09%
Net of costs and commissions **	-10.68%	N.A.	N.A.	N.A.	-0.01%

Sub-Fund / Share Class (in %)	One-Year	Three-Year	Five-Year	Ten-Year	Since Inception
	(average compounded return)				
(USD hedged) P-acc (Date of inception: 31 March 2014)					
Gross of costs and commissions*	-5.00%	N.A.	N.A.	N.A.	2.90%
Net of costs and commissions **	-7.38%	N.A.	N.A.	N.A.	1.62%
(USD hedged) P-mdist (Date of inception: 22 August 2014)					
Gross of costs and commissions*	-5.02%	N.A.	N.A.	N.A.	2.07%
Net of costs and commissions **	-10.72%	N.A.	N.A.	N.A.	-1.73%
(USD hedged) P-8%-mdist (Date of inception: 31 March 2014)					
Gross of costs and commissions*	-5.00%	N.A.	N.A.	N.A.	2.88%
Net of costs and commissions **	-10.70%	N.A.	N.A.	N.A.	-0.21%
(SGD hedged) P-acc (Date of inception: 7 April 2014)					
Gross of costs and commissions*	-4.08%	N.A.	N.A.	N.A.	3.46%
Net of costs and commissions **	-6.47%	N.A.	N.A.	N.A.	2.17%
(SGD hedged) P-mdist (Date of inception: 22 August 2014)					
Gross of costs and commissions*	-4.08%	N.A.	N.A.	N.A.	2.90%
Net of costs and commissions **	-9.83%	N.A.	N.A.	N.A.	-0.93%

Sub-Fund / Share Class (in %)	**One-Year**	**Three-Year**	**Five-Year**	**Ten-Year**	**Since Inception**
	(average compounded return)				
(SGD hedged) P-8%-mdist (Date of inception: 31 March 2014)					
Gross of costs and commissions*	-4.09%	N.A.	N.A.	N.A.	-66.69%
Net of costs and commissions **	-9.85%	N.A.	N.A.	N.A.	-67.69%
(RMB hedged) P-8%-mdist (Date of inception: 31 March 2014)					
Gross of costs and commissions*	-1.57%	N.A.	N.A.	N.A.	6.09%
Net of costs and commissions **	-7.48%	N.A.	N.A.	N.A.	2.91%
(HKD hedged) P-8%-mdist (Date of inception: 31 March 2014)					
Gross of costs and commissions*	-5.13%	N.A.	N.A.	N.A.	2.79%
Net of costs and commissions **	-10.82%	N.A.	N.A.	N.A.	-0.30%
(GBP hedged) P-8%-mdist (Date of inception: 6 November 2014)					
Gross of costs and commissions*	-4.81%	N.A.	N.A.	N.A.	2.54%
Net of costs and commissions **	-10.53%	N.A.	N.A.	N.A.	-1.84%

* *"Gross of costs and commissions" means not taking into account any costs and commissions charged when subscribing and realising shares.*

** *"Net of costs and commissions" means taking into account such costs and commissions charged when subscribing and realising shares (and calculated based on an issuing commission of 6% in respect of Share Classes with "mdist" in their names and 2.500% in respect of other Share Classes and nil redemption charge).*

*** Due to the nature of the UBS (Lux) Key Selection SICAV - Dynamic Alpha (USD) being managed as an absolute return fund, no representative benchmark for this Sub-Fund or its Share Classes are available.

**** As the UBS (Lux) Key Selection SICAV – Global Allocation (EUR) is managed as an evolutionary strategy designed to reflect the capital markets in which it invests and in light of the ever changing capital markets, there is no representative benchmark for the UBS (Lux) Key Selection SICAV – Global Allocation (EUR) given the evolutionary nature of this Sub-Fund. The Global Securities Markets Index (GSMI), an unmanaged index complied by UBS Asset Management, is used by the Portfolio Manager as an internal reference index only.

***** There is no benchmark for the UBS (Lux) Key Selection SICAV – Emerging Markets Income (USD) due to its dynamic nature and focus on income generation as no static representative benchmark is considered to be reflective of the Sub-Fund’s investment strategy.

****** Due to the nature of the UBS (Lux) Key Selection SICAV – European Growth and Income (EUR) being managed as an allocation fund which is invested in several asset classes, no representative benchmark for this Sub-Fund or its Share Classes is considered to be reflective of the Sub-Fund's investment strategy.

Notes:

1. The Sub-Funds’ performance is calculated based on the published net asset value which may be partially swung. The use of swung prices to calculate performance returns may increase the variability of a Sub-Fund’s returns.
2. You should note that apart from the underlying investments of the Sub-Funds, the returns of a Sub-Fund may be influenced by the level of subscription or redemption activity which may result in the application of swing pricing.

Any past performance of the Share Classes is not necessarily indicative of their future performance.

As the earliest incepted Share Classes of the UBS (Lux) Key Selection SICAV – China Allocation Opportunity (USD), namely the P-acc, P-mdist, (SGD hedged) P-mdist, (SGD hedged) P-6%-mdist, (SGD) P-6%-mdist and (HKD) P-6%-mdist and (RMB hedged) P-6%-mdist, were only incepted on 8 June 2015, a track record of at least one year in respect of available Share Classes for the UBS (Lux) Key Selection SICAV – China Allocation Opportunity (USD) is not available as at 31 March 2016. Due to the nature of the UBS (Lux) Key Selection SICAV – China Allocation Opportunity (USD) being managed as an allocation fund which is invested in several asset classes, no benchmark has been assigned to this Sub-Fund or its Share Classes as there is no representative benchmark considered to be reflective of the Sub-Fund's investment strategy.

Other Share Classes available for subscription in Singapore as listed or described in Paragraph 2 above for which performance figures have not been provided in the above table have either not been incepted or have been incepted for less than one year as at the date of this Singapore Prospectus. A track record of at least one year is therefore not available in respect of such Share Classes as at the date of this Singapore Prospectus.

14.2 Expense Ratios and Turnover Ratios

The expense ratios of the Share Classes and the turnover ratios of the Sub-Funds based on the latest audited accounts issued as at the date of this Singapore Prospectus (for the financial period ended 30 September 2015) are as follows:

Sub-Fund	Share Class	Expense Ratio	Turnover Ratio
China Allocation Opportunity (USD)	P-acc	2.00%*	-24.69%
	P-mdist	1.99%*	
	P-6%-mdist	2.00%*	
	(SGD hedged) P-mdist	2.00%*	
	(SGD hedged) P-6%-mdist	1.99%*	
	(AUD hedged) P-6%-mdist	1.97%*	
	(HKD) P-6%-mdist	1.96%*	
	(RMB hedged) P-6%-mdist	2.00%*	
Dynamic Alpha (USD)	P-acc	1.97%	76.55%
	(CHF hedged) P-acc	1.96%	
	(EUR hedged) P-acc	1.98%	
Emerging Markets Income (USD)	P-acc	2.23%	79.13%
	P-dist	2.24%	
	P-mdist	2.23%	
	(AUD hedged) P-mdist	2.24%	

Sub-Fund	Share Class	Expense Ratio	Turnover Ratio
	(EUR hedged) P-acc	2.23%	
	(EUR hedged) P-dist	2.23%	
	(SGD hedged) P-mdist	2.24%	
	(HKD) P-mdist	2.23%	
European Growth and Income (EUR)	P-acc	1.73%	-6.60%
	P-8%-mdist	1.74%	
	(USD hedged) P-acc	1.74%	
	(USD hedged) P-mdist	1.72%	
	(USD hedged) P-8%-mdist	1.73%	
	(SGD hedged) P-acc	1.73%	
	(SGD hedged) P-mdist	1.73%	
	(SGD hedged) P-8%-mdist	1.73%	
	(AUD hedged) P-8%-mdist	1.73%	
	(RMB hedged) P-8%-mdist	1.73%	
	(HKD hedged) P-8%-mdist	1.73%	

Sub-Fund	Share Class	Expense Ratio	Turnover Ratio
Global Allocation (EUR)	P-acc	2.09%	55.21%
	(SGD hedged) P-acc	2.09%	
	(CAD hedged) P-acc	2.10%	
	(GBP hedged) P-acc	2.09%	

*Annualised.

Share Classes available for subscription in Singapore as listed or described in Paragraph 2 above for which expense ratios have not been provided in the above table have either not been incepted or have been incepted after 30 September 2015, therefore, expense ratios for such Share Classes based on the Company's latest audited accounts are not available.

Notes:

1. The expense ratios are calculated in accordance with the requirements in the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios (the "**IMAS Guidelines**") and based on figures in the Company's latest audited accounts as at the date of this Singapore Prospectus. The following expenses, and such other expenses as may be set out in the IMAS Guidelines (as may be updated from time to time), are excluded from the calculation of the expense ratio:

   (a) brokerage and other transaction costs associated with the purchase and sales of investments (such as registrar charges and remittance fees);

   (b) interest expenses;

   (c) foreign exchange gains and losses of the Share Class, whether realised or unrealised;

   (d) front-end loads, back-end loads and other costs arising on the purchase or sale of a foreign unit trust or mutual fund;

   (e) tax deducted at source or arising from income received, including withholding tax; and

   (f) dividends and other distributions paid to shareholders.

2. The turnover ratio is calculated based on the lesser of purchases or sales of underlying investments expressed as a percentage of daily average net asset value.

15. SOFT DOLLAR COMMISSIONS / ARRANGEMENTS

As at the date of this Singapore Prospectus, the Management Company, Portfolio Managers or managers of target funds (as defined in Paragraph 6 above) into which a Sub-Fund invests more than 10% of its asset value or persons who executes trades for such target funds do not receive or enter into soft-dollar commissions/arrangements in respect of the Sub-Funds or such target funds. Neither the Portfolio Managers nor any of their associates receive cash or other rebates from brokers and dealers (whether or not they are members of the UBS Group) in respect of transactions executed for the Company and the Sub-Funds.

16. POTENTIAL CONFLICT OF INTERESTS

The Management Company, the Portfolio Managers and Custodian Bank and main paying agent, and the managers of related target funds, are all part of the UBS Group. The Directors of the Company acknowledge that by virtue of the functions which each subsidiary will perform in connection with the Company, potential conflicts of interest are likely to arise. In such circumstances, each subsidiary has undertaken to use its reasonable endeavours to resolve any such conflicts of interest fairly (having regard to its respective obligations and duties) and to ensure that the interests of the Sub-Funds and the shareholders are not unfairly prejudiced and shall act on arm's length basis. The Directors of the Company believe that the UBS Group is suitable and competent to perform such functions. Further information is set out under the section headed "MANAGEMENT COMPANY" in the Luxembourg Prospectus.

17. REPORTS

The financial year end for the Company is 30 September.

The annual report (which contains the audited annual accounts) is published within four months after the end of the financial year and the semi-annual report (which contains the semi-annual accounts) is published within two months after the end of the period to which it is made up and may be sent to shareholders in accordance with applicable Luxembourg laws.

Further details on the annual report and semi-annual report are set out under the "INFORMATION TO SHAREHOLDERS" section of the Luxembourg Prospectus under the sub-heading "REGULAR REPORTS AND PUBLICATIONS".

You may inspect a copy of all these reports at the operating office of the Singapore Representative during normal Singapore business hours.

18. OTHER MATERIAL INFORMATION

18.1 Distribution Policy of the Sub-Funds

Please refer to the section headed "DISTRIBUTIONS" of the Luxembourg Prospectus for information on how distributions on the Shares are determined and made.

Distributions may be composed of income (e.g. dividend income and interest income), capital and capital gains and they may include or exclude fees and expenses. Any distribution results in an immediate decrease in the net asset value per share of a Sub-

Fund.

You should note that the Share Classes with “-acc” in their name are accumulating Share Classes and therefore there is no intention to pay any distributions on such Share Classes.

18.2 **Tax Considerations**

You should be aware that you may be required to pay income tax, withholding tax, capital gains tax, wealth tax, stamp taxes or other kind of tax on distributions or deemed distributions of the Sub-Funds, capital gains within the Sub-Funds, whether or not realised, income received or accrued or deemed received within the Sub-Funds. *Please note that the information provided herein is not exhaustive and does not constitute tax or legal advice. You should consult your own independent tax advisors if you are in doubt of your tax position.*

18.2.1 **Certain Singapore Tax Considerations**

The following is a summary of certain Singapore income tax consequences to the investors in the Sub-Funds who are tax resident in Singapore. The discussion does not purport to be a comprehensive description of all possible Singapore tax consequences to purchasers or owners of Shares in the Sub-Funds in all circumstances. The discussion below is general in nature and is based upon applicable laws of Singapore, all as in effect on the date of this Singapore Prospectus and all of which are subject to changes or differing interpretation (possibly with a retrospective effect). You are urged to consult your own tax advisors as to all Singapore income and other tax consequences of acquiring, holding or disposing of Shares of any of the Sub-Funds.

Singapore adopts a quasi-territorial system of taxation whereby tax is assessed on income accruing in or derived from Singapore, or income received (or deemed to be received) in Singapore from sources outside Singapore, subject to certain exemptions. Singapore income tax is only imposed on income. There is no capital gains tax in Singapore.

Individuals who are tax resident in Singapore will be exempt from Singapore tax on all foreign-sourced income received in Singapore on or after 1 January 2004, other than income received through a partnership in Singapore. Accordingly, individual investors should generally be exempt from Singapore tax on income distributions received from any of the Sub-Funds (assuming that such Sub-Fund’s investment income being distributed is not itself Singapore-sourced). You should note that income distributions from the Sub-Funds may be treated as Singapore-sourced income in the hands of an investor where the distributions constitute gains or profits from a trade or business carried on by the investor in Singapore.

You should also note that the above exemption extends to resident individuals only and not to corporates or other persons or entities. Corporates or other bodies of persons who are tax resident in Singapore will be taxed on the income distributions received from any of the Sub-Funds at the applicable corporate tax rates. There are certain exemptions available to Singapore-resident persons (excluding individuals) on certain foreign-sourced income received by them, subject to certain conditions being met.

Singapore currently does not impose tax on capital gains. In general, gains from the disposal of the Shares in any of the Sub-Funds may be construed to be of an income nature and subject to Singapore income tax if they arise from activities which are regarded as the carrying on of a trade or business in Singapore.

In addition, investors who apply, or who are required to apply, the Singapore Financial Reporting Standard 39 - Financial Instruments: Recognition and Measurement ("**FRS 39**") for the purposes of Singapore income tax may be required to recognise gains or losses (not being gains or losses in the nature of capital) in accordance with the provisions of FRS 39 (as modified by the applicable provisions of Singapore income tax law) even though no sale or disposal of Shares in any of the Sub-Funds is made.

18.2.2 Other Tax Considerations

Please refer to the "TAXES AND EXPENSES" section of the Luxembourg Prospectus for a summary of other tax considerations in relation to the Company and the Sub-Funds.

18.3 Liquidation of the Company and the Sub-Funds and merging of Sub-Funds

The Company may be liquidated at any time by the general meeting of shareholders. If the total net assets of the Company fall below two-thirds or one-quarter of the prescribed minimum capital (being EUR 1,250,000 as of the date of this Singapore Prospectus), the Board of Directors of the Company must ask for a vote by the general meeting of shareholders on whether to liquidate the Company.

If the total net asset value of a Sub-Fund or of a Share Class within a Sub-Fund has fallen below a value or has not reached that value, which is required for the economically efficient management of that Sub-Fund or that Share Class, or if there is a substantial change in the political, economic and monetary environment, or as part of a rationalisation, the general meeting of shareholders or the Board of Directors of the Company may decide to redeem all Shares of the corresponding Share Class(es) at the net asset value (taking into account the actual realisation prices and realisation cost of the investment) as at the valuation day or date on which the decision takes effect.

Please refer to the "LIQUIDATION OF THE COMPANY AND ITS SUBFUNDS; MERGER OF SUBFUNDS" section of the Luxembourg Prospectus for further details on the liquidation process. Information on the powers of the Directors of the Company to merge Sub-Funds or a Sub-Fund with another undertaking for collective investment as well as on the general meeting of shareholders for the liquidation and merger of Sub-Funds may also be found in that section.

19. QUERIES AND COMPLAINTS

You may contact the Singapore Representative at +65-6495 5333 or at its operating office during normal Singapore business hours to raise any queries or complaints regarding the Company or any Sub-Fund.

Signed:

Signed by **Glen Lee**
for and on behalf of
Robert Süttinger
Member of the Board of Directors

Signed:

Signed by **Glen Lee**
for and on behalf of
Michael Kehl
Member of the Board of Directors

Signed:

Signed by **Glen Lee**
for and on behalf of
Thomas Portmann
Member of the Board of Directors

Signed:

Signed by **Glen Lee**
for and on behalf of
Kai Gammelin
Member of the Board of Directors

UBS (Lux) Key Selection SICAV

Investment company under Luxembourg law (the "Company")

January 2016

Sales Prospectus

Shares in the Company may be acquired on the basis of this sales prospectus, the Company's Articles of Incorporation, the latest annual report and, if already published, the subsequent semi-annual report.
Only the information contained in the sales prospectus and the aforementioned documents shall be deemed to be valid.
Furthermore, a Key Investor Information (**KII**) document is made available to investors before subscribing to shares. Information on whether a Subfund of the Company is listed on the Luxembourg Stock Exchange can be obtained from the Administrative Agent or the Luxembourg Stock Exchange website (www.bourse.lu).
The issue and redemption of Company shares are subject to the regulations prevailing in the country concerned. The Company keeps all investor information confidential, unless otherwise required by statutory or regulatory provisions.
Shares in this Company may not be offered, sold or delivered within the United States.
Shares in this Company may not be offered, sold or delivered to citizens of the USA or persons resident in the USA and/or other natural or legal persons whose income and/or returns, regardless of origin, are subject to US income tax, as well as persons who are considered to be US persons pursuant to Regulation S of the US Securities Act of 1933 and/or the US Commodity Exchange Act, each as amended.

Management and administration

Registered office
33A avenue J.F. Kennedy, L-1855 Luxembourg, B.P. 91, L-2010 Luxembourg

Board of Directors of the Company

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

Management Company
UBS Fund Management (Luxembourg) S.A., R.C.S. Luxembourg 154.210 (the "**Management Company**").
The Management Company was established as a public-limited company in Luxembourg for an unlimited duration on 1 July 2010. Its registered office is located at 33A avenue J.F. Kennedy, L-1855 Luxembourg. The Articles of Association of the Management Company were published on 16 August 2010 by way of a notice of deposit in the "*Mémorial, Recueil des Sociétés et Associations*" (the "**Mémorial**").
The consolidated version is deposited at the Trade and Companies Register (*Registre de Commerce et des Sociétés*) in Luxembourg for inspection. One of the purposes of the Management Company is to manage undertakings for collective investment under Luxembourg law and to issue/redeem units in these products. In addition to this Company, the Management Company currently manages other undertakings for collective investment as well**.** The Management Company has fully paid-up equity capital of EUR 13,000,000.

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

strategy for handling conflicts of interest, which includes the following:

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

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

Board of Directors of the Management Company

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

Executive Board of the Management Company

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

Portfolio Manager

UBS (Lux) Key Selection SICAV -

Emerging Markets Income (USD) European Equities (EUR) Global Allocation (EUR) Global Allocation (USD) Global Allocation (CHF) Global Allocation Focus Europe (EUR) Smart Allocator (USD) Dual Alpha (USD)	UBS AG, UBS Asset Management, Basel and Zurich, which may delegate these duties to any unit worldwide within the UBS Group. Detailed information on the relevant Portfolio Manager is available at the registered office of the Company.

Dynamic Alpha (USD)	
Asian Equities (USD)	UBS Asset Management (Singapore) Ltd., Singapore
Global Equities (USD) Multi Asset Income (USD) Emerging Markets Allocation (USD) Commodity Strategy (USD) European Growth and Income (EUR) Global Multi Income (USD)	UBS Asset Management (UK) Ltd., London
Global Alpha Opportunities (EUR)	UBS Hedge Fund Solutions LLC, Stamford (USA)
China Allocation Opportunity (USD)	UBS Asset Management (Hong Kong) Limited, Hong Kong
Asian Global Strategy Balanced (USD)	• UBS AG, UBS Asset Management, Basel and Zurich • UBS Switzerland AG, Zurich (as of 1 January 2016)

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

The Management Company has assigned the portfolio management of the Subfund UBS (Lux) Key Selection SICAV - Asian Global Strategy Balanced (USD) to UBS AG, UBS Asset Management, Basel and Zurich, as well as UBS Switzerland AG; this shall be effective **as of 1 January 2016**.
UBS Switzerland AG will assume the tasks of allocating assets and preselecting investment strategies. UBS AG, UBS Asset Management is responsible for selecting investment instruments, makes investment decisions and carries out all relevant transactions while adhering to the prescribed investment restrictions.

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

Custodian Bank and main paying agent
Pursuant to the Custodian Bank and Paying Agency Agreement entered into with UBS (Luxembourg) S.A., a joint-stock company (*société anonyme*) with its registered office at 33A, avenue J.F. Kennedy, L-1855 Luxembourg (the "**Custodian Bank**"), the Company has appointed the Custodian Bank as Custodian Bank and main paying agent of the Company.
The Custodian Bank fulfils its obligations and assumes the responsibilities arising from the Law of 17 December 2010 on undertakings for collective investment (the "Law of 2010") and the custodian bank agreement (the "**Custodian Bank Agreement**"), as amended. Pursuant to the Law of 2010 and the Custodian Bank Agreement, the Custodian Bank is responsible for (i) the general supervision of all Company assets and (ii) the safekeeping of the Company assets entrusted to the Custodian Bank and held by the Custodian Bank or in its name and (iii) administrative activities in connection with the corresponding obligations.

Administrative Agent
UBS Fund Services (Luxembourg) S.A., 33A avenue J.F.Kennedy, L-1855 Luxembourg, (B.P. 91, L-2010 Luxembourg).
As the Administrative Agent, UBS Fund Services (Luxembourg) S.A. is responsible for the general administrative duties involved in managing the Company and prescribed by Luxembourg law. These administrative services mainly include the calculation of the net asset value per share and the keeping of the Company's accounts, as well as reporting.

Auditor of the Company
Ernst & Young S.A., 7, rue Gabriel Lippmann – Parc d'Activité Syrdall 2, L-5365 Munsbach.

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

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

Profile of the typical investor

UBS (Lux) Key Selection SICAV – Asian Equities (USD)
This Subfund is suitable for investors who have a long-term investment horizon and wish to invest in a broadly diversified portfolio of Asian equities and equity rights.

UBS (Lux) Key Selection SICAV – European Equities (EUR)
This Subfund is suitable for investors who have a long-term investment horizon and wish to invest in a broadly diversified portfolio of European equities and equity rights, as well as debt securities and claims.

UBS (Lux) Key Selection SICAV – Global **Equities (USD)**
This Subfund is suitable for investors who have a long-term investment horizon and wish to invest globally in a broadly diversified portfolio of equities and equity rights of leading companies in established markets.

UBS (Lux) Key Selection SICAV – Global Allocation (EUR), Global Allocation (USD), Global Allocation (CHF)
These Subfunds are suitable for investors oriented towards capital gains and seeking to invest in a globally diversified, rounded portfolio with the reference currency listed in the relevant Subfund name.

UBS (Lux) Key Selection SICAV – Global Allocation Focus Europe (EUR)
This Subfund is suitable for capital-oriented investors seeking to invest in a globally diversified, rounded portfolio with a focus on European equities and bond markets, and with the reference currency listed in the relevant share class name.

UBS (Lux) Key Selection SICAV – Dynamic Alpha (USD)
This Subfund is suitable for investors with a medium to long-term investment horizon and a medium to high risk tolerance who wish to invest in a globally diversified portfolio. Investors seek to use attractive yield opportunities in every market environment and are prepared to accept the associated risk.

UBS (Lux) Key Selection SICAV – Emerging Markets Income (USD)
This Subfund is suitable for investors who wish to focus on income generation, while benefitting from a broad diversification across different asset classes with a focus on emerging markets. These investors have a long-term investment horizon and are willing to accept the risk associated with investments in emerging markets.

UBS (Lux) Key Selection SICAV – **Global Alpha Opportunities (EUR)**
This Subfund is suitable for investors with a medium to long-term investment horizon and high risk tolerance who are interested in investing in a diversified portfolio of funds. The Subfund mainly invests in actively managed undertakings for collective investment whose investment focus is on taking long and short positions.

UBS (Lux) Key Selection SICAV – Multi Asset Income (USD)
This Subfund is suitable for investors with a long-term investment horizon seeking to participate in the global financial markets on a broadly diversified basis.

UBS (Lux) Key Selection SICAV – Emerging Markets Allocation (USD)
This Subfund is suitable for investors seeking to invest in a portfolio which focuses on emerging markets. These investors wish to benefit from a broad diversification across different asset classes, such as equities, bonds and commodities. These investors have a long-term investment horizon and are willing to accept the risk associated with investments in emerging markets.

UBS (Lux) Key Selection SICAV – Commodity Strategy (USD)
This Subfund is suitable for investors who wish to invest in a broadly diversified commodities portfolio. These investors seek to benefit from investments in various commodities, primarily through the use of financial derivatives (e.g. total return swaps). These investors have a long-term investment horizon and are willing to accept the risk associated with investments in commodities markets.

UBS (Lux) Key Selection SICAV – Smart Allocator (USD)
This Subfund is suitable for investors with a long-term investment horizon who wish to participate in the growth potential of the global financial markets on a broadly diversified basis, with risk being evenly allocated between asset classes.

UBS (Lux) Key Selection SICAV – Asian Global Strategy Balanced (USD)
This Subfund is suitable for investors who wish to invest in a globally oriented portfolio with a focus on Asia. These investors wish to benefit from broadly diversified investments across different asset classes, such as equities and bonds. These investors have a long-term investment horizon and are willing to accept the risk associated with investments in assets and currencies with a focus on Asia, and therefore also emerging markets.

UBS (Lux) Key Selection SICAV – European Growth and Income (EUR)

This Subfund is suitable for risk-conscious investors who wish to invest in a diversified portfolio of equities, bonds and convertible bonds with a focus on Europe and the high-yield bond market. Investors have a long-term investment horizon and are willing to accept the risk associated with investments in equities and high-yield bonds.

UBS (Lux) Key Selection SICAV – Dual Alpha (USD)
This Subfund is suitable for investors with a medium to long-term investment horizon who wish to invest in a globally diversified portfolio with various asset classes. Investors seek to use attractive yield opportunities in every market environment and are prepared to accept the associated risk.

UBS (Lux) Key Selection SICAV – China Allocation Opportunity (USD)
This Subfund is suitable for investors who wish to invest in a diversified portfolio of shares and bonds with a focus on China. These investors have a long-term investment horizon and are willing to accept the risk associated with investments in China.

UBS (Lux) Key Selection SICAV – Global Multi Income (USD)
This Subfund is suitable for investors with a long-term investment horizon who wish to focus on income generation, while benefitting from a broad investment diversification across various asset classes on the global financial markets.

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

Risk profile
Subfund investments may be subject to substantial fluctuations and no guarantee can be given that the value of a Company share will not fall below its value at the time of acquisition.
Factors that can trigger such fluctuations or influence their scale include but are not limited to:

- company-specific changes;
- changes in interest rates;
- changes in exchange rates;
- changes affecting economic factors such as employment, public expenditure and indebtedness, inflation;
- changes in the legal environment;
- changes in investor confidence in certain asset classes (e.g. equities), markets, countries, industries and sectors; and
- changes in the prices of raw materials.

By diversifying investments, the Portfolio Manager seeks to partially reduce the negative impact of these risks on the value of the Subfund.
For Subfunds which are subject to specific risks due to their investments, relevant risk alerts are included in the investment policy of the relevant Subfund.

<u>Legal aspects</u>

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

Name of the Company:	UBS (Lux) Key Selection SICAV
Legal form:	Open-ended investment fund in the legal form of a "*Société d'Investissement à Capital Variable*" ("**SICAV**") established in accordance with Part I of the Law of 2010.
Date of incorporation:	9 August 2002
Number in the Luxembourg Trade and Companies Register:	R.C.S. B 88.580
Financial year:	1 October to 30 September
Ordinary general meeting:	Annually at 10:00 on 20 March at the registered office of the Company. Should 20 March occur on a day which is not a business day in Luxembourg (i.e. a day on which banks in Luxembourg are open during normal business hours), then the general meeting will be held on the next business day.
Articles of Incorporation:	

	Initial publication	23 August 2002	Published in the Mémorial
	Amendments	24 March 2004	15 June 2004
		9 May 2011	11 August 2011
		30. Oktober 2015	25. November 2015
Management Company:		UBS Fund Management (Luxembourg) S.A., R.C.S. Luxembourg B 154.210.	

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

The entirety of the individual Subfunds' net assets forms the total net assets of the Company, which corresponds, at all times, to the share capital of the Company and consists of fully-paid up, no-par value shares (the "**shares**").

The Company asks investors to note that they will only benefit from shareholder rights – particularly the right to participate in general meetings – when they have been entered in their own name in the register of shareholders following their investment in the Company. However, if the investor invests in the Company indirectly via an intermediary body which makes the investment in its own name on behalf of the investor, and as a result, said intermediary is entered into the register of shareholders instead of the investor, the aforementioned shareholder rights may be granted to the intermediary and not the investor. Investors are therefore advised to seek advice on their investor rights before making an investment decision.

At general meetings, shareholders have the right to one vote per share held, irrespective of the difference in value of shares in the respective Subfunds. Shares of a particular Subfund carry the right of one vote per share held when voting at meetings affecting this Subfund.

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

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

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

UBS (Lux) Key Selection SICAV was established on 9 August 2002 as an open-ended investment fund in the form of a SICAV pursuant to Part I of the Luxembourg Law of 30 March 1988 relating to undertakings for collective investment and was adapted in February 2004 to conform to the provisions of the Law of 20 December 2002 relating to undertakings for collective investment; it has been subject to the Law of 2010 since 1 July 2011. Effective 16 May 2011, the Company has appointed UBS Fund Management (Luxembourg) S.A. as its Management Company.

Share classes

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

"P"	Shares in classes with "P" in their name are available to all investors. Their smallest tradable unit is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, CAD 100, CHF 100, CZK 2,000, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100 or USD 100.
"N"	Shares in classes with "N" in their name (shares with restrictions on the distribution partners or countries) are issued exclusively through sales agents domiciled in Spain, Italy, Portugal and Germany authorised by UBS AG, as well as, where appropriate, through sales agents in further distribution countries, provided this has been decided by the Company. Their smallest tradable unit is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, CAD 100, CHF 100, CZK 2,000, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100 or USD 100.
"K-1"	Shares in classes with "K-1" in their name are available to all investors. Their smallest tradable unit is 0.1. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 5 million, CAD 5 million, CHF 5 million, CZK 100 million, EUR 3 million, GBP 2.5 million, HKD 40 million, JPY 500 million, NZD 5 million, PLN 25 million, RMB 35 million, RUB 175 million, SEK 35 million, SGD 5 million or USD 5 million.

"K-X"	Shares in classes with "K-X" in their name are exclusively reserved for investors who have signed a written agreement on investing in one or more Subfunds of this umbrella fund with UBS AG or UBS Asset Management (a business division of UBS AG). The costs for asset management, fund administration (comprising the costs of the Company, administration and Custodian Bank) and distribution are charged to investors under the aforementioned agreements. Their smallest tradable unit is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, CAD 100, CHF 100, CZK 2,000, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100 or USD 100.
"F"	Shares in classes with "F" in their name are exclusively available to UBS AG or one of its subsidiaries. The shares may only be acquired by UBS AG or one of its subsidiaries for their own account or as part of discretionary asset management mandates concluded with UBS AG or one of its subsidiaries. In the latter case, the shares will be returned to the Company at the prevailing net asset value at no charge upon termination of the mandate. The smallest tradable unit of these shares is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, CAD 100, CHF 100, CZK 2,000, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100 or USD 100.
"Q"	Shares in classes with "Q" in their name are available 1) for distribution in an eligible country as defined by "List A"; or 2) to investors domiciled in other countries, if they are professionals of the financial sector and a written agreement exists with UBS AG; and who make the following investments in their own name and: (a) on their own behalf; (b) on behalf of their clients within a (discretionary) asset management agreement; or (c) on behalf of their clients within the framework of an advisory relationship established in writing, in return for payment; or (d) on behalf of a collective investment managed by a professional of the financial sector. In cases (b), (c) and (d), said professional has been duly authorised by the supervisory authority to which he/she is subject to carry out such transactions, and is domiciled in an eligible country as defined by "List B" or is operating in their own name and on behalf of another professional of the financial sector who has been authorised in writing by UBS AG and is domiciled in one of the countries covered by "List B" or "List C" in cases (b) and (c) respectively. Admission of investors in further distribution countries (changes to lists A, B and C) shall be decided by the Board of Directors at its sole discretion and disclosed on www.ubs.com/funds. The smallest tradable unit of these shares is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, CAD 100, CHF 100, CZK 2,000, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100 or USD 100.
"I-A1"	Shares in classes with "I-A1" in their name are exclusively reserved for institutional investors within the meaning of Article 174(2)(c) of the Law of 2010. Their smallest tradable unit is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, CAD 100, CHF 100, CZK 2,000, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100 or USD 100.
"I-A2"	Shares in classes with "I-A2" in their name are exclusively reserved for institutional investors within the meaning of Article 174(2)(c) of the Law of 2010. Their smallest tradable unit is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, CAD 100, CHF 100, CZK 2,000, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NZD 100, PLN 500, RUB 3,500, SEK 700, SGD 100 or USD 100. The minimum subscription amount for these shares is CHF 10 million (or the corresponding currency equivalent). Upon subscription, (i) a minimum subscription must be made pursuant to the list above or, (ii) based on a written agreement of the institutional investor with UBS AG (or with one its authorised counterparties), the investor's total assets managed by UBS or its portfolio in collective capital investments of UBS must be more than CHF 30 million (or the corresponding currency equivalent), or (iii) the institutional investor is an occupational pension institution of the UBS Group AG or one of their wholly-owned group companies.
"I-A3"	Shares in classes with "I-A3" in their name are exclusively reserved for institutional investors within the meaning of Article 174(2)(c) of the Law of 2010. Their smallest tradable unit is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, CAD 100, CHF 100, CZK 2,000, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NZD 100, PLN 500, RUB 3,500, SEK 700, SGD 100 or USD 100. The minimum subscription amount for these shares is CHF 30 Mio (or the corresponding currency equivalent). Upon subscription, (i)a minimum subscription must be made pursuant to the list above, or (ii) based on a written agreement of the institutional investor with UBS AG (or with one its authorised counterparties), the investor's total assets managed by UBS or its portfolio in collective capital investments of UBS must be more than CHF 100,000,000 (or the corresponding currency equivalent), or (iii) the institutional investor is an occupational pension institution of the UBS Group AG or one of their wholly-owned group companies.

"I-B"	Shares in classes with "I-B" in their name are exclusively reserved for institutional investors within the meaning of Article 174(2)(c) of the Law of 2010 who have signed a written agreement on investing in one or more Subfunds of this umbrella fund with UBS AG or one of its authorised counterparties. A fee covering the costs for fund administration (comprising the costs of the Company, administration and Custodian Bank) is charged directly to the Subfund. The costs for asset management and distribution are charged to investors under the aforementioned agreements. Their smallest tradable unit is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, CAD 100, CHF 100, CZK 2,000, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100 or USD 100.
"I-X"	Shares in classes with "I-X" in their name are exclusively reserved for institutional investors within the meaning of Article 174(2)(c) of the Law of 2010 who have signed a written agreement on investing in one or more Subfunds of this umbrella fund with UBS AG or one of its authorised counterparties. The costs for asset management, fund administration (comprising the costs of the Company, administration and Custodian Bank) and distribution are charged to investors under the aforementioned agreements. Their smallest tradable unit is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, CAD 100, CHF 100, CZK 2,000, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100 or USD 100.
"U-X"	Shares in classes with "U-X" in their name are exclusively reserved for institutional investors within the meaning of Article 174(2)(c) of the Law of 2010 who have signed a written agreement on investing in one or more Subfunds of this umbrella fund with UBS AG or one of its authorised counterparties. The costs for asset management, fund administration (comprising the costs of the Company, administration and Custodian Bank) and distribution are charged to investors under the aforementioned agreements. This share class is exclusively geared towards financial products (i.e. fund of funds or other pooled structures in accordance with various legislation). Their smallest tradable unit is 0.001. Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 10,000, CAD 10,000, CHF 10,000, CZK 200,000, EUR 10,000, GBP 10,000, HKD 100,000, JPY 1 million, NZD 10,000, PLN 50,000, RMB 100,000, RUB 350,000, SEK 70,000, SGD 10,000 or USD 10,000.

If investors no longer meet the requirements of a share class, the Company is obliged to request that the investors concerned:

a) return their shares within 30 calendar days in accordance with the provisions on redemption of shares; or
b) transfer their shares to a person who meets the aforementioned requirements for acquisition in the share class; or
c) convert their shares into shares in another share class of the relevant Subfund whose acquisition requirements they are able to fulfil.

In addition, the Company is empowered:

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

Additional characteristics	
Currency	The share classes may be denominated in AUD, CAD, CHF, CZK, EUR, GBP, HKD, JPY, NZD, PLN, RMB, RUB, SEK, SGD or USD. For share classes issued in the currency of account of the respective Subfund, the respective currency will not be included in the share class name. The currency of account features in the name of the relevant Subfund.
"acc"	For share classes with "-acc" in their name, income is not distributed unless the Company decides otherwise.
"dist"	For share classes with "-dist" in their name, income is distributed unless the Company decides otherwise.
"qdist"	Shares in classes with "-qdist" in their name may make quarterly distributions, excluding fees and expenses. They may also make distributions out of capital and realised capital gains. Distributions out of capital result in the reduction of an investor's original capital invested in the Subfund. Furthermore, any distributions from the income and/or involving the capital and/or capital gains result in an immediate reduction in the net asset value per share of the Subfund. Investors in certain countries may be subject to higher tax rates on distributed capital than on any capital gains from the sale of fund units. Some investors may therefore prefer to subscribe to accumulating (-acc) rather than distributing (-dist, -qdist) share classes. Investors may be taxed on income and capital arising from accumulating (-acc) share classes at a later point in time than is the case with distributing (-dist) share classes. Investors should seek their own tax advice.
"mdist"	Share classes with "-mdist" in their name may make monthly distributions, excluding fees and expenses. They may also make distributions out of capital and realised capital gains. Distributions out of capital result in the reduction of an investor's original capital invested in the Subfund. Furthermore, any distributions from the income and/or involving the capital and/or capital gains result in an immediate reduction in the net asset value per share of the Subfund. Investors in certain countries may be subject to higher tax rates on distributed capital than on any capital gains from the sale of fund units. Some investors may therefore prefer to subscribe to accumulating (-acc) rather than distributing (-dist, -mdist) share classes. Investors may be taxed at a later point in

	time on income and capital arising on accumulating (-acc) share classes compared to distributing (-dist) share classes. Investors should seek their own tax advice. The maximum issuing commission for shares in classes with "-mdist" in their name is 6%.
"UKdist"	For share classes with "UKdist" in their name, the Company intends to distribute a sum which corresponds to 100% of the reportable income within the meaning of the UK reporting fund rules when the share classes are subject to the reporting fund rules. The Company does not intend to make available taxable values in other countries for these share classes, as they are intended for investors whose investment in the share class is liable to tax in the UK.
"2%", "4%", "6%", "8%"	Shares in classes with "2%" / "4%" / "6%" / "8%" in their name may make monthly (-mdist), quarterly (-qdist) or annual (-dist) distributions at the respective aforementioned annual percentage rates, gross of fees and expenses. The distribution amount is calculated based on the net asset value of the respective share class at the end of the month (in the case of monthly distributions), financial quarter (in the case of quarterly distributions) or financial year (in the case of annual distributions). These share classes are suitable for investors who wish for more stable distributions, unrelated to past or expected returns or income. Distributions can thus also be made out of capital and realised capital gains. Distributions out of capital result in the reduction of an investor's original capital invested in the Subfund. Furthermore, any distributions from the income and/or involving the capital and/or capital gains result in an immediate reduction in the net asset value per share of the Subfund. Investors in certain countries may be subject to higher tax rates on distributed capital than on any capital gains from the sale of fund units. Some investors may therefore choose to invest in the accumulating (-acc) instead of the distributing (-dist, -qdist, -mdist) share classes. Investors may be taxed at a later point in time on income and capital arising on accumulating (-acc) share classes compared to distributing (-dist, -qdist, -mdist) share classes. Investors should seek their own tax advice.
"hedged"	For share classes whose reference currencies are not identical to the currency of account of the Subfund, and which have "hedged" in their name ("**share classes in foreign currencies**"), the fluctuation risk of the reference currency price for those share classes is hedged against the currency of account of the Subfund. Provision is made for the amount of the hedging to be in principle between 90% and 110% of the total net assets of the share class in foreign currency. Changes in the market value of the portfolio, as well as subscriptions and redemptions of share classes in foreign currencies, can result in the hedging temporarily surpassing the aforementioned range. The hedging described has no effect on possible currency risks resulting from investments denominated in a currency other than the Subfund's currency of account.
"RMB hedged"	Investors should note that the renminbi (ISO 4217 currency code: CNY), the official currency of the People's Republic of China (the "PRC"), is traded on two markets, namely as onshore RMB (CNY) in mainland China and offshore RMB (CNH) outside mainland China. Shares in classes with "RMB hedged" in their name are shares whose net asset value is calculated in offshore RMB (CNH). Onshore RMB (CNY) is not a freely convertible currency and is subject to foreign exchange control policies and repatriation restrictions imposed by the PRC government. Offshore RMB (CNH), on the other hand, may be traded freely against other currencies, particularly EUR, CHF and USD. This means the exchange rate between offshore RMB (CNH) and other currencies is determined on the basis of supply and demand relating to the respective currency pair. RMB convertibility between offshore RMB (CNH) and onshore RMB (CNY) is a regulated currency process subject to foreign exchange control policies and repatriation restrictions imposed by the PRC government in coordination with offshore regulatory or governmental agencies (e.g. the Hong Kong Monetary Authority). Prior to investing in RMB classes, investors should bear in mind that the requirements relating to regulatory reporting and fund accounting of offshore RMB (CNH) are not clearly regulated. Furthermore, investors should be aware that offshore RMB (CNH) and onshore RMB (CNY) have different exchange rates against other currencies. The value of offshore RMB (CNH) can potentially differ significantly from that of onshore RMB (CNY) due to a number of factors including, without limitation, foreign exchange control policies and repatriation restrictions imposed by the PRC government at certain times, as well as other external market forces. Any devaluation of offshore RMB (CNH) could adversely affect the value of investors' investments in the RMB classes. Investors should therefore take these factors into account when calculating the conversion of their investments and the ensuing returns from offshore RMB (CNH) into their target currency. Prior to investing in RMB classes, investors should also bear in mind that the availability and tradability of RMB classes, and the conditions under which they may be available or traded, depend to a large extent on the political and regulatory developments in the PRC. Thus, no guarantee can be given that offshore RMB (CNH) or the RMB classes will be offered and/or traded in future, nor can there be any guarantee as to the conditions under which offshore RMB (CNH) and/or RMB classes may be made available or traded. In particular, since the currency of account of the relevant Subfunds offering the RMB classes would be in a currency other than offshore RMB (CNH), the ability of the relevant Subfund to make redemption payments in offshore RMB (CNH) would be subject to the Subfund's ability to convert its currency of account into offshore RMB (CNH), which may be

	restricted by the availability of offshore RMB (CNH) or other circumstances beyond the control of the Company. Potential investors should be aware of the risks of reinvestment, which could arise if the RMB class has to be liquidated early due to political and/or regulatory circumstances. This does not apply to the reinvestment risk due to liquidation of a share class and/or the Subfund in accordance with the section "Liquidation of the Company and its Subfunds; merger of Subfunds".

Investment objective and investment policy of the Subfunds

Investment objective

The aim of the Company is to achieve high growth and/or current earnings, while giving due consideration to capital security and the liquidity of the Company's assets.

General investment policy

The assets of the Subfunds are invested following the principle of risk diversification. The Subfunds invest their assets worldwide in equities, other equity-type capital participations such as cooperative shares, dividend-right certificates and profit participation certificates (equities and equity rights), short-term securities, money market instruments and warrants on securities, as well as debt securities and claims. Debt securities and claims include bonds, notes, all types of asset-backed securities, convertible bonds, convertible notes, warrant bonds and all other legally permissible assets.

In addition, the Subfunds may invest in American depositary receipts (ADRs), global depositary receipts (GDRs) and structured products linked to equities, such as equity-linked notes.

The currency of account of the individual Subfunds refers only to the currency in which the net asset value of the respective Subfund is calculated and not to its investment currency. Investments are made in the currencies that are most suitable for the performance of the Subfunds.
As stipulated in points 1.1(g) and 5 of the investment principles, the Company may use special techniques and financial instruments whose underlying assets are securities, money market instruments and other financial instruments, within the statutory limits, as a main element in achieving the investment policy for each Subfund.
The markets in derivatives are volatile and both the opportunity to achieve gains as well as the risk of suffering losses are higher than with investments in securities.
Each Subfund may hold liquid funds on an ancillary basis.
The investments of the Subfunds should also be broadly diversified in terms of markets, sectors, issuers, ratings and companies. Unless stipulated otherwise by the investment policy of the Subfund concerned, Subfunds may invest up to 10% of their net assets in existing undertakings for collective investment in transferable securities (UCITS) and undertakings for collective investment (UCI).

The Subfunds and their special investment policies

UBS (Lux) Key Selection SICAV - Asian Equities (USD)

In line with the above-mentioned investment policy, this Subfund invests at least two-thirds of its assets in equities and equity rights of companies which are domiciled or chiefly active in Asia (excluding Japan).

Furthermore, the Subfund may buy or sell futures, swaps, non-deliverable forwards and currency options in order to:

- wholly or partially hedge the currency risk of investments forming part of the Subfund's assets against the reference currency of the Subfund. This can be achieved directly (hedging a currency against the reference currency) or indirectly (hedging a currency against a third currency, which is then hedged against the reference currency);
- build up currency positions against the currency of account, other freely convertible currencies or currencies contained in the benchmark.

Non-deliverable forwards enable currency positions to be built up and hedged against exchange-rate risks without the need to physically transfer these currencies or to carry out a transaction on a local market. This makes it possible to avoid the local counterparty risk as well as the costs of holding local currencies arising from any currency export restrictions. Moreover, there are generally no local exchange controls on NDFs in US dollars between two offshore contractual partners.

Investors should note that the Subfund's investment exposure may also include Chinese A-shares traded via Shanghai-Hong Kong Stock Connect. Chinese A-shares are renminbi-denominated A-shares of companies domiciled in mainland China; these are traded on Chinese stock exchanges such as the Shanghai Stock Exchange and the Shenzhen Stock Exchange.
Investments in Asian countries may post a more volatile performance and be more illiquid than investments in European countries. Due to the political and economic situation in various Asian countries, investments in some of

these markets may be affected by legal uncertainties, currency restrictions and sales constraints. Moreover, the official regulatory systems may be less efficient in the countries in which the Subfund invests, and the accounting, auditing and reporting methods employed cannot be compared with the standards used in more developed countries.
This Subfund also makes investments in emerging markets. The risks associated with such investments are listed in the section entitled "General risk information". Investors should also read, be aware of and take into account the above-mentioned risks associated with investments traded via Hong Kong-Shanghai Stock Connect. Information relating to these can also be found in the section entitled "General risk Information". For these reasons, the Subfund is especially suitable for risk-conscious investors.

Currency of account: USD

Fees

	Maximum flat fee (maximum management fee) p.a.	Maximum issuing commission (as a percentage of the subscribed amount)
Share classes with "P" in their name	2.040% (1.630%)	3.000%
Share classes with "N" in their name	2.500% (2.000%)	
Share classes with "K-1" in their name	1.300% (1.040%)	
Share classes with "K-X" in their name	0.000% (0.000%)	
Share classes with "F" in their name	0.800% (0.640%)	
Share classes with "Q" in their name	1.080% (0.860%)	
Share classes with "I-A1" in their name	0.900% (0.720%)	
Share classes with "I-A2" in their name	0.850% (0.680%)	
Share classes with "I-A3" in their name	0.800% (0.640%)	
Share classes with "I-B" in their name	0.180% (0.000%)	
Share classes with "I-X" in their name	0.000% (0.000%)	
Share classes with "U-X" in their name	0.000% (0.000%)	

UBS (Lux) Key Selection SICAV – European Equities (EUR)
The Subfund shall invest at least two-thirds of its assets in equities and other equity rights of companies domiciled or chiefly active in Europe.

Currency of account: EUR

Fees

	Maximum flat fee (maximum management fee) p.a.	Maximum issuing commission (as a percentage of the subscribed amount)
Share classes with "P" in their name	2.040% (1.630%)	3.000%
Share classes with "N" in their name	2.500% (2.000%)	
Share classes with "K-1" in their name	1.080% (0.860%)	
Share classes with "K-X" in their name	0.000% (0.000%)	
Share classes with "F" in their name	0.520% (0.420%)	
Share classes with "Q" in their name	1.020% (0.820%)	
Share classes with "I-A1" in their name	0.640% (0.510%)	
Share classes with "I-A2" in their name	0.600% (0.480%)	
Share classes with "I-A3" in their name	0.520% (0.420%)	
Share classes with "I-B" in their name	0.065% (0.000%)	
Share classes with "I-X" in their name	0.000% (0.000%)	
Share classes with "U-X" in their name	0.000% (0.000%)	

UBS (Lux) Key Selection SICAV – Global Equities (USD)
Within the above-mentioned investment policy, this Subfund invests at least two-thirds of its assets in equities and equity rights worldwide. In so doing, the Subfund may invest up to 25% of its assets in equities and equity rights of companies domiciled or chiefly active in emerging markets.
Investors should note that the Subfund's investment exposure may also include Chinese A-shares traded via Shanghai-Hong Kong Stock Connect. Chinese A-shares are renminbi-denominated A-shares of companies domiciled in mainland China; these are traded on Chinese stock exchanges such as the Shanghai Stock Exchange and the Shenzhen Stock Exchange.

Further information on **investing in emerging markets** can be found in the corresponding section of this sales prospectus. **Investors should also read, be aware of and take into account the above-mentioned risks associated with investments traded via Hong Kong-Shanghai Stock Connect. Information relating to these can be found after the section entitled "General risk Information".**

Currency of account: USD

Fees

	Maximum flat fee (maximum management fee) p.a.	Maximum issuing commission (as a percentage of the subscribed amount)

Share classes with "P" in their name	2.040% (1.630%)	3.000%
Share classes with "N" in their name	2.500% (2.000%)	
Share classes with "K-1" in their name	1.080% (0.860%)	
Share classes with "K-X" in their name	0.000% (0.000%)	
Share classes with "F" in their name	0.540% (0.430%)	
Share classes with "Q" in their name	1.020% (0.820%)	
Share classes with "I-A1" in their name	0.640% (0.510%)	
Share classes with "I-A2" in their name	0.600% (0.480%)	
Share classes with "I-A3" in their name	0.540% (0.430%)	
Share classes with "I-B" in their name	0.065% (0.000%)	
Share classes with "I-X" in their name	0.000% (0.000%)	
Share classes with "U-X" in their name	0.000% (0.000%)	

UBS (Lux) Key Selection SICAV – Global Allocation (EUR)
UBS (Lux) Key Selection SICAV – Global Allocation (USD)
UBS (Lux) Key Selection SICAV – Global Allocation (CHF)

The aim of the Subfunds is to participate on a broadly diversified basis in the growth potential of the global financial markets.

To this end and within the framework of the investment policy described above, these Subfunds invest either directly or via existing UCI and UCITS. In so doing, a maximum of 20% of the investments may be made in bonds with a rating between BBB- and C (Standard & Poor's), a similar rating from another recognised agency or – in so far as a new issue is concerned that does not yet have an official rating – a comparable internal UBS rating; however, a maximum of 10% may be invested in bonds rated between CCC and C. **Investments rated between BB+ and C may carry an above-average yield, but also a higher credit risk than investments in securities of first-class issuers. Investors are expressly informed of this potentially increased risk of loss.**

The above-mentioned securities are securities as defined in Article 41 of the Law of 2010.

Investments of the Subfund are made in the currencies deemed best suited for good performance and are actively managed in respect of the currency of account.

To achieve a broad spread (diversification) of all investments in terms of markets, sectors, borrowers, ratings and companies, the Subfunds UBS (Lux) Key Selection SICAV – Global Allocation (USD) and UBS (Lux) Key Selection SICAV – Global Allocation (CHF) may invest up to 100% of their respective net assets in existing UCITS and 30% in other UCI. This method of investment and the associated expenses are described in the section "Investments in UCI and UCITS". The Subfund UBS (Lux) Key Selection SICAV – Global Allocation (EUR) may invest up to 10% of its net assets in UCITS or other UCI.

The Subfund may, within the legally permissible framework, also invest in investments which focus on the real estate asset class (e.g. in the form of real estate investment trusts).

Up to 25% of fund assets may also be invested in the commodities asset class through participation in the performance of commodities indices. In this, it is ensured at all times that physical delivery to the respective Subfund is excluded. The respective Portfolio Manager achieves this participation by, for example, entering into swap transactions on the above-mentioned indices. In this way, the respective Subfund is party to the swap transaction and receives the positive

performance of the total return (TR) commodity index minus the cash rate used in the index. Typically, the notional value of the swap may be adjusted on a daily basis (as is the case, for example, for inflows from share subscriptions, outflows from share redemptions or from a rebalancing of the portfolio when the investment strategy is adjusted). The counterparty risk resulting from a swap is the open profit or loss (not the notional value of the swap agreement). To reduce this risk as far as possible and keep it within the legally permitted range at all times, the open profits or losses are typically settled once a month or in any case when the legally permitted counterparty risk limits are reached (through what is referred to as a "reset"). In addition, the Subfunds may invest in stock market-traded investment funds (exchange-traded funds - ETFs) on commodity indices, which as a rule use the above-mentioned swaps in order to achieve exposure to commodities. The respective Portfolio Manager may also purchase ETF securities on commodity indices. These are stock market traded securities whose price is coupled to the performance of a commodity index, and which must comply with legally defined criteria. In accordance with the above-mentioned investment restrictions, the respective Subfund may also invest in existing UCI and UCITS with a focus on commodities, on the condition that these in turn invest exclusively via participation in commodity indices.
Generally, a portfolio containing commodities is likely to have a higher volatility than a portfolio consisting solely of equities. For this reason, investors should note that the Subfund is suitable for investors who are prepared to accept moderate to high levels of volatility.

UBS (Lux) Key Selection SICAV – Global Allocation (EUR)
Currency of account: EUR

UBS (Lux) Key Selection SICAV – Global Allocation (USD)
Currency of account: USD

UBS (Lux) Key Selection SICAV – Global Allocation (CHF)
Currency of account: CHF

Fees

	Maximum flat fee (maximum management fee) p.a.	Maximum issuing commission (as a percentage of the subscribed amount)
Share classes with "P" in their name	2.040% (1.630%)	2.500%
Share classes with "N" in their name	2.500% (2.000%)	
Share classes with "K-1" in their name	1.300% (1.040%)	
Share classes with "K-X" in their name	0.000% (0.000%)	
Share classes with "F" in their name	0.580% (0.460%)	
Share classes with "Q" in their name	1.020% (0.820%)	
Share classes with "I-A1" in their name	0.750% (0.600%)	
Share classes with "I-A2" in their name	0.700% (0.560%)	
Share classes with "I-A3" in their name	0.650% (0.520%)	
Share classes with "I-B" in their name	0.065% (0.000%)	
Share classes with "I-X" in their name	0.000% (0.000%)	
Share classes with "U-X" in their name	0.000% (0.000%)	

UBS (Lux) Key Selection SICAV – Global Allocation Focus Europe (EUR)
The aim of this Subfund is to participate on a broadly diversified basis in the growth potential of the global financial markets, placing emphasis on the European equity and bond markets.
In principle, the Subfund makes globally diversified investments in various equity and bond asset classes. In so doing, the neutral weighting of the various classes according to the Subfund benchmark ensures that, compared with the neutral global market capitalisation (weighting of European equity and bond markets in global equity and bond indices), emphasis is placed on the equities and equity rights and/or debt securities and claims of companies domiciled or chiefly active in Europe. This creates a bias towards the European equity and bond markets.
To this end and within the framework of the above-described investment policy, this Subfund invests either directly or via existing UCI and UCITS. Up to 20% of investments may be made directly in bonds rated between BBB- and C (Standard & Poor's) or with a similar rating from another recognised agency or – in so far as a new issue is concerned that does not yet have an official rating – a comparable internal UBS rating. A maximum 10% of net assets may be invested directly in bonds with a rating between CCC and C.
Investments rated between BB+ and C may carry an above-average yield, but also a higher credit risk than investments in securities of first-class borrowers. Investors are expressly informed of this potentially increased risk of loss.
The above-mentioned securities are securities as defined in Article 41 of the Law of 2010.
Investments of the Subfund are made in the currencies deemed best suited for good performance and are actively managed in respect of the currency of account.
To achieve a broad spread (diversification) of all investments in terms of markets, sectors, issuers, ratings and companies, the Subfund may invest up to 100% of its net assets in existing UCI and UCITS, provided the investment policy of the target funds is largely in line with the above-mentioned investment policy. This method of investment and the associated expenses are described in the section "Investments in UCI and UCITS".
The Subfund may, within the legally permissible framework, also invest in investments which focus on the real estate asset class (e.g. in the form of real estate investment trusts).

Up to 25% of fund assets may also be invested in the commodities asset class through participation in the performance of commodities indices. In so doing, the possibility of physical delivery to the Subfund is excluded at all times. The Portfolio Manager achieves such participation by, for example, entering into swaps on the aforementioned indices. In this way, the Subfund is party to the swap transaction and receives the positive performance of the total return (TR) commodity index minus the cash rate used in the index. Typically, the notional value of the swap may be adjusted on a daily basis (as is the case, for example, for inflows from share subscriptions, outflows from share redemptions or from a rebalancing of the portfolio when the investment strategy is adjusted). The counterparty risk resulting from a swap is the open profit or loss (not the notional value of the swap agreement). To reduce this risk as far as possible and keep it within the legally permitted range at all times, the open profits or losses are typically settled once a month or in any case when the legally permitted counterparty risk limits are reached (through what is referred to as a "reset"). In addition, the Subfund may invest in stock market-traded investment funds (exchange-traded funds - ETFs) on commodity indices, which as a rule use the above-mentioned swaps in order to achieve exposure to commodities. The Portfolio Manager may also purchase ETF securities on commodity indices. These are stock market traded securities whose price is coupled to the performance of a commodity index, and which must comply with legally defined criteria. Furthermore, the Subfund may also invest in existing UCI and UCITS with a focus on commodities on the condition that these in turn invest exclusively via participation in commodity indices.
Generally, a portfolio containing commodities is likely to have a higher volatility than a portfolio consisting solely of equities. For this reason, investors should note that the Subfund is suitable for investors who are prepared to accept moderate to high levels of volatility.

Currency of account: EUR

Fees

	Maximum flat fee (maximum management fee) p.a.	Maximum issuing commission (as a percentage of the subscribed amount)
Share classes with "P" in their name	2.040% (1.630%)	2.500%
Share classes with "N" in their name	2.500% (2.000%)	

Share classes with "K-1" in their name	1.300% (1.040%)	
Share classes with "K-X" in their name	0.000% (0.000%)	
Share classes with "F" in their name	0.650% (0.520%)	
Share classes with "Q" in their name	1.020% (0.820%)	
Share classes with "I-A1" in their name	0.750% (0.600%)	
Share classes with "I-A2" in their name	0.700% (0.560%)	
Share classes with "I-A3" in their name	0.650% (0.520%)	
Share classes with "I-B" in their name	0.065% (0.000%)	
Share classes with "I-X" in their name	0.000% (0.000%)	
Share classes with "U-X" in their name	0.000% (0.000%)	

UBS (Lux) Key Selection SICAV – Dynamic Alpha (USD)

The Subfund invests in line with the above-mentioned investment policy in order to participate in the growth potential of the global financial markets on a broadly diversified and dynamically-managed basis.

Up to 25% of fund assets may also be invested in the commodities asset class through participation in the performance of commodities indices. In so doing, the possibility of physical delivery to the Subfund is excluded at all times. The Portfolio Manager achieves such participation by, for example, entering into swaps on the aforementioned indices. In this way, the Subfund is party to the swap transaction and receives the positive performance of the total return (TR) commodity index minus the cash rate used in the index. Typically, the notional value of the swap may be adjusted on a daily basis (as is the case, for example, for inflows from share subscriptions, outflows from share redemptions or from a rebalancing of the portfolio when the investment strategy is adjusted). The counterparty risk resulting from a swap is the open profit or loss (not the notional value of the swap agreement). To reduce this risk as far as possible and keep it within the legally permitted range at all times, the open profits or losses are typically settled once a month or in any case when the legally permitted counterparty risk limits are reached (through what is referred to as a "reset"). In addition, the Subfund may invest in stock market-traded investment funds (exchange-traded funds - ETFs) on commodity indices, which as a rule use the above-mentioned swaps in order to achieve exposure to commodities. The Portfolio Manager may also purchase ETF securities on commodity indices. These are stock market traded securities whose price is coupled to the performance of a commodity index, and which must comply with legally defined criteria. The Subfund may also invest in UCI and UCITS with a focus on commodities, on the condition that these in turn invest exclusively via participation in commodity indices. Generally, a portfolio containing commodities is likely to have a higher volatility than a portfolio consisting solely of equities. For this reason, investors should note that the Subfund is suitable for investors who are prepared to accept moderate to high levels of volatility.

A maximum of 20% of the net assets may be invested in bonds with a rating between BBB- and C (Standard & Poor's), a similar rating from another recognised agency or – in so far as new issues are concerned that does not yet have an official rating – a comparable internal UBS rating; however, a maximum of 10% of the net assets may be invested in bonds rated between CCC and C. **Investments rated between BB+ and C may carry an above-average yield, but also a higher credit risk than investments in securities of first-class issuers.** The Subfund may be exposed to greater volatility and is therefore particularly suitable for investors with a long-term orientation.

The above-mentioned securities are securities as defined in Article 41 of the Law of 2010. Investments of the Subfund are made in the currencies deemed best suited for good performance and are actively managed in respect of the currency of account of the Subfund.

To achieve a broad spread (diversification) of all investments in terms of markets, sectors, issuers, ratings and companies, the Subfund may invest up to 10% of its net assets in UCI and UCITS (including ETFs on commodities indices and UCI or

UCITS focusing on commodities), provided that the investment policy of the target fund is largely in line with the above-mentioned investment policy.

Currency of account: USD

Fees

	Maximum flat fee (maximum management fee) p.a.	Maximum issuing commission (as a percentage of the subscribed amount)
Share classes with "P" in their name	1.920% (1.540%)	2.500%
Share classes with "N" in their name	2.500% (2.000%)	
Share classes with "K-1" in their name	1.300% (1.040%)	
Share classes with "K-X" in their name	0.000% (0.000%)	
Share classes with "F" in their name	0.580% (0.460%)	
Share classes with "Q" in their name	1.200% (0.960%)	
Share classes with "I-A1" in their name	1.150% (0.920%)	
Share classes with "I-A2" in their name	1.050% (0.840%)	
Share classes with "I-A3" in their name	1.000% (0.800%)	
Share classes with "I-B" in their name	0.065% (0.000%)	
Share classes with "I-X" in their name	0.000% (0.000%)	
Share classes with "U-X" in their name	0.000% (0.000%)	

UBS (Lux) Key Selection SICAV – Emerging Markets Income (USD)

The objective of this Subfund is the combination of investments in different asset classes with a focus on emerging markets in such a way that the portfolio generates a high income (mainly through e.g. dividends, interest payments, payment streams from derivatives).

To achieve this objective, the Subfund may invest in traditional asset classes such as equities and bonds, as well as, within the legally permissible framework, in non-traditional asset classes focusing for instance on real estate, infrastructure or commodities.

In order to fulfil its investment objective and achieve a broad diversification, the Subfund may invest up to 100% of its net assets in UCITS and 30% of its net assets in other UCI. This method of investment and the associated expenses are described in the section "Investments in UCI and UCITS". In order to fulfil its investment objective, the Subfund may also invest in all other legally permissible instruments, including structured products, certificates and derivative financial instruments, which can be used for hedging purposes and/or for participating in the anticipated market performance.

This also applies to those parts of the fund assets that, where applicable, participate in the performance of commodity indices or commodity subindices. In so doing, the possibility of physical delivery to the Subfund is excluded at all times. The Portfolio Manager achieves this participation by, for example, entering into swap transactions on the indices/subindices. In this way, the Subfund is party to the swap transaction and receives the performance of the total return (TR) commodity index minus the cash rate used in the index. Typically, the notional value of the swap may be adjusted on a daily basis (as is the case, for example, for inflows from share subscriptions, outflows from share redemptions or when adjusting the

investment strategy). The counterparty risk resulting from a swap is the open profit or loss (not the notional value of the swap agreement). To reduce this risk as far as possible and keep it within the legally permitted range at all times, the open profits or losses are typically settled once a month or in any case when the legally permitted counterparty risk limits are reached (through what is referred to as a "reset"). The Subfund may invest in UCI and UCITS with an investment focus on commodities, including ETFs, provided that these invest exclusively in commodities indices and commodities subindices. Where the Subfund participates in the performance of real estate, this primarily takes place through investments in units issued by real estate companies ("real estate investment trusts" - REITs), or UCITS or other UCI which invest either directly or indirectly in real estate.
The Subfund invests primarily in assets which focus on emerging markets. This means that the Subfund is exposed to specific risks which may be greater than the normal risks inherent in internationally oriented investments. An overview of the general risks with investments focusing on emerging markets is given in the section "Investing in emerging markets".

Currency of account: USD

Fees

	Maximum flat fee (maximum management fee) p.a.	Maximum issuing commission (as a percentage of the subscribed amount)
Share classes with "P" in their name	2.080% (1.660%)	2.500%
Share classes with "N" in their name	2.750% (2.200%)	
Share classes with "K-1" in their name	1.400% (1.120%)	
Share classes with "K-X" in their name	0.000% (0.000%)	
Share classes with "F" in their name	0.800% (0.640%)	
Share classes with "Q" in their name	1.120% (0.900%)	
Share classes with "I-A1" in their name	0.900% (0.720%)	
Share classes with "I-A2" in their name	0.850% (0.680%)	
Share classes with "I-A3" in their name	0.800% (0.640%)	
Share classes with "I-B" in their name	0.150% (0.000%)	
Share classes with "I-X" in their name	0.000% (0.000%)	
Share classes with "U-X" in their name	0.000% (0.000%)	

UBS (Lux) Key Selection SICAV – **Global Alpha Opportunities (EUR)**
This Subfund may invest up to 100% of its assets in other undertakings for collective investment (hereinafter the "**target funds**"). The Subfund mainly invests in actively managed target funds whose investment focus is on taking long and short positions. The Subfund focuses primarily on UCITS that use derivatives to seek growth through "long" and "short" positions. The target funds are selected by the Subfund's Portfolio Manager following a close analysis and selection process, taking into account both quantitative and qualitative assessment criteria.
The Subfund may also invest in other permissible investments as described in the prospectus.

Currency of account: EUR

Fees

	Maximum flat fee (maximum management fee) p.a.	Maximum issuing commission (as a percentage of the subscribed amount)
Share classes with "P" in their name	1.750% (1.400%)	2.500%
Share classes with "N" in their name	2.000% (1.600%)	
Share classes with "K-1" in their name	1.250% (1.000%)	
Share classes with "K-X" in their name	0.000% (0.000%)	
Share classes with "F" in their name	0.950% (0.760%)	
Share classes with "Q" in their name	1.000% (0.800%)	
Share classes with "I-A1" in their name	0.950% (0.760%)	
Share classes with "I-A2" in their name	0.900% (0.720%)	
Share classes with "I-A3" in their name	0.850% (0.680%)	
Share classes with "I-B" in their name	0.065% (0.000%)	
Share classes with "I-X" in their name	0.000% (0.000%)	
Share classes with "U-X" in their name	0.000% (0.000%)	

UBS (Lux) Key Selection SICAV – Multi Asset Income (USD)

The objective of this Subfund is to combine investments in different asset classes in such a way that the portfolio generates a high income (dividends, interest payments, payment streams from derivatives, etc.). Risk diversification and dynamic distribution across the various asset classes aim to create a stable capital base throughout a market cycle, which would not be possible with a restriction to equities.

To this end, within the framework of legally permissible instruments, the Subfund may invest on a globally diversified basis, either directly or via the use of derivative financial instruments or existing UCI and UCITS, both in the classic asset classes of equities and bonds, as well as in investments focusing on the real estate asset class (e.g. in the form of real estate investment trusts) within the legally permissible framework.

In line with the investment policy outlined above, the Subfund invests a maximum of 60% in equities, other share-type capital participations such as cooperative shares, dividend-right certificates and profit participation certificates (equities and equity rights) and warrants on securities (including emerging markets). Further information on investing in emerging markets may be found in the corresponding section of this prospectus.

Pursuant to the general investment policy, the Subfund may invest all of its assets in debt instruments and claims, if this is deemed necessary for achieving the investment objectives. Within this asset class, the Subfund may invest up to 100% of its assets in government-guaranteed bonds. The upper limit for investments in inflation-linked notes or corporate bonds is 75% of Subfund assets in each case. A maximum of 50% of the investments of the Subfund may be made in bonds rated between BBB- and C (Standard & Poor's) or with a similar rating from another recognised agency or – in so far as a new issue is concerned that does not yet have an official rating – a comparable internal UBS rating. **Investments rated between BB+ and C may carry an above-average yield, but also a higher credit risk than investments in securities of first-class borrowers. Investors are expressly informed of this potentially increased risk of loss.** The above-mentioned securities are

securities as defined in Article 41 of the Law of 2010. The Subfund may invest up to 25% of its assets in emerging markets bonds. Further information on investing in emerging markets may be found in the corresponding section of the sales prospectus.
From 26 November 2012, up to 25% of fund assets may also be invested in the commodities asset class through participation in the performance of commodities indices. In so doing, the possibility of physical delivery to the Subfund is excluded at all times. The Portfolio Manager achieves such participation by, for example, entering into swaps on the aforementioned indices. In this way, the Subfund is party to the swap transaction and receives the positive performance of the total return (TR) commodity index minus the cash rate used in the index. Typically, the notional value of the swap may be adjusted on a daily basis (as is the case, for example, for inflows from share subscriptions, outflows from share redemptions or from a rebalancing of the portfolio when the investment strategy is adjusted). The counterparty risk resulting from a swap is the open profit or loss (not the notional value of the swap agreement). To reduce this risk as far as possible and keep it within the legally permitted range at all times, the open profits or losses are typically settled once a month or in any case when the legally permitted counterparty risk limits are reached (through what is referred to as a "reset"). In addition, the Subfund may invest in stock market-traded investment funds (exchange-traded funds - ETFs) on commodity indices, which as a rule use the above-mentioned swaps in order to achieve exposure to commodities. The Portfolio Manager may also purchase ETF securities on commodity indices. These are stock market traded securities whose price is coupled to the performance of a commodity index, and which must comply with legally defined criteria. Furthermore, the Subfund may also invest in existing UCI and UCITS with a focus on commodities on the condition that these in turn invest exclusively via participation in commodity indices.
To achieve the investment objectives and ensure a broad spread (diversification) of all investments across asset classes, markets, sectors, issuers, ratings and companies, the Subfund may invest up to 100% of its net assets in existing UCI and UCITS. This method of investment and the associated expenses are described in the section "Investments in UCI and UCITS".
The Subfund may invest up to 100% of its assets in cash or money market-related securities.
The use of derivatives does not play a key role in achieving the investment strategy and a substantial increase in market risk is not intended. To implement the investment objectives and achieve efficient portfolio management, the Portfolio Manager may, for example, through the use of derivatives (e.g. swap contracts), exchange the performance of significant parts of the portfolio for that of other, legally permissible investments for which provision is made in the investment policy in order to profit from the volatility of the asset classes or to achieve significant investment exposure as defined in the investment policy through investing in options, futures and forwards.
To achieve its objectives, the Subfund may also make investments on the credit derivatives market by, among other things, investing in credit default swaps (CDS) of individual issuers and in indices of the iTraxx and CDX index family that are based on the CDS of individual issuers.
Investments of the Subfund are made in the currencies deemed best suited for good performance and are actively managed in respect of the currency of account.
Generally, a portfolio containing commodities is likely to have a higher volatility than a portfolio consisting solely of equities. For this reason, investors should note that the Subfund is suitable for investors who are prepared to accept moderate to high levels of volatility.

Currency of account: USD

Fees

	Maximum flat fee (maximum management fee) p.a.	Maximum issuing commission (as a percentage of the subscribed amount)
Share classes with "P" in their name	1.480% (1.180%)	2.500%
Share classes with "N" in their name	2.000% (1.600%)	
Share classes with "K-1" in their name	1.100% (0.880%)	
Share classes with "K-X" in their name	0.000% (0.000%)	
Share classes with "F" in their name	0.600% (0.480%)	
Share classes with "Q" in their name	0.900% (0.720%)	

Share classes with "I-A1" in their name	0.780% (0.620%)	
Share classes with "I-A2" in their name	0.700% (0.560%)	
Share classes with "I-A3" in their name	0.600% (0.480%)	
Share classes with "I-B" in their name	0.065% (0.000%)	
Share classes with "I-X" in their name	0.000% (0.000%)	
Share classes with "U-X" in their name	0.000% (0.000%)	

UBS (Lux) Key Selection SICAV – Emerging Markets Allocation (USD)
The investment objective of the Subfund is to participate in the growth potential of emerging markets.
To achieve this objective, the Subfund invests in equities and equity rights, as well as debt securities and debt claims, of companies domiciled or chiefly active in emerging markets, in addition to other permissible investments which focus on emerging markets. Investments of the Subfund are made in the currencies deemed best suited for good performance and are actively managed in respect of the currency of account.
To achieve the investment objective and ensure a broad diversification in terms of asset classes, markets, sectors, issuers, ratings and companies, the Subfund may invest up to 100% of its net assets in existing UCI and UCITS. This method of investment and the associated expenses are described in the section "Investments in UCI and UCITS". To achieve the investment objective, the Subfund may invest in all legally permissible instruments, including making extensive use of derivative financial instruments. More specifically, the Subfund may buy or sell futures, swaps, non-deliverable forwards and currency options in order to:

- wholly or partially hedge the currency risk of investments forming part of the Subfund's assets against the reference currency of the Subfund. This can be achieved directly (hedging a currency against the reference currency) or indirectly (hedging a currency against a third currency, which is then hedged against the reference currency);
- build up currency positions against the currency of account, other freely convertible currencies or currencies contained in the benchmark.

In particular, up to 25% of fund assets may be invested through participation in the performance of commodities indices or commodities subindices. In so doing, the possibility of physical delivery to the Subfund is excluded at all times. The Portfolio Manager achieves this participation by, for example, entering into swap transactions on the indices/subindices. In this way, the Subfund is party to the swap transaction and receives the performance of the total return (TR) commodity index minus the cash rate used in the index. Typically, the notional value of the swap may be adjusted on a daily basis (as is the case, for example, for inflows from share subscriptions, outflows from share redemptions or when adjusting the investment strategy). The counterparty risk resulting from a swap is the open profit or loss (not the notional value of the swap agreement). To reduce this risk as far as possible and keep it within the legally permitted range at all times, the open profits or losses are typically settled once a month or in any case when the legally permitted counterparty risk limits are reached (through what is referred to as a "reset"). The Subfund may also invest in exchange-traded funds ("ETFs") on commodities indices and sub-indices, which themselves make use of the previously mentioned swaps to generate commodities exposure. The Subfund may also invest in UCI and UCITS with a focus on commodities, on the condition that these in turn invest exclusively via participation in commodity indices and sub-indices.
Generally, a portfolio containing commodities is likely to have a higher volatility than a portfolio consisting solely of equities. For this reason, investors should note that the Subfund is suitable for investors who are prepared to accept moderate to high levels of volatility.
The Subfund invests primarily in assets which focus on emerging markets. This means that the Subfund is exposed to specific risks which may be greater than the normal risks inherent in internationally oriented investments. An overview of the general risks with investments focusing on emerging markets is given in the section "Investing in emerging markets".

Currency of account: USD

Fees

	Maximum flat fee (maximum management fee) p.a.	Maximum issuing commission (as a percentage of the subscribed amount)
Share classes with "P" in their name	2.080% (1.660%)	2.500%
Share classes with "N" in their name	2.750% (2.200%)	
Share classes with "K-1" in their name	1.400% (1.120%)	
Share classes with "K-X" in their name	0.000% (0.000%)	
Share classes with "F" in their name	0.800% (0.640%)	
Share classes with "Q" in their name	1.120% (0.900%)	
Share classes with "I-A1" in their name	0.900% (0.720%)	
Share classes with "I-A2" in their name	0.850% (0.680%)	
Share classes with "I-A3" in their name	0.800% (0.640%)	
Share classes with "I-B" in their name	0.145% (0.000%)	
Share classes with "I-X" in their name	0.000% (0.000%)	
Share classes with "U-X" in their name	0.000% (0.000%)	

UBS (Lux) Key Selection SICAV – Commodity Strategy (USD)
The Subfund seeks to provide investors with comprehensive, broadly diversified exposure to the international commodity markets by investing in an actively managed portfolio of commodity indices. The Subfund will invest its capital in the most frequently traded commodities from sectors such as agriculture (including livestock and grains), energy (including crude oil, natural gas and gasoline), industrial and precious metals (including gold and aluminium) and softs (including coffee and cotton). The Portfolio Manager will actively manage the exposure to commodities, employing both qualitative and quantitative analyses.
The Subfund's exposure takes place at any time in line with the statutory requirements, particularly with regard to investment diversification.

The Subfund focuses, in accordance with legal provisions, indirectly on commodity indices via derivatives (e.g. contracts for difference, total return swaps and options, etc. on commodity indices) or structured products (e.g. exchange traded commodities (ETC), etc.) with the respective commodity index as their underlying asset or which are otherwise linked to the performance of the indices. The Subfund's net exposure built up by such investments corresponds to at most 140% of the Subfund's net assets.

As part of these investments, the Subfund may enter into both long and short positions. The derivative contracts must either be negotiated as non-deliverable contracts, or the relevant positions must be liquidated or settled before a physical delivery is due. The Subfund must have sufficient liquid funds at all times in order to meet its obligations arising from the liquidation or offsetting of the derivative contracts. The Subfund must not engage in physical short-selling at any time.
Regardless of the use of long and short positions, the Subfund will always have a net long exposure in commodities. Thus, the Portfolio Manager can actively overweight or underweight certain commodities, within the legally permissible framework.

Investors should be aware that the use of derivatives may generate leverage. The gross exposure achieved via leverage may not exceed 400% of the Subfund's net assets.
To achieve its investment objective, the Subfund may also invest in equities, equity rights and warrants as well as shares, other equity shares and dividend right certificates acquired through the exercise of conversion and subscription rights or warrants and issued by companies who develop and offer products or services in the commodity sector.

Furthermore, the Subfund may invest up to 10% of its assets in other UCITS or UCI within the meaning of Article 41(1)(e) of the Law of 2010, including exchange-traded undertakings for collective investment in transferable securities, whose investment objective and focus comply with those of the Subfund.

The reference currency of the Subfund is the USD. However, investments are made in the currencies that are the most suitable for the performance of the Subfund. For such investments, the Subfund will actively manage currency risks by using derivatives such as currency forwards and currency options.

The Subfund may make use of all the techniques and instruments listed in the section "Special techniques and instruments whose underlying assets are securities and money market instruments", as long as the restrictions specified therein are observed.

The Subfund can invest up to 100% of its net assets in cash, cash equivalents and short-term instruments including, but not limited to, government securities, securities issued by corporations, term deposits, money market funds and other money market instruments. Other money market instruments may include certificates of deposit, fixed-income or floating-rate debt instruments and fixed-income or variable-rate commercial papers (which are considered investment grade or above by one or more of the main rating agencies) and in sight and cash deposits denominated in such currency or currencies as the Portfolio Manager may determine. Though investment in money market funds and money market instruments is not a primary investment focus of the Subfund, the Subfund will be significantly invested in these. In particular, the Subfund will ensure that it always has sufficient liquidity in its portfolio to be able to draw on the securities (especially collateral and margin calls) to be furnished in relation to derivative transactions.

Generally, a portfolio of broadly diversified commodity investments is likely to have a higher volatility than a portfolio of equities. For this reason, investors should note that the Subfund is suitable for investors who are prepared to accept moderate to high levels of volatility.

Currency of account: USD

Fees

	Maximum flat fee (maximum management fee) p.a.	Maximum issuing commission (as a percentage of the subscribed amount)
Share classes with "P" in their name	1.700% (1.360%)	2.500%
Share classes with "N" in their name	2.500% (2.000%)	
Share classes with "K-1" in their name	1.080% (0.860%)	
Share classes with "K-X" in their name	0.000% (0.000%)	
Share classes with "F" in their name	0.550% (0.440%)	
Share classes with "Q" in their name	1.020% (0.820%)	
Share classes with "I-A1" in their name	0.750% (0.600%)	
Share classes with "I-A2" in their name	0.650% (0.520%)	
Share classes with "I-A3" in their name	0.550%	

	(0.440%)	
Share classes with "I-B" in their name	0.115% (0.000%)	
Share classes with "I-X" in their name	0.000% (0.000%)	
Share classes with "U-X" in their name	0.000% (0.000%)	

UBS (Lux) Key Selection SICAV – Smart Allocator (USD)
This Subfund seeks to generate attractive and stable returns from investments across different asset classes, while managing the portfolio's overall risk exposure and aiming to allocate risk evenly between asset classes. This risk allocation approach, combined with systematic risk management, aims to create a stable capital base throughout a market cycle and to reduce losses in adverse market scenarios.
The Subfund will invest (i) a maximum of two-thirds of its net assets in equities or equity-type instruments, (ii) a maximum of 140% of its net assets in rate-sensitive securities or instruments, (iii) a maximum of 140% in credit-sensitive securities or instruments, and (iv) a maximum of two-thirds of its net assets in commodity-related instruments. Instruments deemed to be rate-sensitive include futures contracts on government bonds, but not securities with a maturity of less than one year of residual maturity. Instruments deemed to be credit-sensitive are, in particular, CDS on credit indices.
The Subfund may invest up to 10% of its net assets in UCITS and other UCI. In order to achieve the investment objective, the Subfund may also invest in all other legally permissible instruments, as well as structured products, certificates and derivative financial instruments which can be used to increase or decrease the market exposure of the portfolio.
This also applies to those parts of the fund assets that, where applicable, participate in the performance of commodity indices or commodity subindices. In so doing, the possibility of physical delivery to the Subfund is excluded at all times. The Portfolio Manager achieves this participation by, for example, entering into swap transactions on the indices/subindices. In this way, the Subfund is party to the swap transaction and receives the performance of the total return (TR) commodity index minus the cash rate used in the index. Typically, the notional value of the swap may be adjusted on a daily basis (as is the case, for example, for inflows from share subscriptions, outflows from share redemptions or when adjusting the investment strategy). The counterparty risk resulting from a swap is the open profit or loss (not the notional value of the swap agreement). To reduce this risk as far as possible and keep it within the legally permitted range at all times, the open profits or losses are typically settled on a monthly or quarterly basis, or in any case, when the legally permitted counterparty risk limits are reached (through what is referred to as a "reset"). The Subfund may invest in UCI and UCITS with an investment focus on commodities, including ETFs, provided that these invest exclusively in commodities indices and commodities subindices.
The use of derivatives is a core element in achieving the investment objectives. Derivatives shall be used to both increase and decrease the market exposure of the portfolio. Investors should be aware that the use of derivatives may generate leverage.
Investments of the Subfund are made in the currencies deemed best suited for good performance and are actively managed in respect of the currency of account of the Subfund.
The Subfund may invest up to 100% of its assets in liquid funds or money market-related securities e.g. securities with a maturity of less than one year of residual maturity.
The Subfund is authorised to invest up to 100% of its net assets in securities and money market instruments from various issues that are guaranteed or issued by an EU Member State or its local authorities, another authorised OECD Member State, Russia, Brazil, Indonesia or Singapore, or by international organisations under public law to which one or more EU Member States belong. These securities or money market instruments must be divided into at least six different issues, with securities or money market instruments from a single issue not exceeding 30% of the net assets of the Subfund.

Currency of account: USD

Fees

	Maximum flat fee (maximum management fee) p.a.	Maximum issuing commission (as a percentage of the subscribed amount)
Share classes with "P" in their name	1.500% (1.200%)	2.500%

Share classes with "N" in their name	1.800% (1.440%)	
Share classes with "K-1" in their name	1.100% (0.880%)	
Share classes with "K-X" in their name	0.000% (0.000%)	
Share classes with "F" in their name	0.600% (0.480%)	
Share classes with "Q" in their name	1.020% (0.820%)	
Share classes with "I-A1" in their name	0.850% (0.680%)	
Share classes with "I-A2" in their name	0.750% (0.600%)	
Share classes with "I-A3" in their name	0.600% (0.480%)	
Share classes with "I-B" in their name	0.065% (0.000%)	
Share classes with "I-X" in their name	0.000% (0.000%)	
Share classes with "U-X" in their name	0.000% (0.000%)	

UBS (Lux) Key Selection SICAV – Asian Global Strategy Balanced (USD)
The aim of the investment policy is to combine investment earnings and appreciation within the framework of a globally oriented portfolio with an increased concentration on Asia.
In order to reach this goal, the Subfund primarily invests in traditional asset classes such as equities and bonds. Within the legally permissible bounds, the Subfund may also invest in non-traditional asset classes such as real estate and commodities. In addition, the Subfund may also invest in liquid funds or near-money market instruments.
In order to fulfil its investment objective and achieve a broad diversification, the Subfund may invest up to 100% of its net assets in UCITS and 30% of its net assets in other UCI. This method of investment and the associated expenses are described in the section "Investments in UCI and UCITS". In order to fulfil its investment objective, the Subfund may also invest in all other legally permissible instruments, including structured products, certificates and other derivative financial instruments, which can be used for hedging purposes and/or for participating in the anticipated market development.
This also applies to those parts of the fund assets that, where applicable, participate in the performance of commodity indices or commodity subindices. In so doing, the possibility of physical delivery to the Subfund is excluded at all times. The Portfolio Manager achieves this participation by, for example, entering into swap transactions on the indices/subindices. In this way, the Subfund is party to the swap transaction and receives the performance of the total return (TR) commodity index minus the cash rate used in the index. Typically, the notional value of the swap may be adjusted on a daily basis (as is the case, for example, for inflows from share subscriptions, outflows from share redemptions or when adjusting the investment strategy). The counterparty risk resulting from a swap is the open profit or loss (not the notional value of the swap agreement). To reduce this risk as far as possible and keep it within the legally permitted range at all times, the open profits or losses are typically settled once a month or in any case when the legally permitted counterparty risk limits are reached (through what is referred to as a "reset"). The Subfund may invest in UCI and UCITS with an investment focus on commodities, including ETFs, provided that these invest exclusively in commodities indices and commodities subindices.
Where the Subfund participates in the performance of real estate, this primarily takes place through investments in units issued by real estate companies ("real estate investment trusts" - REITs), or UCITS or other UCI which invest either directly or indirectly in real estate.
The Subfund invests primarily in investments which focus on emerging markets. This means that the Subfund is exposed to specific risks which may be greater than the normal risks inherent in internationally oriented investments. An overview of the general risks with investments focusing on emerging markets is given in the section "Investing in emerging markets".

Currency of account: USD

Fees

	Maximum flat fee (maximum management fee) p.a.	Maximum issuing commission (as a percentage of the subscribed amount)
Share classes with "P" in their name	1.880% (1.500%)	2.500%
Share classes with "N" in their name	2.500% (2.000%)	
Share classes with "K-1" in their name	1.300% (1.040%)	
Share classes with "K-X" in their name	0.000% (0.000%)	
Share classes with "F" in their name	0.800% (0.640%)	
Share classes with "Q" in their name	1.350% (1.080%)	
Share classes with "I-A1" in their name	1.000% (0.800%)	
Share classes with "I-A2" in their name	0.900% (0.720%)	
Share classes with "I-A3" in their name	0.800% (0.640%)	
Share classes with "I-B" in their name	0.145% (0.000%)	
Share classes with "I-X" in their name	0.000% (0.000%)	
Share classes with "U-X" in their name	0.000% (0.000%)	

UBS (Lux) Key Selection SICAV – European Growth and Income (EUR)
The aim of this Subfund is to achieve long-term growth using a diversified portfolio consisting primarily of European equities, bonds and convertible bonds. Investing in high-yield bonds plays a central role in the investment strategy. As a result, a maximum of 75% of the Subfund's investments shall be in debt securities, claims and convertible bonds which have lower ratings, i.e. a maximum rating of BBB (Standard & Poor's), a comparably low rating from another recognised rating agency or – insofar as a new issue is concerned that does not yet have an official rating or an issue that has no rating at all – a comparably low internal UBS rating. Investments with lower ratings may carry an above-average yield, but also a higher credit risk than investments in securities of first-class borrowers. The Subfund may invest a maximum of 40% of its assets in all types of convertible, exchangeable and warrant-linked bonds, including synthetic convertible bonds (combination of derivatives and bonds), worldwide. In order to fulfil its investment objective and achieve a broad diversification, the Subfund may invest up to 100% of its net assets in UCITS and 30% of its net assets in other UCI. This method of investment and the associated expenses are described in the section "Investments in UCI and UCITS". In order to fulfil its investment objective, the Subfund may also invest in all other legally permissible instruments, including structured products, certificates and derivative financial instruments, which can be used for hedging purposes and/or for participating in the anticipated market performance. In order to fulfil the investment objectives and ensure efficient portfolio management, the Portfolio Manager of the Subfund may, in particular, but among other things, achieve significant investment exposure as defined in the investment policy via the investment in futures and forwards. To achieve its objectives, the Subfund may also make investments on the credit derivatives market by, among other things, investing in credit default swaps (CDS) of individual issuers and in indices of the iTraxx and CDX index family that are based on the CDS of individual issuers. In principle, investments made by the Subfund are carried out in EUR. If other currencies are used, then these shall be partially hedged against the currency of account (EUR).

Currency of account: EUR

Fees

	Maximum flat fee (maximum management fee) p.a.	Maximum issuing commission (as a percentage of the subscribed amount)
Share classes with "P" in their name	1.700% (1.360%)	2.500%
Share classes with "N" in their name	1.900% (1.520%)	
Share classes with "K-1" in their name	1.100% (0.880%)	
Share classes with "K-X" in their name	0.000% (0.000%)	
Share classes with "F" in their name	0.650% (0.520%)	
Share classes with "Q" in their name	0.960% (0.770%)	
Share classes with "I-A1" in their name	0.750% (0.600%)	
Share classes with "I-A2" in their name	0.700% (0.560%)	
Share classes with "I-A3" in their name	0.650% (0.520%)	
Share classes with "I-B" in their name	0.065% (0.000%)	
Share classes with "I-X" in their name	0.000% (0.000%)	
Share classes with "U-X" in their name	0.000% (0.000%)	

UBS (Lux) Key Selection SICAV – Dual Alpha (USD)

This Subfund aims to generate attractive yields over the long term. In order to achieve this, the Subfund invests on a global scale in a range of predominantly traditional asset classes such as equities, bonds, liquid funds and various currencies, without the use of a reference index. The Subfund's assets are very actively and flexibly adjusted to the relevant market environment in order to reduce the risk of loss as much as possible.

The Portfolio Manager may also take into account investment strategies of the Chief Investment Office of UBS Wealth Management. In this way and as the name of the Subfund implies, the strategy and research of UBS Asset Management in its role as Portfolio Manager is augmented by a second source of yield potential. However, the Portfolio Manager remains solely responsible for the Subfund and may therefore reject any suggestions by UBS Wealth Management.

The Subfund may invest up to 20% of its net assets in bonds rated between BBB- and C (Standard & Poor's) or with a similar rating from another recognised agency or – insofar as a new issue is concerned that does not yet have an official rating – a comparable internal UBS rating. Investments rated between BBB- and C may carry an above-average yield, but also a higher credit risk than investments in securities of first-class borrowers.

The Subfund may also invest in emerging market countries. This means that the Subfund is exposed to specific risks which may be greater than the risks inherent in globally oriented investments. An overview of the risks in connection with investments focusing on emerging markets is given in the section "Investing in emerging markets".

For investments involving participation in the performance of commodities indices or commodities subindices, it is ensured at all times that the commodities cannot be physically delivered to the Subfund. The Portfolio Manager achieves this participation by, for example, entering into swap transactions on the indices/subindices. In this way, the Subfund is party to the swap transaction and receives the performance of the total return (TR) commodity index minus the cash rate used in the index. Typically, the notional value of the swap may be adjusted on a daily basis (as is the case, for example, for inflows from share subscriptions, outflows from share redemptions or when adjusting the investment strategy). The counterparty risk resulting from a swap is the open profit or loss (not the notional value of the swap agreement). To reduce this risk as far as possible and keep it within the legally permitted range at all times, the open profits or losses are typically settled once a month or in any case when the legally permitted counterparty risk limits are reached (through what is referred to as a "reset").

The Subfund may invest in UCI and UCITS with an investment focus on commodities, including ETFs, provided that these invest exclusively in commodities indices and commodities subindices.

Investments of the Subfund are made in the currencies deemed best suited for good performance and are actively managed in respect of the currency of account of the Subfund.
The use of derivatives is a core element in achieving the investment objectives. Derivatives shall be used for participating in the expected market performance and/or for hedging purposes.
The Subfund may be exposed to greater volatility and is therefore particularly suitable for investors with a long-term orientation.

Currency of account: USD

Fees

	Maximum flat fee (maximum management fee) p.a.	Maximum issuing commission (as a percentage of the subscribed amount)
Share classes with "P" in their name	1.920% (1.540%)	2.500%
Share classes with "N" in their name	2.500% (2.000%)	
Share classes with "K-1" in their name	1.300% (1.040%)	
Share classes with "K-X" in their name	0.000% (0.000%)	
Share classes with "F" in their name	1.000% (0.800%)	
Share classes with "Q" in their name	1.200% (0.960%)	
Share classes with "I-A1" in their name	1.150% (0.920%)	
Share classes with "I-A2" in their name	1.050% (0.840%)	
Share classes with "I-A3" in their name	1.000% (0.800%)	
Share classes with "I-B" in their name	0.065% (0.000%)	
Share classes with "I-X" in their name	0.000% (0.000%)	
Share classes with "U-X" in their name	0.000% (0.000%)	

UBS (Lux) Key Selection SICAV – China Allocation Opportunity (USD)
The objective of this Subfund is to achieve capital growth and generate income by investing in a diversified portfolio with a focus on China.
To achieve this objective, the Subfund invests mainly in equities and equity rights or bonds and claims of companies domiciled or chiefly active in China, in addition to other permissible investments which focus on China. The Subfund may also invest in securities traded on the onshore China securities market. These include Chinese A-shares **("A-shares"**) as well as RMB-denominated fixed-income instruments traded on the Chinese interbank bond market ("**CIBM**") or the exchange-traded bond market ("**Chinese onshore bonds**"). In particular, the Subfund may invest directly or indirectly in Chinese A-shares/Chinese onshore bonds through the Renminbi Qualified Foreign Institutional Investors **"RQFII"**) regime, in UCITS or other UCI with exposure to Chinese A-shares/Chinese onshore bonds and/or access products such as ETFs. Investors should note that the Subfund's investment exposure may also include A-shares traded via Shanghai-Hong Kong Stock Connect. 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 Subfund may investment in bonds and claims with a low rating, i.e. a rating of BBB (Standard & Poor's) or lower, a comparably low rating from another recognised rating agency or – insofar as a new issue is concerned that does not yet have an official rating or an issue that has no rating at all – a comparably low internal UBS rating. Investments with lower ratings may carry an above-average yield, but also a higher credit risk than investments in securities of first-class borrowers.
The Subfund may make investments denominated in USD and other currencies (including HKD and RMB).
In order to fulfil its investment objective and achieve broad diversification, the Subfund may invest up to 100% of its net assets in UCITS and 30% of its net assets in other UCI within the meaning of point 1.1(e) of the section entitled "Investment

principles". This method of investment and the associated expenses are described in the section "Investments in UCI and UCITS".
In order to fulfil its investment objective, the Subfund may also invest in all other legally permissible instruments, including structured products, certificates and derivative financial instruments, which can be used for hedging purposes and/or for participating in the anticipated market performance. In order to fulfil the investment objectives and ensure efficient portfolio management, the Portfolio Manager of the Subfund may, for example, achieve significant investment exposure as defined in the investment policy by investing in exchange-traded and OTC derivative instruments.
Due to the political situation and economic and regulatory developments in China, investments with a focus on China may be affected by legal uncertainties or other accompanying factors. The Subfund is exposed to specific risks that may be greater than those normally associated with investments with an international focus; as a result, the Subfund is suitable for risk-conscious investors. A detailed description of the risks connected with an investment in this Subfund is given in the section "General risk information" under the following headings **"Investing in emerging markets"** and **"Specific risks when investing in the People's Republic of China ("PRC")"**. This Subfund is only suitable for investors who are willing to accept these risks.

Currency of account: USD

Fees

	Maximum flat fee (maximum management fee) p.a.	Maximum issuing commission (as a percentage of the subscribed amount)
Share classes with "P" in their name	1.800% (1.440%)	2.500%
Share classes with "N" in their name	2.400% (1.920%)	
Share classes with "K-1" in their name	1.300% (1.040%)	
Share classes with "K-X" in their name	0.000% (0.000%)	
Share classes with "F" in their name	0.800% (0.640%)	
Share classes with "Q" in their name	1.100% (0.880%)	
Share classes with "I-A1" in their name	1.000% (0.800%)	
Share classes with "I-A2" in their name	0.900% (0.720%)	
Share classes with "I-A3" in their name	0.800% (0.640%)	
Share classes with "I-B" in their name	0.145% (0.000%)	
Share classes with "I-X" in their name	0.000% (0.000%)	
Share classes with "U-X" in their name	0.000% (0.000%)	

UBS (Lux) Key Selection SICAV – Global Multi Income (USD)
The objective of the Subfund is to generate income through the active management of a diversified portfolio that is mainly invested in equities and bonds. To achieve this objective, the Subfund may invest in traditional asset classes such as equities (issued by companies active in both developed and emerging markets), bonds (including corporate and government bonds, high-interest bonds and bonds with a focus on emerging markets), liquid assets and, within the legal framework, also other asset classes focusing for instance on real estate (real estate investment trusts — REITs), insurance-linked securities and infrastructure. The Subfund may invest in exchange-traded and OTC derivatives for investment purposes and/or for hedging market and currency positions. This includes, inter alia, forwards, futures, swaps and options. In order to fulfil its investment objective and achieve broad diversification of investments, the Subfund may invest up to 100% of its net assets in UCITS and 30% of its net assets in other UCI within the meaning of point 1.1(e) of the section entitled "Investment principles". This method of investment and the associated expenses are described in the section "Investments in UCI and UCITS". Insofar as the Subfund participates in the performance of real estate, this is carried out in line with the applicable legal provisions and

primarily via derivative instruments such as swap transactions on underlying values (e.g. legally permissible indexes) or alternatively via UCITS and other UCIs within the meaning of point 1.1(e) of the section entitled "Investment principles". At no time shall the Subfund invest directly in real estate or infrastructure. Investments of the Subfund are made in the currencies deemed best suited for good performance and are actively managed in respect of the currency of account. The Subfund may also invest in assets which focus on emerging markets. This means that the Subfund is exposed to specific risks which may be greater than the normal risks inherent in internationally oriented investments. An overview of the general risks with investments focusing on emerging markets is given in the section "Investing in emerging markets".

Currency of account: USD

Fees

	Maximum flat fee (maximum management fee) p.a.	Maximum issuing commission (as a percentage of the subscribed amount)
Share classes with "P" in their name	1.680% (1.340%)	2.500%
Share classes with "N" in their name	1.900% (1.520%)	
Share classes with "K-1" in their name	1.100% (0.880%)	
Share classes with "K-X" in their name	0.000% (0.000%)	
Share classes with "F" in their name	0.700% (0.560%)	
Share classes with "Q" in their name	0.950% (0.760%)	
Share classes with "I-A1" in their name	0.800% (0.640%)	
Share classes with "I-A2" in their name	0.750% (0.600%)	
Share classes with "I-A3" in their name	0.700% (0.560%)	
Share classes with "I-B" in their name	0.065% (0.000%)	
Share classes with "I-X" in their name	0.000% (0.000%)	
Share classes with "U-X" in their name	0.000% (0.000%)	

General risk information

Investments in UCI and UCITS

Subfunds that have invested at least half of their assets in existing UCI and UCITS in accordance with their particular investment policies have the structure of a fund of funds.

The general advantage of a fund of funds compared with funds investing directly is the broader diversification or spread of risk. In a fund of funds, portfolio diversification extends not only to its own investments because the investment objects (target funds) themselves are also governed by the stringent principles of risk diversification. A fund of funds enables the investor to invest in a product which spreads its risks on two levels and thereby minimises the risks inherent in the individual investment objects, with the investment policy of the UCITS and UCI in which most investments are made being required to accord as far as possible with the Company's investment policy. The Company additionally permits investment in a single product, by which means the investor gains an indirect investment in numerous securities.

Certain commission payments and expenses may occur more than once when investing in existing funds (for example, commission for the Custodian Bank and the central Administrative Agency, management/advisory fees and issuing/redemption commission of the UCI and/or UCITS in which an investment is made). Such commission payments and expenses are charged at the level of the target fund as well as of the fund of funds.

The Subfunds may also invest in UCI and/or UCITS managed by UBS AG or by a company with which it is associated through common management or control or through a substantial direct or indirect stake. In this case, no issuing or redemption

commission will be charged on subscription to or redemption of these units. The twofold charging of commission and expenses referred to above does, however, remain.
The section "Expenses paid by the Company" presents the general costs and the expenses of investing in existing funds.
For the Subfund UBS (Lux) Key Selection SICAV – Global Alpha Opportunities (EUR), in case the net asset value per share is calculated on the basis of the estimated net asset value of target funds, which is available prior to the time of calculation of the net asset value of the Subfund, the net asset value per share will not be adjusted in case of discrepancies between the estimated net asset value and the official net asset value of these target funds only available after the time of calculation of the net asset value of the Subfund.

Investing in emerging markets
The term "emerging markets" is used to describe markets included in the International Finance Corporation Composite Index and/or the MSCI Emerging Markets Index and other countries which are at a comparable level of economic development, or in which there are new equity markets.
Emerging markets are at an early stage of development and suffer from increased risk of expropriation, nationalisation and social, political and economic insecurity.
The following is an overview of the general risks entailed in emerging markets:

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

Subfunds are addressed to risk-conscious investors depending on the weightings of investments in emerging markets in the individual Subfunds. Regarding this, please refer to the section "Profile of the typical investor" in this sales prospectus.

Specific risks when investing in the People's Republic of China ("PRC")

For the purposes of this section, "Subfund" refers to each relevant Subfund investing in Chinese A-shares ("A-shares") and/or Chinese onshore bonds through the Portfolio Manager's RQFII quota, Shanghai-Hong Kong Stock Connect ("Stock Connect"), UCITS or other UCI with exposure to Chinese A-shares/Chinese onshore bonds, and/or access products such as ETFs.

a) China market risk
Investing in the securities markets in the PRC is subject to the risks of investing in emerging markets generally and the risks specific to investing in the PRC market. Many of the PRC economic reforms are unprecedented or experimental and are subject to adjustment and modification, and such adjustment and modification may not always have a positive effect on foreign investment in joint stock companies in the PRC or in listed securities such as A-shares.

The profitability of the investments of a Subfund could be adversely affected by a worsening of general economic conditions in the PRC or global markets. Factors such as PRC government policy, fiscal policy, interest rates, inflation, investor sentiment, the availability and cost of credit in the PRC, the liquidity of the PRC financial markets and the level and volatility of equity prices could significantly affect the value of a Subfund's underlying investments and thus the share price.
The choice of A-shares and RMB-denominated debt instruments currently available to the Portfolio Manager may be limited as compared with the choice available in other markets. There may also be a lower level of liquidity in the relevant PRC markets, which are relatively smaller in terms of both the combined total market value and the number of securities which are available for investment as compared with other markets. This could potentially lead to severe price volatility.
The national regulatory and legal framework for capital markets and joint stock companies in the PRC is still developing when compared with those of developed countries. However, the effects of such reform on the A-share market as a whole remain to be seen. In addition, there is a relatively low level of regulation and enforcement activity in these securities markets. Settlement of transactions may be subject to delay and administrative uncertainties. Furthermore, regulations continue to develop and may change without notice, which may further delay redemptions or restrict liquidity. There may not be regulation and monitoring of the Chinese securities markets and activities of investors, brokers and other market participants equivalent to that in certain more developed markets.
PRC companies are required to follow PRC accounting standards and practices which, to a certain extent, follow international accounting standards. However, there may be significant differences between financial statements prepared by accountants following PRC accounting standards and practices and those prepared in accordance with international accounting standards.
Both the Shanghai and Shenzhen securities markets are in the process of development and change. This may lead to trading volatility, difficulty in the settlement and recording of transactions and difficulty in interpreting and applying the relevant regulations. The PRC government has been developing a comprehensive system of commercial laws and considerable progress has been made in the promulgation of laws and regulations dealing with economic matters such as corporate organisation and governance, foreign investment, commerce, taxation and trade. Because these laws, regulations and legal requirements are relatively recent, their interpretation and enforcement involve uncertainties. In addition, the PRC laws for investor protection are still undergoing development and may be less sophisticated than those in developed countries.
Investments in the PRC will be sensitive to any significant changes in political, social or economic policy in the PRC. Such sensitivity may, for the reasons specified above, adversely affect the capital growth and thus the performance of these investments.
The PRC Government's control of currency conversion and future movements in exchange rates may adversely affect the operations and financial results of the companies invested in by a Subfund.
In light of the above-mentioned factors, the price of A-shares may fall significantly in certain circumstances.

b) RQFII risk

RQFII quota
Under the prevailing regulations in the PRC, foreign investors can invest in the A-share market and other RQFII permissible securities through institutions that have obtained qualified status such as RQFII status in the PRC. The current RQFII regulations impose strict restrictions (such as investment guidelines) on A-share investments.
The Subfunds themselves are not RQFIIs, but may invest directly in A-shares and other RQFII permissible securities via the RQFII status of the Portfolio Manager. Potential investors should note that there is no guarantee that any of the Subfunds will continue to benefit from the RQFII quota of the Portfolio Manager, nor that it will be made exclusively available to any of the Subfunds.
There can be no assurance that the Portfolio Manager will be able to allocate a sufficient portion of its RQFII quota to meet all applications for subscription to the Subfund, or that redemption requests can be processed in a timely manner due to adverse changes in relevant laws or regulations, including changes in RQFII repatriation restrictions. Such restrictions may result in suspension of dealings of the Subfund.
RQFII restrictions on investment apply to the quota granted to a RQFII as a whole and not simply to investments made by the Subfund. Consequently, investors should be aware that violations of the RQFII regulations on investment arising out of activities related to portions of the investment quota allocated to another client of the RQFII or another Subfund through whom the Subfund invests could result in the revocation of or other regulatory action in respect of the investment quota of the RQFII as a whole, including any portion utilised by the Subfund. Likewise, limits on investment in A-shares and the regulations relating to the repatriation of capital and profits may apply in relation to the quota held by the Portfolio Manager as a whole. As a result, the ability of the Subfund to make investments and/or repatriate monies from the Portfolio Manager's RQFII quota may be adversely affected by the investments, performance and/or repatriation of monies invested by other investors or other Subfunds utilising the Portfolio Manager's RQFII quota.
Should the Portfolio Manager lose its RQFII status, ceases business activities, or the Portfolio Manager’s RQFII quota be revoked or reduced, the Subfund may not be able to invest in A-shares or other RQFII permissible securities through the Portfolio Manager’s RQFII quota, and the Subfund may be required to dispose of its holdings, which would likely have a material adverse effect on such Subfund.

Investors should note that the Portfolio Manager's RQFII quota (at an aggregated level among all Subfunds and other funds using the same Portfolio Manager's RQFII quota) may be subject to a minimum asset allocation as prescribed by PRC regulators. Accordingly, for Subfunds that invest in RQFII permissible securities, the implementation of their respective investment policy may be restricted by such asset allocation requirement.

RQFII regulations
The RQFII regulations which govern investments by RQFIIs in the PRC and the repatriation and currency conversion are relatively new. The application and interpretation of the RQFII regulations are therefore relatively untested and there is uncertainty as to how they will be applied. The China Securities Regulatory Commission **"CSRC"** and the PRC State Administration of Foreign Exchange (**"SAFE"**) have been given a wide margin of discretion in the RQFII regulations and there is no precedent or certainty as to how these discretions might be exercised now or in the future. At this stage of early development, the RQFII regulations may be subject to further revisions in the future. There is no assurance whether such revisions will prejudice the RQFII, or whether the RQFII quota of the Portfolio Manager (including the quota utilised by the Subfund) which is subject to review from time to time by CSRC and SAFE may be removed substantially or entirely.

PRC Brokers
The relevant Portfolio Manager (as an RQFII) will also select brokers (**"PRC Brokers"**) to conduct transactions for the Subfund in the PRC markets. The Subfund may have difficulty in obtaining best execution of transactions in RQFII permissible securities subject to restriction/limitations under applicable RQFII regulations or operational constraints such as the restriction/limitation as to the number of brokers that the Portfolio Manager (as an RQFII) may appoint. If a PRC Broker offers the Subfund standards of execution which the Portfolio Manager reasonably believes to be amongst best practice in the PRC marketplace, the Portfolio Manager may determine that transactions should be consistently executed with that PRC Broker (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 Subfund in respect of the difference between the price at which the Subfund executes transactions and any other price that may have been available in the market at that relevant time.

Custody
The Custodian Bank acts as the depositary of the Subfunds and holds the assets. The Subfund and the Custodian Bank will appoint a sub-custodian for the Subfund (the **"PRC Sub-Custodian"**); said PRC Sub-Custodian will hold the assets of the Subfund invested in the PRC through the Portfolio Manager's RQFII quota.
Any RQFII permissible securities acquired by the Subfund through a Portfolio Manager's RQFII quota will be maintained by the PRC Sub-Custodian in separate securities accounts and will be registered for the sole benefit and use of the Subfund or the Company (on behalf of the Subfund) subject to applicable laws. There will be segregation of assets by the PRC Sub-Custodian such that the assets of the Subfund will not form part of the assets of the Portfolio Manager (as an RQFII), the PRC Sub-Custodian, or the PRC Brokers. However, subject to the investment regulations, the Portfolio Manager (as an RQFII) could be the party entitled to the securities in such securities accounts (albeit that this entitlement does not constitute an ownership interest or preclude the Portfolio Manager purchasing the securities on behalf of the Subfund), such securities may be vulnerable to a claim by a liquidator of the Portfolio Manager and may not be as well protected as if they were registered solely in the name of the Subfund. In particular, there is a risk that creditors of the Portfolio Manager may incorrectly assume that the Subfund's assets belong to the Portfolio Manager and such creditors may seek to gain control of the Subfund's assets to meet the Portfolio Manager's liabilities owed to such creditors.
Investors should note that cash deposited in the cash account of the Subfund with the PRC Sub-Custodian will not be segregated but will be a debt owing from the PRC Sub-Custodian to the Subfund as a depositor. Such cash will be pooled with cash belonging to other clients of the PRC Sub-Custodian. In the event of bankruptcy or liquidation of the PRC Sub-Custodian, the Subfund will not have any proprietary rights to the cash deposited in such cash account, and the Subfund will become an unsecured creditor, ranking pari passu with all other unsecured creditors of the PRC Sub-Custodian. The 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 the Subfund will suffer losses.

Limits on redemption
Where the Subfund is invested in the securities market in the PRC by investing through a Portfolio Manager's RQFII quota, repatriation of invested principal and income from the PRC will be subject to the RQFII regulations in effect at the time, including any regulatory requirements applicable to (including but not limited to) minimum amounts of investments, lock-up periods, frequency and limits on repatriation or withdrawal of investments in such A-shares and other RQFII permissible securities.
Under the current RQFII regulations applicable to the Subfunds investing in RQFII permissible securities, since the Subfund/the Company (as the case may be) qualifies as an open-ended fund (under the RQFII regulations), no lock-up period is applicable to the capital invested in the PRC by the Subfund through the Portfolio Manager's RQFII quota.

Remittance and repatriation for the account of the Subfund may be effected on a daily basis by the PRC Sub-Custodian through the Portfolio Manager's RQFII quota by reference to the net subscriptions and redemption of shares of the Subfund/Company (as the case may be).
Please note that there is no certainty that no regulatory restrictions will apply to the repatriation of funds by the Subfund in the PRC in the future. The investment regulations and/or the approach adopted by SAFE in relation to the repatriation may change from time to time.

Clearing reserve fund risk
Under the RQFII regulations, the PRC Sub-Custodian is required to deposit a minimum clearing reserve fund, the percentage of which is determined at the appropriate time by China Securities Depository and Clearing Corporation Limited (Shanghai and Shenzhen branches) (the **"CSDCC"**). The PRC Sub-Custodian will deposit a part of the assets of the Subfund representing a percentage of the relevant Portfolio Manager's RQFII quota as part of its minimum clearing reserve fund. The minimum clearing reserve ratio is determined by the CSDCC from time to time and will be deposited by the PRC Sub-Custodian into its minimum clearing reserve fund. If the value of securities in the PRC increases, the Subfund's assets held in the clearing reserve fund could have a negative effect on the performance of the Subfund. On the other hand, the performance of the Subfund can be better than it otherwise would have been during periods when the value of PRC securities falls.

c) Risks relating to securities trading in mainland China via Stock Connect
If Subfund investments in mainland China are traded via Stock Connect, there are additional risk factors in relation to these transactions. Shareholders should note in particular that Stock Connect is a new trading programme. There is currently no empirical data. Furthermore, the corresponding provisions could change in future. Stock Connect is subject to quota limits that could restrict the Subfund's ability to perform transactions via Stock Connect in a timely manner. This could impair the Subfund's ability to effectively implement its investment strategy. The scope of Stock Connect initially encompasses all securities included on the SSE 180 Index and SSE 380 Index, as well as all Chinese A-shares listed on the Shanghai Stock Exchange ("**SSE**"). Shareholders should also note that under the applicable regulations, a security can be removed from the Stock Connect programme. This could have an adverse effect on the Subfund's ability to achieve its investment objective, for example if the portfolio manager wishes to acquire a security that has been removed from the Stock Connect programme.

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

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

Not protected by the Investor Compensation Fund
Investors should not that neither northbound nor southbound transactions via Stock Connect are covered by the Investor Compensation Fund in Hong Kong or the China Securities Investor Protection Fund. Investors are therefore not protected against these measures.

The Investor Compensation Fund in Hong Kong was set up to compensate investors of any nationality who sustain monetary damages as a result of a licensed intermediary or an authorised financial institution defaulting on debt in connection with exchange-traded products in Hong Kong. Examples of payment defaults are insolvency, bankruptcy or winding up, breach of fiduciary duty, misappropriation, fraud or unlawful transactions.

Depleted quotas

Should the respective overall quota for northbound and southbound transactions be lower than the daily quota, the corresponding purchase orders will be suspended on the next trading day (sell orders will nonetheless be accepted), until the overall quota level returns to the daily quota level. After the daily quota has been used up, acceptance of corresponding purchase orders will be immediately suspended and no further purchase orders will be accepted for the rest of the day. Purchase orders that have already been accepted are not affected by the depletion of the daily quota. Sell orders will continue to be accepted. Depending on the overall quota level, purchases will resume on the following trading day.

Risk of payment default at ChinaClear

ChinaClear has set up a risk management system and has taken measures that have been approved by the China Securities Regulatory Commission ("**CSRC**") and are subject to its supervision. Under the general CCASS rules, should ChinaClear (as the central counterparty) not meet its obligations, HKSCC shall attempt, where applicable, in good faith to claim the outstanding Stock Connect securities and ChinaClear funds via the available legal channels available and during the winding up of ChinaClear.

HKSCC shall, in turn, distribute the Stock Connect securities and/or funds that can be reclaimed pro rata to qualified participants in accordance with the regulations of the competent Stock Connect authority. Investors should be aware of these regulations and the potential risk of a payment default by ChinaClear before investing in the Subfund and its participation in northbound trading.

Risk of payment default at HKSCC

Non-fulfilment or delayed fulfilment by HKSCC of its obligations may lead to a default when related Stock Connect securities and/or funds are settled or lost. The Subfund and its investors could incur losses as a result. Neither the Subfund nor the Portfolio Manager is responsible or liable for such losses.

Ownership of Stock Connect securities

Stock Connect securities are unsecuritised and held by HKSCC on behalf of their holders. The physical deposit and withdrawal of Stock Connect securities are not available to the Subfund under northbound trading.

The ownership and ownership rights of the Subfund and entitlements to Stock Connect securities (regardless of the legal nature thereof, in equity or otherwise) are subject to the applicable requirements, including the laws on the disclosure of interests and restrictions on foreign share ownership. It is unclear whether the Chinese courts recognise investors and would grant them standing to initiate legal proceedings against Chinese companies in the event of disputes. This is a complex legal area and investors should seek independent professional advice.

d) Risks relating to suspension of trading on Chinese stock markets

Securities exchanges in the PRC typically have the right to suspend or limit trading in any security traded on the relevant exchange. In particular, trading band limits are imposed by the stock exchanges on A-shares, whereby trading in any A-shares on the relevant stock exchange may be suspended if the trading price of the security fluctuates beyond the trading band limit. Such a suspension would make any dealing with the existing positions impossible and would potentially expose the Subfund to losses. Further, when the suspension is subsequently lifted, it may not be possible for the Subfund to liquidate positions at a favourable price, which could also entail losses for the Subfund.

e) Investment restrictions

Since there are limits on the total shares held by all underlying foreign investors and/or a single foreign investor in one PRC listed company under the PRC regulations, the capacity of the Subfund to make investments in A-shares will be affected by the activities of all underlying foreign investors. It will be difficult in practice for the Portfolio Manager (as an RQFII) to monitor the investments of the underlying foreign investors, since an investor may make investment through different RQFIIs or other permitted channels.

f) Disclosure of interests and Short-Swing Profit Rule

Under the PRC disclosure of interest requirements, the Subfund may be deemed to be acting in concert with other funds or Subfunds managed within the Portfolio Manager's group or a substantial shareholder of the Portfolio Manager's group, and therefore may be subject to the risk that the Subfund's holdings may have to be reported in aggregate with the holdings of such other funds or Subfunds mentioned above, if the aggregate holdings reach the reporting threshold under PRC law (currently 5% of the total issued shares of the relevant PRC listed company). This may disclose the Subfund's holdings to the public with an adverse impact on the performance of the Subfund.

In addition, subject to the interpretation of PRC courts and PRC regulators, the PRC short swing profit rule may be applicable to the Subfund's investments with the result that where the holdings of the Subfund (possibly with the holdings of other investors deemed as concert parties of the Subfund) exceed 5% of the total issued shares of a PRC listed company, the Subfund may not reduce its holdings in such company within six months of the last purchase of shares of such company. If the Subfund violates the rule and sells any of its holdings in such company in the six-month period, it may be required by the listed company to return any profits realised from such trading to the listed company. Moreover, under PRC civil procedures, the Subfund's assets may be frozen to the extent of the claims made by such company. These risks may greatly impair the performance of the Subfund.

g) Currency risk of the RMB

The PRC government's currency control and future movements in exchange rates may adversely affect the operations and financial results of companies invested in by the Subfund. RMB 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 position of the Subfund or its investors may be adversely affected.

There is no assurance that conversion will not become more difficult or impossible, or that the RMB will not be subject to devaluation, revaluation or shortages in its availability. There is no guarantee that RMB will not depreciate.

h) Fixed-income securities risks

Investment in the Chinese debt instruments market may be subject to higher volatility and price fluctuations than investment in debt instrument products in more developed markets.

RMB-denominated debt instruments can be issued by a variety of issuers inside or outside the PRC which may have different risk profiles and their rating may vary. RMB-denominated debt instruments are generally unsecured debt obligations not supported by any collateral. The Subfund may be fully exposed to the credit/insolvency risk of its counterparties as an unsecured creditor.

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 the debt instruments and thus, the returns of the Subfund. The value of RMB-denominated debt instruments held by the Subfund will generally vary inversely with changes in interest rates and such variation may affect value of the Subfund's assets accordingly.

RMB-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 the valuations from independent third party sources where the prices are available; accordingly, valuations may sometimes involve uncertainty and judgemental determination and independent pricing information may not be available at all times.

Many of the debt instruments in the PRC do not have a rating assigned by international credit agencies. The credit assessment system in the PRC is still at an early stage of development; there is no standard credit assessment methodology that is used to evaluate assets, and the same rating scale may have different meanings in different agencies. The assigned ratings may not reflect the actual financial strength of the appraised asset.

An adverse change in the financial position or a decrease in credit rating of an issuer may result in increased volatility and have an adverse impact on the price of the relevant RMB-denominated debt instruments. In turn, this can have an unfavourable effect on the liquidity meaning that it is harder to sell these debt instruments.

Subject to the applicable PRC regulations and the investment objective of the Subfund, the assets of the Subfund 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.

i) Risk of investing in other schemes with exposure to PRC securities

The Subfund will be subject to the same type of risks in proportion to its holdings of those specific underlying funds. Different underlying funds invested by the Subfund have different underlying investments. The risks relating to such underlying investments, in particular with exposure to PRC securities, would be similar to the risks as set out above.

Use of derivatives

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

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

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

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

Risks connected with the use of derivatives

Investments in derivatives are subject to general market risk, settlement risk, credit risk, volatility risk and liquidity risk.
However, the nature of these risks may be altered as a result of the special features of the derivative financial instruments, and may in some cases be higher than the risks associated with an investment in the underlying instruments.
For this reason, the use of derivatives requires not only an understanding of the underlying instrument, but also in-depth knowledge of the derivatives themselves.
With derivatives, the credit risk is the risk that a party may not meet (or cannot meet) its obligations under a specific or multiple contracts. The credit risk for derivatives traded on a stock exchange is, generally speaking, lower than that of OTC derivatives traded on the open market, because the clearing agent that acts as counterparty of every exchange-traded derivative (see above) accepts a settlement guarantee. To reduce the overall risk of default, the guarantee is supported by a daily payment system maintained by the clearing agent, in which the assets required for cover are calculated (see below). Despite derivatives not possessing any such settlement guarantee, their default risk is generally limited by the investment restrictions set out in the section entitled "Investment principles", sub-section "Risk diversification". Even in cases where the difference between the mutually owed payments (e.g. interest rate swaps, total return swaps) is owed, as opposed to the delivery or exchange of the underlying assets (e.g. options, forwards, credit default swaps), the Company's potential loss is limited to this difference in the event of default by the counterparty.
The credit risk can be reduced by depositing collateral. To trade derivatives on a stock exchange, participants must deposit collateral with a clearing agent in the form of liquid funds (initial margin). The clearing agent will evaluate (and settle, where appropriate) the outstanding positions of each participant, as well as re-evaluate the existing collateral on a daily basis. If the collateral's value falls below a certain threshold (maintenance margin), the participant in question will be required by the clearing agent to bring this value up to its original level by paying in additional collateral (variation margin). With OTC derivatives, this credit risk may also be reduced by the respective counterparty providing collateral (see below), by offsetting different derivative positions that were entered into with this counterparty, as well as through a careful selection process for counterparties (see the section entitled "Investment principles", sub-section "Permitted investments of the Company", point 1.1(g), indent 4).
The prices of financial derivatives can be extremely volatile, since even small changes in the price of the underlying securities, indices, exchanges rates or currencies can cause significant fluctuations in the price of the financial derivative. Investing in financial derivatives may result in a loss that exceeds the initial investment.
There are also liquidity risks, as it may be difficult to buy or sell certain instruments. When derivative transactions are particularly large, or the corresponding market is illiquid (as may be the case with OTC derivatives on the open market), it may in some cases not always be possible to fully execute a transaction, or else it may only be possible to liquidate a position subject to increased costs.
Other risks associated with the use of derivatives include the risk of incorrectly valuing or determining the price of derivatives. There is also the possibility that derivatives may not completely correlate with their underlying assets, interest rates or indices. Many derivatives are complex and are frequently subjectively valued. Inappropriate valuations can result in higher cash payment requirements in relation to counterparties or in a loss of value for the respective Subfund.

Risk management

Risk management in accordance with the commitment approach and the value-at-risk approach is applied pursuant to the applicable laws and regulatory provisions. Pursuant to CSSF circular 13/559 (on the ESMA guidelines on ETFs and other UCITS issues), the risk management procedure will also be applied within the scope of collateral management (see section "Collateral management" below) and the techniques and instruments for the efficient management of the portfolio (see the section entitled "Special techniques and instruments that have securities and money market instruments as underlying assets").

Leverage

The leverage for UCITS using the value-at-risk ("**VaR**") approach is defined pursuant to CSSF circular 11/512 as the "sum of the notionals" of the derivatives used by the respective Subfund. Shareholders should note that this definition may lead to artificially high leverage which may not correctly reflect the actual economic risk due to, inter alia, the following reasons:

- Regardless of whether a derivative is used for investment or hedging purposes, it increases the leverage calculated according to the sum-of-notionals approach;
- The duration of interest rate derivatives is not taken into consideration. A consequence of this is that short-term interest rate derivatives generate the same leverage as long-term interest rate derivatives, even though short-term ones generate a considerably lower economic risk.

The economic risk of UCITS using the VaR approach is covered by a UCITS risk management process. This contains (among other things) restrictions on the VaR, which includes the market risk of all positions, including derivatives. The VaR is supplemented by a comprehensive stress-test programme.
The average leverage for each Subfund using the VaR approach is expected to be within the range stated in the table below. Leverage is expressed as a ratio between the sum of the notionals and the net asset value of the Subfund in question. Greater leverage amounts may be attained for all Subfunds, under certain circumstances.

Subfund	Global risk calculation method	Expected leverage bandwidth	Reference portfolio
UBS (Lux) Key Selection SICAV – Dynamic Alpha (USD)	Absolute VaR approach	0-5.0	n/a
UBS (Lux) Key Selection SICAV – Asian Equities (USD)	Commitment approach	n/a	n/a
UBS (Lux) Key Selection SICAV – European Equities (EUR)	Commitment approach	n/a	n/a
UBS (Lux) Key Selection SICAV – Global Allocation (CHF)	Relative VaR approach	0-2.0	The reference portfolio reflects the properties of a broadly diversified portfolio of international equities and government bonds, US sub-investment grade bonds and emerging market bonds.
UBS (Lux) Key Selection SICAV – Global Allocation (EUR)	Relative VaR approach	0-2.0	The reference portfolio reflects the properties of a broadly diversified portfolio of international equities and government bonds, US sub-investment grade bonds and emerging market bonds.
UBS (Lux) Key Selection SICAV – Global Allocation (USD)	Relative VaR approach	0-2.0	The reference portfolio reflects the properties of a broadly diversified portfolio of international equities and government bonds, US sub-investment grade bonds and emerging market bonds.
UBS (Lux) Key Selection SICAV – Global Allocation Focus Europe (EUR)	Relative VaR approach	0-2.0	The reference portfolio reflects the properties of a broadly diversified portfolio of equities, government bonds, sub-investment grade bonds and emerging markets bonds with a special focus on Europe.
UBS (Lux) Key Selection SICAV – Global Alpha Opportunities (EUR)	Absolute VaR approach	0–0.5	n/a
UBS (Lux) Key Selection SICAV – Global Equities (USD)	Commitment approach	n/a	n/a
UBS (Lux) Key Selection SICAV – Multi Asset Income (USD)	Absolute VaR approach	0-2.0	n/a
UBS (Lux) Key Selection SICAV – Emerging Markets Allocation (USD)	Relative VaR approach	0-2.0	The reference portfolio reflects the properties of a broadly diversified portfolio of emerging market equities and bonds as well as commodities.
UBS (Lux) Key Selection SICAV – Commodity Strategy (USD)	Relative VaR approach	0-5.0	The reference portfolio reflects the properties of a broadly diversified portfolio of commodities.
UBS (Lux) Key Selection SICAV – Smart Allocator (USD)	Relative VaR approach	0-5.0	The reference portfolio reflects the properties of a broadly diversified portfolio of international equities, government bonds and commodities, as well as US and European sub-investment grade bonds.
UBS (Lux) Key Selection SICAV – Emerging Markets Income (USD)	Relative VaR approach	0–0.5	The reference portfolio reflects the properties of a broadly diversified portfolio, which combines investment grade and non-investment grade bonds and equities from emerging markets.
UBS (Lux) Key Selection SICAV – Asian Global Strategy Balanced (USD)	Relative VaR approach	0–0.5	The reference portfolio reflects the properties of a broadly diversified portfolio of worldwide equities, as well as corporate and government bonds, with a special focus on Asia.

UBS (Lux) Key Selection SICAV – European Growth and Income (EUR)	Commitment approach	n/a	n/a
UBS (Lux) Key Selection SICAV – Dual Alpha (USD)	Absolute VaR approach	0-5.0	n/a
UBS (Lux) Key Selection SICAV – China Allocation Opportunity (USD)	Commitment approach	n/a	n/a
UBS (Lux) Key Selection SICAV – Global Multi Income (USD)	Relative VaR approach	0-2.0	The reference portfolio reflects the properties of a broadly diversified portfolio of international equities and bonds.

Collateral management

If the Company enters into OTC transactions, it may be exposed to risks related to the creditworthiness of the OTC counterparties. When the Company enters into futures contracts, options and swap transactions or uses other derivative techniques, it is subject to the risk that an OTC counterparty may not meet (or cannot meet) its obligations under a specific or multiple contracts. Counterparty risk can be reduced by depositing a security ("collateral", see above). Collateral may be provided in the form of liquid assets in highly liquid currencies, highly liquid equities and first-rate government bonds. The Company will only accept such financial instruments as collateral, which would allow it (after objective and appropriate valuation) to liquidate these within an appropriate time period. The Company, or a service provider appointed by the Company, must assess the collateral's value at least once a day. The collateral's value must be higher than the value of the position of the respective OTC counterparty. However, this value may fluctuate between two consecutive valuations. After each valuation, however, it is ensured (where appropriate, by requesting additional collateral) that the collateral is increased by the desired amount to meet the value of the respective OTC counterparty's position (mark-to-market). In order to adequately take into account the risks related to the collateral in question, the Company determines whether the value of the collateral to be requested should be increased, or whether this value should be depreciated by an appropriate, conservatively measured amount (haircut). The larger the collateral's value may fluctuate, the higher the markdown.

The Company shall decide on an internal framework agreement that determines the details of the above-mentioned requirements and values, particularly regarding the types of collateral accepted, the amounts to be added to and subtracted from the respective collateral, as well as the investment policy for liquid funds that are deposited as collateral. This framework agreement is reviewed and adapted where appropriate by the Company on a regular basis.

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

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

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

US TIPS (Treasury inflation protected securities) with a maturity of up to 10 years	7%
US Treasury strips or zero coupon bonds (all maturities)	8%
US TIPS (Treasury inflation protected securities) with a maturity of more than 10 years	10%

The haircuts to be used on collateral from securities lending are, as applicable, described in Section 5 entitled "Special techniques and instruments that have securities and money market instruments as underlying assets".
Securities deposited as collateral may not have been issued by the corresponding OTC counterparty nor have a high correlation with this OTC counterparty. For this reason, shares from the finance sector are not accepted as collateral. Securities deposited as collateral are held by the Custodian Bank/Custodian in favour of the Company and may not be sold, invested or pledged by the Company.
The Company shall ensure that the collateral transferred to it is adequately diversified, particularly regarding geographic dispersal, diversification across different markets and diversification of the concentration risk. The latter is considered to be sufficiently diversified if securities and money market instruments held as collateral and issued by a single issuer do not exceed 20% of the net assets of the respective Subfund.
In derogation to the above paragraph and in accordance with the modified point 43(e) of the ESMA Guidelines on ETFs and other UCITS issues of 1 August 2014 (ESMA/2014/937), the Company may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by an EU member state, one or more of its local authorities, a third country, or a public international body to which one or more member states of the European Union belong. If this is the case, the Company must ensure that it receives securities from at least six different issues, but securities from any single issue may not account for more than 30% of the net assets of the respective Subfund.
The Board of Directors of the Company has decided to make use of the exemption clause described above and accept collateralisation worth up to 50% of the net assets of the respective Subfund in government bonds that are issued or guaranteed by the following countries: USA, Japan, UK, Germany and Switzerland.
Collateral that is deposited in the form of liquid funds may be invested by the Company. Investments may only be made in: sight deposits or deposits at notice in accordance with point 1.1(f) of Section 1 "Permitted investments of the Company"; high-quality government bonds; repurchase transactions within the meaning of Section 5 "Special techniques and instruments that have securities and money market instruments as underlying assets", provided that the counterparty to this transaction is a credit institution within the meaning of point 1.1(f) of Section 1 "Permitted investments of the Company" and the Company has the right to cancel the transaction at any time and to request the back transfer of the amount invested (incl. accrued interest); short-term money market funds within the meaning of CESR Guidelines 10-049 regarding the definition of European money-market instruments. The restrictions listed in the previous paragraph also apply to the diversification of the concentration risk.
Bankruptcy and insolvency events or other credit events involving the Custodian Bank or within its subcustodian/correspondent bank network may result in the rights of the Company in connection with the collateral being delayed or restricted in other ways. If the Company owes collateral to the OTC counterparty pursuant to an applicable agreement, then any such collateral is to be transferred to the OTC counterparty as agreed between the Company and the OTC counterparty. Bankruptcy and insolvency events or other credit events involving the OTC counterparty, the Custodian Bank or its subcustodian/correspondent bank network may result in the rights or recognition of the Company in connection with the collateral being delayed, restricted or even eliminated, which would go so far as to force the Company to fulfil its obligations within the framework of the OTC transaction, in spite of any collateral that had previously been made available to cover any such obligation.

Net asset value, issue, redemption and conversion price
The net asset value and the issue, redemption and conversion price per share of each Subfund or share class are expressed in the reference currency of the Subfund or share class concerned and are calculated every business day by dividing the overall net assets of the Subfund attributable to each share class by the number of shares in circulation in this share class of the Subfund.
The net asset value calculated for a GAO business day of the UBS (Lux) Key Selection SICAV – Global Alpha Opportunities (EUR) Subfund will be published no later than on the third banking day after the corresponding GAO business day.
The percentage of the net asset value attributable to each share class of a Subfund changes each time shares are issued or redeemed. It is determined by the ratio of the shares in circulation in each share class to the total number of Subfund shares in circulation, taking into account the fees charged to that share class.
If the total subscriptions or redemptions of all the share classes of a Subfund on a single trading day come to a net capital inflow or outflow, the respective Subfund's net asset value may be increased or reduced accordingly (so-called single swing pricing). The maximum adjustment amounts to 2% of the net asset value. Estimated transaction costs and tax charges that may be incurred by the Subfund as well as the estimated bid/offer spread of the assets in which the Subfund invests may be

taken into account. The adjustment leads to an increase in net asset value if the net movements result in a rise in the number of shares in the Subfund concerned. It results in a reduction of net asset value if the net movements bring about a fall in the number of shares. The Board of Directors of the Company can set a threshold value for each Subfund. This may consist in the net movement on a trading day in relation to the net fund assets or to an absolute amount in the currency of the Subfund concerned. The net asset value would be adjusted only if this threshold were to be exceeded on a trading day.

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

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

b) Securities, derivatives and other investments listed on a stock exchange are valued at the last-known market prices. If these securities, derivatives or other assets are listed on several stock exchanges, the latest available price on the stock exchange that represents the major market for these investments will apply.
In the case of securities, derivatives and other assets not commonly traded on a stock exchange and for which a secondary market among securities traders exists with pricing in line with the market, the Company may value these securities, derivatives and other investments based on these prices. Securities, derivatives and other investments not listed on a stock exchange but which are traded on another regulated market which operates regularly and is recognised and open to the public are valued at the last available price on this market.

c) Securities and other investments that are not listed on a stock exchange or traded on another regulated market, and for which no appropriate price can be obtained, are valued by the Company according to other principles chosen by it in good faith on the basis of the likely sales prices.

d) Derivatives not listed on a stock exchange (OTC derivatives) are valued on the basis of independent pricing sources. In case only one independent pricing source of a derivative is available, the plausibility of the valuation obtained will be verified by means of calculation methods recognised by the Company and the Company's auditors, based on the market value of the underlying instrument from which the derivative originates.

e) Units of other undertakings for collective investment in transferable securities (UCITS) and/or undertakings for collective investment (UCI) are valued at their last-known net asset value. For the Subfund UBS (Lux) Key Selection SICAV – Global Alpha Opportunities (EUR), the units of other undertakings for collective investment in transferable securities (UCITS) and/or undertakings for collective investment (UCI) may also be valued on the basis of an estimated net asset value for such shares or units available prior to the time of calculation of the net asset value of the Subfund in the event that this estimated net asset value provides a more accurate value of these shares or units.

f) Money market instruments not traded on a stock exchange or on another regulated market open to the public will be valued on the basis of the relevant curves. The valuation based on the curves refers to the interest rate and credit spread components. The following principles are applied in this process: for each money market instrument, the interest rates nearest the residual maturity are interpolated. The interest rate calculated in this way is converted into a market price by adding a credit spread that reflects the underlying borrower. This credit spread is adjusted if there is a significant change in the credit rating of the borrower.
Interest income earned by Subfunds between the order date concerned and the value date concerned is included in the valuation of the assets of the Subfund concerned. The asset value per share on a given valuation date therefore includes projected interest earnings.

g) Securities, money market instruments, derivatives and other assets denominated in a currency other than the reference currency of the relevant Subfund and not hedged by foreign-exchange transactions, are valued at the middle-market rate of exchange (midway between the bid and offer rate) known in Luxembourg or, if not available, on the most representative market for this currency.

h) Fixed-term deposits and fiduciary investments are valued at their nominal value plus accumulated interest.

i) The value of swaps is calculated by an external service provider and a second independent valuation is provided by another external service provider. The calculation is based on the net present value of all cash flows, both inflows and outflows. In some specific cases, internal calculations (based on models and market data made available by Bloomberg), and/or broker statement valuations may be used. The valuation methods depend on the respective security and are determined pursuant to the UBS Global Valuation Policy.

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

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

As a consequence, developments which may influence the value of these securities and which occur between the closure of the markets and the valuation time are not normally taken into account in the net asset value per share of the Subfund concerned. If, as a result of this, the Company deems that the most recently available prices of the securities in a Subfund's portfolio do not reflect their fair value, it may allow the net asset value per share to be adjusted in order to reflect the assumed fair value of the portfolio at the time of valuation. Such an adjustment is based on the investment policy determined by the Company and a number of practices. If the value is adjusted as described above, this will be applied consistently to all unit classes in the same Subfund.

From 1 February 2016 onwards, the Company will reserve the right to apply this measure to the relevant Subfunds of the Fund whenever it deems this appropriate.

Evaluating assets at fair value calls for greater reliability of judgement than when evaluating assets at times when readily available market quotations can be referred to. Fair value calculations may also be based on quantitative models used by price reporting providers to determine the fair value. No guarantee can be given that the Fund will be in a position to accurately establish the fair value of an asset when it is about to sell the asset around the time at which the Fund determines the net asset value per unit. As a consequence, if the Fund sells or redeems shares at the net asset value at a time when one or more participations are valued at fair value, this may lead to a dilution or increase in the economic participation of the existing unitholders.

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

Investing in UBS (Lux) Key Selection SICAV

Conditions for the issue and redemption of shares

Subfund shares are issued and redeemed on every business day. In this context, "business day" refers to normal bank business days in Luxembourg (i.e. each day on which the banks are open during normal business hours) except individual, non-statutory rest days and days on which stock exchanges in the main countries in which the respective Subfund invests are closed, or on which 50% or more of the investments of the Subfund cannot be adequately valued.

For the Subfund UBS (Lux) Key Selection SICAV – Global Alpha Opportunities (EUR), a "**GAO business day**" is defined as the Wednesday of each week, provided that day is a banking day in Luxembourg. If that Wednesday is not a banking day in Luxembourg, the GAO business day is the next banking day in Luxembourg.

"**Non-statutory rest days**" are days on which banks and financial institutions are closed.

No issues or redemptions will be effected on days on which the Company has decided not to calculate net asset values, as described in "Suspension of the net asset value calculation and of the issue, redemption and conversion of shares". In addition, the Company is empowered to reject subscription applications at its discretion.

The Company does not permit any transactions which it considers could jeopardise the interests of shareholders, for instance market timing and late trading. It is entitled to refuse any application for subscription or conversion that it considers to be allied to such practices. The Company is further entitled to take any actions it deems necessary in order to protect the shareholders from such practices.

Subscription and redemption applications ("orders") registered with the Administrative Agent no later than the cut-off time stated below for each Subfund on a business day (order date) will be processed on the following business day (valuation date) on the basis of the net asset value calculated for that day.

By way of exception, orders for the Subfund UBS (Lux) Key Selection SICAV – Asian Equities (USD) may also be processed from 1 February 2016 on the order date on the basis of the net asset value calculated for that day.

By way of exception, orders for the Subfund UBS (Lux) Key Selection SICAV – Asian Equities (USD) may also be processed from 1 February 2016 on the order date on the basis of the net asset value calculated for that day.

The following cut-off times shall apply:

Subfund	Cut-off time (CET)
UBS (Lux) Key Selection SICAV – Asian Global Strategy Balanced (USD)	13:00
UBS (Lux) Key Selection SICAV – Dynamic Alpha (USD)	15:00
UBS (Lux) Key Selection SICAV – Emerging Markets Allocation (USD)	13:00
UBS (Lux) Key Selection SICAV – Emerging Markets Income (USD)	13:00
UBS (Lux) Key Selection SICAV – European Growth and Income (EUR)	13:00

UBS (Lux) Key Selection SICAV – Global Allocation (CHF)	13:00
UBS (Lux) Key Selection SICAV – Global Allocation (EUR)	13:00
UBS (Lux) Key Selection SICAV – Global Allocation (USD)	13:00
UBS (Lux) Key Selection SICAV – Global Allocation Focus Europe (EUR)	13:00
UBS (Lux) Key Selection SICAV – Multi Asset Income (USD)	13:00
UBS (Lux) Key Selection SICAV – Smart Allocator (USD)	13:00
UBS (Lux) Key Selection SICAV – Global Alpha Opportunities (EUR)	15:00
UBS (Lux) Key Selection SICAV – Asian Equities (USD)	15:00 (from 1 February 2016: 13:00)
UBS (Lux) Key Selection SICAV – Commodity Strategy (USD)	15:00
UBS (Lux) Key Selection SICAV – European Equities (EUR)	15:00
UBS (Lux) Key Selection SICAV – Global Equities (USD)	15:00
UBS (Lux) Key Selection SICAV – Dual Alpha (USD)	13:00
UBS (Lux) Key Selection SICAV – China Allocation Opportunity (USD)	15:00
UBS (Lux) Key Selection SICAV – Global Multi Income (USD)	13:00

Orders for the Subfund UBS (Lux) Key Selection SICAV – Global Alpha Opportunities (EUR) registered with the Administrative Agent before 15:00 (CET) on the fourth banking day in Luxembourg before the respective GAO business day will be processed on the basis of the net asset value calculated for that GAO business day, provided that the issue price is paid no later than the second banking day in Luxembourg after the relevant GAO business day. Orders regarding the Subfund UBS (Lux) Key Selection SICAV – Global Alpha Opportunities (EUR) registered with the Administrative Agent after 15:00 (CET) on the fourth banking day in Luxembourg before the respective GAO business day will be processed on the basis of the net asset value calculated on the next GAO business day.

All orders sent by fax must be received by the Administrative Agent one hour prior to the stated cut-off time of the respective Subfund on a business day, at the latest. However, cut-off times earlier than those specified above may be applied by the central settling agent of UBS AG in Switzerland, the sales agents or other intermediaries vis-à-vis their clients in order to ensure a punctual submission of orders to the Administrative Agent. Information on these may be obtained at the central settling agent of UBS AG in Switzerland, the sales agents concerned or other intermediaries.

For orders registered with the Administrative Agent after the respective cut-off time on a business day, the order date is considered to be the following business day.

The same applies to the conversion of shares of a Subfund into shares of another Subfund of the Company, performed on the basis of the net asset values of the Subfunds concerned.

This means that the net asset value for settlement purposes is not known when the order is placed (forward pricing). It will be calculated for this business day on the basis of the latest market prices (i.e. closing prices or, if they do not reflect a reasonable market value in the opinion of the Management Company, at the most recent prices available at the time of valuation). The individual valuation principles applied are described in the section above.

Issue of shares

The issue price of shares in the Subfunds is calculated according to the provisions in the section "Net asset value, issue, redemption and conversion price".

After the initial issue, the issue price is based on the net asset value per share plus an issuing commission, as listed in the description of commissions for the respective Subfund or in the description of share classes. Any taxes, commissions and other fees incurred in the respective distribution countries will also be charged.

Subscriptions for shares in the Company are accepted at the issue price of the Subfunds by the Company, the Administrative Agent and the Custodian Bank as well as at the sales and paying agents, which forward them to the Company.

Subject to applicable laws and regulations, the Custodian Bank and/or the agents entrusted with receiving subscription payments may, at their discretion and upon investors' request, accept the payment in currencies other than the currency of account of the respective Subfund and the subscription currency of share class to be subscribed. The exchange rate used will be determined by the respective agent on the basis of the bid-ask spread of the relevant currency pair. Investors shall bear all fees associated with currency exchange. Notwithstanding the above, payment of subscription prices for shares denominated in RMB shall be made in RMB (CNH) only. No other currency will be accepted for the subscription of these share classes.

The shares may also be subscribed through savings plans, payment plans or conversion plans, in accordance with the locally prevailing market standards. Further information on this subject can be requested from local sales agents.

The issue price of Subfund shares is paid no later than on the third business day following the order date (**value date**) into the Custodian Bank account in favour of the Subfund.

A local Paying Agent will submit transactions on behalf of the final investor on a nominee basis. Costs incurred for such services may be charged to the investor.

At the shareholders' request, the Company may accept full or partial subscriptions in kind at its own discretion. In this case, the capital subscribed in kind must correspond with the investment policy and restrictions of the relevant Subfund. These investments will also be audited by the auditor assigned by the Company. The associated costs will be charged to the investor.

Shares are issued as registered shares only. This means that the shareholder status of the investor in the Company with all associated rights and obligations will be based on the respective investor's entry in the Company's register. A conversion of registered shares into bearer shares may not be requested. The shareholders should bear in mind that the registered shares may also be cleared via recognised external clearing houses like Clearstream and Euroclear.
All shares issued have the same rights. The Articles of Incorporation nonetheless provide for the possibility of issuing various share classes with specific features within a particular Subfund.
Furthermore, fractions of shares can be issued for all Subfunds/share classes. Fractions of shares will be expressed with up to a maximum of three decimal places and do not confer the right to vote at general meetings, but will grant entitlement to a distribution or a proportionate distribution of the liquidation proceeds should the Subfund/share class concerned be liquidated.

Redemption of shares
Redemption orders are accepted by the Management Company, the Administrative Agent, the Custodian Bank or another authorised sales or paying agent.

The countervalue for redeemed Subfund shares is paid at the latest on the third business day after the order date ("**value date**") (or no later than seven banking days in Luxembourg after the relevant GAO business day for shares of the Subfund UBS (Lux) Key Selection SICAV – Global Alpha Opportunities (EUR)) unless legal provisions, such as foreign exchange controls or restrictions on capital movements, or other circumstances beyond the control of the Custodian Bank, make it impossible to transfer the redemption amount to the country in which the redemption application was submitted.
If the value of a share class in relation to the total net asset value of a Subfund has fallen below or not reached a level that the Board of Directors of the Company has fixed as the minimum level for the economically efficient management of a share class, the Board of Directors of the Company may decide that all shares of this class are to be redeemed, upon payment of the redemption price, on a business day determined by the Board. Investors of the class/Subfund concerned shall not have to bear any additional costs or other financial burdens as a result of this redemption. Where applicable, the single swing pricing principle described in the section "**Net asset value, issue, redemption and conversion price"** shall apply.
For Subfunds with several share classes denominated in different currencies, shareholders may, in principle, only receive the equivalent value of their redemption in the currency of the respective share class or currency of account of the respective Subfund. Subject to applicable laws and regulations, the Custodian Bank and/or the agents entrusted with paying the redemption proceeds may, at their discretion and upon investors' request, make the payment in currencies other than the currency of account of the respective Subfund and the currency of the share class redeemed. The exchange rate used will be determined by the respective agent on the basis of the bid-ask spread of the relevant currency pair. Investors shall bear all fees associated with currency exchange. These fees, as well as any taxes, commissions and other fees incurred in the respective distribution countries will be charged to the relevant investor and deducted from the redemption proceeds. Notwithstanding the above, payment of redemption proceeds for shares denominated in RMB shall be made in RMB (CNH) only. The investor may not request payment of the redemption proceeds in any other currency than RMB (CNH).
Any taxes, commissions and other fees incurred in the respective distribution countries will also be charged.
However, no redemption commission may be levied.
The development of the net asset value determines whether the redemption price is higher or lower than the price paid by the investor.
In the event of an excessively large volume of redemption orders, the Company may decide to delay execution of redemption orders until the corresponding assets of the Company have been sold without unnecessary delay. Should such a measure be necessary, all redemption orders received on the same day will be calculated at the same price.
A local Paying Agent will submit transactions on behalf of the final investor on a nominee basis. Costs incurred for such services may be charged to the investor.
At the shareholders' request, the Company may offer investors full or partial redemptions in kind at its own discretion. In this case, it must be ensured that even after the capital is redeemed in kind, the remaining portfolio corresponds with the investment policy and restrictions of the relevant Subfund, as well as that the remaining investors in the Subfund are not disadvantaged by the redemption in kind. These payments will also be audited by the auditor assigned by the Company. The associated costs will be charged to the investor.

Conversion of shares
With the exception of share classes denominated in RMB, shareholders may convert from one Subfund into another or from one share class into another share class within the same Subfund at any time. The same procedures apply to the submission of conversion orders as to the issue and redemption of shares. Shareholders may not convert shares into or from the Subfund UBS (Lux) Key Selection SICAV – Global Alpha Opportunities (EUR) to another Subfund.
Conversion of share classes denominated in RMB is only possible between the Subfunds or share classes of which the currency of account or the reference currency is RMB.
The number of shares into which the shareholder would like to convert his/her shares is calculated according to the following formula:

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

where:

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

For the conversion, a maximum conversion commission equalling the amount of the maximum issuing commission may be charged in favour of the sales agents. In this event, no redemption commission is levied, in accordance with the provisions of the section entitled "Redemption of shares".
Subject to applicable laws and regulations, the Custodian Bank and/or the agents entrusted with receiving conversion payments may, at their discretion and upon investors' request, accept the payment in currencies other than the currency of account of the respective Subfund and/or the reference currency of the share class, into which the conversion will take place. The exchange rate used will be determined by the respective agent on the basis of the bid-ask spread of the relevant currency pair. These commissions, as well as any fees, taxes and stamp duties incurred in the individual countries for a Subfund conversion are charged to the shareholders.

Prevention of money laundering and terrorist financing
The Company's sales agents must observe the provisions of the Luxembourg Law of 12 November 2004 on the fight against money laundering and terrorist financing, as amended, as well as the relevant statutory provisions and the applicable circulars of the CSSF.
Accordingly, investors must provide proof of their identity to the sales agent or distributor that accepts their subscription. The sales agent or distributor must request, at a minimum, the following identification documents from subscribers: for individuals – a certified copy of the passport/identity card (certified by the sales agent or distributor or by the local administrative authority); for companies or other legal entities – a certified copy of the articles of incorporation, a certified copy of the extract from the Trade and Companies Register, a copy of the most recently published annual accounts and the full name of the beneficial owner. The sales agent or distributor must request, depending on the case, additional identification documents from investors requesting subscriptions or redemptions.
The sales agent must ensure that the distributors adhere strictly to the aforementioned identification procedures. The Administrative Agent and the Company may, at any time, demand assurance from the sales agent that the procedures are being adhered to. The Administrative Agent will monitor compliance with the aforementioned provisions for all subscription and redemption orders they receive from sales agents or distributors in countries in which such sales agents or distributors are not subject to requirements equivalent to Luxembourg or EU law on fighting money laundering and terrorist financing.
Furthermore, the sales agent and its distributors must obey all regulations to prevent money laundering and terrorist financing which are in force in the respective countries.

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

- one or more stock exchanges or other markets which provide the basis for valuing a substantial portion of the net assets, or foreign exchange markets in whose currency the net asset value or a major part of the net assets is denominated, are closed other than for normal holidays or if dealings therein are suspended, or if these stock exchanges or markets are subject to restrictions or to major price fluctuations in the short term;
- events beyond the control, liability or influence of the Company and/or Management Company make it impossible to access the net assets under normal conditions or such access would be detrimental to the interests of the shareholders;
- disruptions in the communications network or any other reason make it impossible to calculate the value of a considerable part of the net assets;
- it is not possible for the Company to repatriate the funds to pay redemption orders in the Subfund in question, or if the transfer of funds from the sale or for the acquisition of investments or for payments resulting from redemptions of shares cannot be carried out, in the view of the Board of Directors of the Company, at normal exchange rates;
- political, economic, military or other circumstances outside the control of the Company make the disposal of the Company's assets impossible under normal conditions without seriously harming the interests of the shareholders;
- for any other reason the prices of investments of a Subfund cannot be promptly or accurately determined;

- the convocation of an extraordinary general shareholders' meeting for the winding up of the Company was published;
- such a suspension is justified for the protection of the shareholders, after the convocation of an extraordinary general shareholders' meeting for the merger of the Company or of a Subfund or a notice to the shareholders on a decision by the Board of Directors of the Company to merge one or more Subfunds was published; and
- the Company can no longer transact its business due to restrictions on foreign exchange and capital movements.

A suspension of the calculation of the net asset value, a suspension of the issue or redemption of shares and a suspension of conversion between Subfunds will be notified without delay to all the responsible authorities in the countries in which shares of the Company are approved for sale to the public in addition to being published in the manner described in the section "Information to shareholders".

Distributions

The general meeting of shareholders of the respective Subfund decides, at the proposal of the Board of Directors of the Company and after closing the annual accounts, whether and to what extent distributions are to be paid out by the respective Subfunds or share classes. Distributions may be composed of income (e.g. dividend income and interest income), capital and capital gains and they may include or exclude fees and expenses. Investors in certain countries may be subject to higher tax rates on distributed capital than on any capital gains from the sale of fund units. Some investors may therefore prefer to subscribe to accumulating (-acc) rather than distributing (-dist, -mdist) share classes. Investors may be taxed at a later point in time on income and capital arising on accumulating (-acc) share classes compared to distributing (-dist) share classes. Investors should seek their own tax advice. Any distribution results in an immediate reduction of the net asset value per share of the Subfund. The payment of distributions must not result in the net assets of the Company falling below the minimum amount for company assets laid down by the law. If distributions are made, payment will be effected within four months of the end of the financial year.

The Board of Directors of the Company is entitled to determine whether interim dividends are paid and whether distribution payments are suspended.

Entitlements to distributions and allocations not claimed within five years of falling due will lapse and be paid back into the relevant Subfund or its share class. If said Subfund or share class has already been liquidated, the distributions and allocations will accrue to the remaining Subfunds of the Company or the remaining share classes of the Subfund concerned in proportion to their respective net assets. At the proposal of the Company's Board of Directors, the general meeting may decide, in connection with the appropriation of net investment income and capital gains, to issue bonus shares. An income equalisation amount will be calculated so that the distribution corresponds to the actual income entitlement.

Taxes and expenses

Taxation

The Company is subject to Luxembourg law. In accordance with current legislation in the Grand Duchy of Luxembourg, the Company is not subject to any Luxembourg withholding, income, capital-gains or wealth taxes. From the total net assets of each Subfund, however, a tax of 0.05% p.a. ("*taxe d'abonnement*") payable to the Grand Duchy of Luxembourg is due at the end of every quarter (reduced *taxe d'abonnement* amounting to 0.01% p.a. for share classes F, I-A1, I-A2, I-A3, I-B, I-X and U-X). This tax is calculated on the total net assets of each Subfund at the end of every quarter.

Shareholders should be aware that the Luxembourg Law of 21 June 2005 has transposed into Luxembourg law Council Directive 2003/48/EC of 3 June 2003 on the taxation of savings income in the form of interest payments. Since 1 July 2005, this Law has provided for the imposition of a withholding tax on cross-border interest payments to individuals domiciled in the EU or for an automatic information exchange. This applies, inter alia, to distributions and dividends payable by investment funds which invest more than 15%, and earnings from the assignment or repayment of shares in investment funds which invest more than 25% in debt instruments and claims as defined by the EU taxation of interest. Where necessary, the sales agent or distributor may, upon subscription, ask investors to give their tax identification number ("**TIN**") provided by the state in which they are domiciled for tax purposes. The taxable values shown are based on the most recently available data at the time they were calculated.

Provided the Subfund in question is not subject to EU taxation of interest or the shareholders are not affected thereby, shareholders are not required, under current tax law, to pay any income, gift, inheritance or other tax in Luxembourg unless they are domiciled in Luxembourg, have a residence in Luxembourg or maintain a permanent establishment there, or were previously domiciled in Luxembourg and hold more than 10% of the shares in the Company.

On 13 November 2008, the European Commission accepted a proposal for the amendment of the Savings Taxation Directive. If the amendment proposal is implemented, among other things, (i) the scope of the EU Savings Taxation Directive would be expanded to include payments distributed by certain intermediary structures (regardless of whether their registered office is in an EU Member State or not) and whose final beneficiary is a private person resident in the EU and (ii)

the definition of interest that falls within the scope of the EU Savings Taxation Directive would be further extended. At the time of writing of this sales prospectus, it is not yet known if or on what date the proposed amendment will enter into force.
The aforementioned represents a summary of the fiscal effects and makes no claim to be exhaustive. It is the responsibility of purchasers of shares to seek information on the laws and regulations governing the purchase, possession and sale of shares in connection with their place of residence and their nationality.

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

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

Investors in the United Kingdom
The Company is an offshore fund for tax purposes within the meaning of the UK Offshore Funds (Tax) Regulations which were introduced with effect from 1 December 2009 and which amended the previous tax regulations which applied to investments in offshore funds.
Under the regulations, UK investors will be subject to capital gains tax (or corporation tax on chargeable gains) and not income tax on profits arising on a sale (e.g. by transfer or redemption) of units in a qualifying offshore fund.
UK investors may be liable for income tax (rather than tax on capital gains) on profits arising from a sale (e.g. by transfer or redemption) of units in a non-qualifying offshore fund.
Since 1 December 2009 and for a transitional period only, offshore funds may apply to HM Revenue & Customs (the UK tax authorities) for approval as a qualifying offshore fund with either "distributor" status or with "reporting fund" status.
The application may be made for one or more Subfunds within the umbrella or for one or more specified share classes issued by a Subfund. For UK tax purposes, an investment in a share class which has distributor or reporting fund status will be treated as an investment in a qualifying offshore fund.
After the transitional period, only an investment in a Subfund, or a share class of a specific Subfund which has reporting fund status will be treated as an investment in a qualifying offshore fund.
The Company may, at its discretion, apply for qualifying offshore fund status for specified Subfunds, or share classes issued by the Subfunds.
Where such an application has been made, the Board of Directors of the Company intends to manage the Company so that an investment in the specified share classes will be treated as an investment in a qualifying offshore fund for each accounting period, and to satisfy HM Revenue & Customs that the relevant requirements have been or will be met. However, the members of the Board of Directors of the Company cannot guarantee that these requirements will be met or that HM Revenue & Customs will confirm that they have been met.
For share classes with "UKdist" in their name and which have "reporting fund" status, the Company intends to distribute, on an annual basis, a sum which corresponds to 100% of the reportable income within the meaning of the UK reporting fund rules. The Company does not intend to make available taxable values in other countries in respect of the "UKdist" share classes.
The attention of persons ordinarily resident in the United Kingdom is drawn to the provisions of Part 13(2) of the Income Tax Act 2007 ("Transfer of Assets Abroad") which provide that under certain circumstances they may be subject to income tax in relation to income and profits arising within a Subfund(s) which is not received or receivable in the United Kingdom by those persons.
In addition, it is important to note the provisions of Section 13 of the Taxation of Chargeable Gains Act 1992, which govern the distribution of chargeable gains of companies which are not resident in the United Kingdom and which would be "close companies" if they were resident in the UK. These gains are distributed to investors who are domiciled or have their ordinary

place of abode or residence in the UK. Profits distributed in this manner are taxable for all investors who hold a share of more than 10% of the distributed profit either individually or together with associated persons. The Company intends to make all reasonable efforts to ensure that the Subfund(s) are not classed as a "close company" within the meaning of Section 13 of the Taxation of Chargeable Gains Act if domiciled in the United Kingdom. Moreover, when examining the effects of Section 13 of the Taxation of Chargeable Gains Act 1992, it is important to ensure that the regulations of the double taxation agreement between the United Kingdom and Luxembourg are taken into account.

PRC tax considerations

For the purposes of this section of the sales prospectus: (i) "Subfund" refers to the Subfunds investing directly or indirectly in QFII/RQFII permissible securities through the Portfolio Manager's QFII and/or RQFII quota, or through the QFII and/or RQFII quota of any other entity within the UBS group; and (ii) "Portfolio Manager" refers to the Portfolio Manager and any other entity within the UBS group, as the context may require.
Under current regulations in the PRC, foreign investors (including the Subfunds) may invest in Chinese A-shares and certain other investment products, generally, through a QFII or an RQFII or Shanghai-Hong Kong Stock Connect ("Stock Connect").
Since under PRC laws only QFIIs/RQFIIs (besides via the Stock Connect) are permitted to trade in A-shares and certain other investment products, they may be treated as the persons liable to tax in the PRC. Therefore, any tax liability may, if it arises, potentially be charged against, and be payable by, the QFII/RQFII.
However, any tax assessed under PRC tax laws against the QFII/RQFII would likely be borne by the Subfund, because under the terms of the arrangement between the QFII/RQFII and the Subfund for the account of the Subfund, the QFII/RQFII will pass on any tax liability to the Subfund for the account of the Subfund. As such, the Subfund is the ultimate party which bears the risks relating to any PRC taxes thus levied by the PRC tax authorities.

<u>PRC Corporate Income Tax ("CIT")</u>

If the Subfund is considered a tax resident enterprise of the PRC, it will be subject to PRC CIT of 25% on its worldwide taxable income. If the Subfund is considered a non-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 of 25%.
Under the PRC 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 ("WIT") 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 Portfolio Manager intends to manage and operate the Subfund in such a manner that the 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.

(i) Interest and dividends

Under current PRC tax laws and regulations, QFIIs/RQFIIs are subject to PRC WIT of 10% on cash and bonus dividends, profits distributions and interest payment from PRC listed companies. Such PRC WIT may be reduced under an applicable double tax treaty and upon approval by the PRC tax authorities.
Interest derived from government bonds issued by the competent Finance Bureau of the State Council and/or local government bonds approved by the State Council is exempt from PRC CIT under the PRC CIT Law.

(ii) Capital gains

Based on the CIT Law and its Implementation Rules, "income from the transfer of property" sourced from the PRC by non-PRC tax resident enterprises should be subject to 10% PRC WIT unless exempt or reduced under an applicable tax treaty and receipt of approval by the PRC tax authorities.
On 14 November 2014, the Ministry of Finance ("MOF"), the State Administration of Taxation ("SAT") and the China Securities Regulatory Commission ("CSRC") of the PRC jointly released Caishui [2014] No 79 ("Circular 79") to address the tax issues in relation to capital gains from equity investments derived by QFIIs and RQFIIs. Under Circular 79, for QFIIs/RQFIIs (without an establishment or place of business in the PRC or having an establishment in the PRC but the income thus generated in China is not effectively connected with such establishment) such capital gains were temporarily exempt from PRC WIT if they were realised on or after 17 November 2014, and subject to 10% PRC WIT in accordance with the applicable law if were realised before 17 November 2014.
Circular 79 did not provide further guidance on the administration of the applicable law in relation to gains from equity investments realised before 17 November 2014 and whether the temporary exemption applies to securities other than shares.
The PRC tax authorities may in the future clarify the WIT position on (i) realised gains by QFIIs/RQFIIs in respect of their investments and dealing in certain other investment products in the PRC (other than A-shares); and/or (ii) on realised gains by the Subfund in respect of investments and dealings in such securities and on H-shares and red chips.

In light of Circular 79 and these uncertainties, the Directors, in consultation with the Portfolio Manager, reserve the right at their discretion, to provide for PRC WIT on capital gains arising from securities held within QFIIs / RQFIIs in accordance with applicable PRC tax laws. As soon as practically possible, the Directors (in consultation with the Portfolio Manager) will make relevant adjustments to the amount of tax provision as they consider necessary, taking into account any future resolution of the above-mentioned uncertainties or further changes to tax law or policies, which may arise from time to time.

PRC Business Tax ("BT") and surcharges

Under current PRC tax laws, QFIIs are specifically exempt from BT on the gains arising from purchasing and selling of PRC marketable securities (including A-shares and other PRC listed securities) pursuant to Caishui [2005] No 155 ("Circular 155"). It is not entirely clear whether Circular 155 applies to RQFIIs.
Under PRC laws and regulations, no BT is charged on dividend income or profit distributions on equity investment derived by foreign investors, such as the Subfund.
However, technically, BT of 5% should apply to any gross amount of PRC-sourced interest income derived by the Subfund. Such BT should be withheld by the payer of the interest. In practice, the PRC tax authorities have not enforced the collection of BT.
In addition, as of 1 December 2010, Urban Construction and Maintenance Tax and Education Surcharge (collectively referred to as "surcharges") are levied on BT payable at a rate of up to 7% and 3% respectively, for foreign investors, such as the Subfund. Pursuant to a tax notice issued by the MOF, Notice Caizong [2010] No. 98, Local Education Surcharge is unified and will be levied at 2% on turnover taxes (including foreign enterprises subject to BT, such as the Subfund). In practice, the implementation and applicable rate of surcharges will be subject to local variations in the PRC. Accordingly, if the Subfund is subject to BT, the effective BT and surcharge rate applicable on any gross amount of PRC-sourced interest income derived by the Subfund after 1 December 2010 would be 5.6% or higher.

PRC stamp duty

The seller will be liable for stamp duty at the rate of 0.1% of the sales consideration on the sale of PRC listed shares. No stamp duty is expected to be imposed on non-PRC tax resident holders of government and corporate bonds, either upon issuance or upon a subsequent transfer of such bonds.

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

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

PRC tax risk factors

Tax considerations for Chinese A-shares and other securities
By investing in A-shares and/or other QFII/RQFII permissible securities, the Subfund may be subject to withholding and other taxes imposed in the PRC. The tax laws, regulations and practice in the PRC are subject to change, and may be amended with retrospective effect.
The value of the Subfund's investments through the relevant Portfolio Manager's QFII and/or RQFII quota (and hence the net asset value per share) will be affected by taxation levied against the Portfolio Manager as QFII/RQFII in respect of the Subfund's investments through the Portfolio Manager's QFII and/or RQFII quota, which the Subfund will be required to reimburse the Portfolio Manager.
On 14 November 2014, the MOF, the SAT and the CSRC of the PRC jointly released Caishui [2014] No 79 ("Circular 79") to address the tax issues in relation to capital gains from equity investments derived by QFIIs and RQFIIs. Under Circular 79, for QFIIs/RQFIIs (without an establishment or place of business in the PRC or having an establishment in the PRC but the income thus generated in China is not effectively connected with such establishment) such gains were temporarily exempt from tax if they were realised on or after 17 November 2014, and subject to tax in accordance with the applicable law if they were realised before 17 November 2014.
Circular 79 did not provide further guidance on the administration of the applicable law in relation to gains from equity investments realised before 17 November 2014 and whether the temporary exemption applies to securities other than shares.

In light of the above uncertainty, the Portfolio Manager reserves the right to:

(i) provide for PRC WIT of 10% on capital gains derived from the trading of non-equity investments such as PRC debt instruments on or after 17 November 2014;

(ii) not provide for any PRC WIT in respect of realised and unrealised capital gains derived from the trading of A-shares on or after 17 November 2014.

Upon any future resolution of the above-mentioned uncertainty or further changes to tax law or policies, the Portfolio Manager will, as soon as practically possible, make relevant adjustments to the amount of tax provision as it considers necessary. The amount of any such tax provision will be disclosed in the accounts of the Subfund.
If the actual applicable tax levied by PRC tax authorities is greater than that provided for by the Portfolio Manager so that there is a shortfall in the tax provision amount, investors should note that the net asset value of the Subfund may suffer more than the tax provision amount as the Subfund will ultimately have to bear the additional tax liabilities. In this case, the current and new shareholders will be placed at a disadvantage. On the other hand, if the actual applicable tax levied by PRC tax authorities is less than that provided for by the Portfolio Manager so that there is an excess in the tax provision amount, shareholders who have redeemed the shares before PRC tax authorities' ruling, decision or guidance in this respect will be disadvantaged as they would have borne the loss from the Investment Manager's overprovision. In this case, the current and new shareholders may benefit if the difference between the tax provision and the actual taxation liability can be returned to the account of the Subfund.

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

1. For the management, administration, portfolio management and distribution of the Company (if applicable), as well as for all the tasks of the Custodian Bank, such as the safekeeping and supervision of the Company's assets, the handling of payment transactions and all other tasks listed in the section "Custodian Bank and main paying agent", a maximum flat fee based on the net asset value of the Company is paid from the Company's assets, in accordance with the following provisions: This fee is charged to the Company's assets on a pro rata basis upon every calculation of the net asset value and is paid on a monthly basis (maximum flat fee). The relevant maximum flat fee will not be charged until the corresponding share classes have been launched. An overview of the maximum flat fees can be seen in "The Subfunds and their special investment policies".
   The actual maximum rate applied to the flat fee can be found in the annual and semi-annual reports.

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

a) all additional expenses related to management of the Company's assets for the sale and purchase of assets (bid/offer spread, brokerage fees in line with the market, commissions, fees, etc.). These expenses are generally calculated upon the purchase or sale of the respective assets. In derogation hereto, these additional expenses, which arise through the sale and purchase of assets in connection with the settlement of the issue and redemption of units, are covered by the application of the single swing pricing principle pursuant to the section entitled "Net asset value, issue, redemption and conversion price";
b) fees of the supervisory authority for the establishment, modification, liquidation and merger of the Company, as well as all fees of the supervisory authorities and any stock exchanges on which the Subfunds are listed;
c) auditor's fees for the annual audit and certification in connection with the establishment, modification, liquidation and merger of the Company, as well as any other fees paid to the auditor for the services it provides in relation to the administration of the Fund and as permissible by law;
d) fees for legal and tax advisers, as well as notaries, in connection with the establishment, registration in distribution countries, modification, liquidation and merger of the Company, as well as for the general safeguarding of the interests of the Company and its investors, insofar as this is not expressly prohibited by law;
e) costs for the publication of the Company's net asset value and all costs for notices to investors, including translation costs;
f) costs for the Company's legal documents (prospectuses, KIID, annual and semi-annual reports, as well as all other documents legally required in the countries of domiciliation and distribution);
g) costs for the Company's registration with any foreign supervisory authorities, if applicable, including fees, translation costs and fees for the foreign representative or paying agent;
h) expenses incurred through use of voting or creditors' rights by the Company, including fees for external advisers;
i) costs and fees related to any intellectual property registered in the Company's name or usufructuary rights of the Company;

j) all expenses arising in connection with any extraordinary measures taken by the Management Company, Portfolio Manager or Custodian Bank for protecting the interests of the investors;
k) if the Management Company participates in class-action suits in the interests of investors, it may charge the Company's assets for the expenses arising in connection with third parties (e.g. legal and Custodian Bank costs). Furthermore, the Management Company may charge for all administrative costs, provided these are verifiable and disclosed, and taken into account in the disclosure of the Company's total expense ratio (TER).

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

All taxes levied on the income and assets of the Company, particularly the taxe d'abonnement, will also be borne by the Company.

For purposes of general comparability with fee rules of different fund providers that do not have a flat fee, the term "maximum management fee" is set at 80% of the flat fee.

For share class "I-B" a fee is charged to cover the costs of fund administration (comprising the costs of the Company, administration and Custodian Bank). The costs for asset management and distribution are charged outside of the Company under a separate contract concluded directly between the investor and UBS Asset Management or one of its authorised representatives.
Costs in connection with the services to be performed for share classes "I-X", "K-X" and "U-X" pertaining to asset management, fund administration (comprising the costs of the Company, the administration and the Custodian Bank) and distribution will be settled via the compensation to which UBS AG is entitled under a separate contract with the shareholder.
All costs which can be allocated to individual Subfunds will be charged to these Subfunds.
Costs which can be allocated to share classes will be charged to these share classes. If costs pertain to several or all Subfunds/share classes, however, these costs will be charged to the Subfunds/share classes concerned in proportion to their relative net asset values.
In the Subfunds that may invest in other UCI or UCITS under the terms of their investment policies, fees may be incurred both at the level of the relevant investment fund as well as at the level of the Subfund. The total management fees chargeable at the level of the Subfunds and/or share classes and the Company shall amount to no more than 1.00% plus the respective maximum flat fee for the share class of the Subfund making the investment (see " The Subfunds and their investment policies"). As far as the Subfund UBS (Lux) Key Selection SICAV – Global Alpha Opportunities (EUR) is concerned, the aforementioned limitation does not apply and can be exceeded.
In the case of investments in units of funds managed directly or indirectly by the Management Company or another company related to it by common management or control, or by a substantial direct or indirect holding, the Subfunds making the investment may not be charged any of the target fund's issue or redemption commissions.
Details on the ongoing charges of the Company can be found in the KII.

Information to shareholders

Regular reports and publications

An annual report is published for each Subfund and the Company as at 30 September and a semi-annual report as at 31 March. The above-mentioned reports contain a breakdown of each Subfund, or respectively, each share class in the relevant currency of account. The consolidated breakdown of assets for the Company as a whole is given in EUR.
The annual report, which is published within four months of the end of the financial year, contains the annual accounts audited by the independent auditors. It also contains details on the underlying assets focused on by the respective Subfund through the use of derivative financial instruments, the counterparties to these derivative transactions, as well as the collateral (and its scope) provided in favour of the Subfund by its counterparties, in order to reduce credit risk.
These reports are available to shareholders at the registered office of the Company and the Custodian Bank.
The issue and redemption price of shares in each Subfund is made available in Luxembourg at the registered office of the Company and the Custodian Bank.
Notices to shareholders will be sent by post to the shareholder's address stated in the register of shareholders and/or published in a Luxembourg daily newspaper and, if necessary, in foreign daily newspapers.

Depositing of documents

The following documents are lodged at the registered office of the Company and/or Management Company, where they are available for inspection:
1) the Articles of Incorporation of the Company and the Articles of Association of the Management Company;
2) the agreements concluded between the Custodian Bank and the Company. The above-mentioned agreements may be amended by common consent of the parties involved.

Handling complaints, strategy for exercising voting rights and best execution
In accordance with Luxembourg laws and regulations, the Management Company provides additional information on handling complaints, the strategy for exercising voting rights and best execution on the following website:
http://www.ubs.com/lu/en/asset_management.html

Liquidation of the Company and its Subfunds; merger of Subfunds

Liquidation of the Company and its Subfunds
The Company may be liquidated at any time by the general meeting of shareholders in due observance of the legal provisions governing the quorum and necessary majority.
If the total net assets of the Company fall below two-thirds or one-quarter of the prescribed minimum capital, the Board of Directors of the Company must ask for a vote by the general meeting of shareholders on whether to liquidate the Company.
If the Company is dissolved, the liquidation will be carried out by one or more liquidators to be designated by the general meeting of shareholders, which will also determine their sphere of responsibility and remuneration. The liquidators will realise the Company's assets in the best interests of the shareholders and distribute the net proceeds from the liquidation of the Subfunds to the shareholders of said Subfunds or share classes in proportion to their respective holdings. Any liquidation proceeds which cannot be distributed to the shareholders at the end of the liquidation process (which can take up to nine months), will be deposited immediately at the *Caisse de Consignation* in Luxembourg.
Term Subfunds are automatically wound up and liquidated upon expiry of their respective terms.
If the total net asset value of a Subfund or of a share class within a Subfund has fallen below a value or has not reached that value, which is required for the economically efficient management of that Subfund or that share class, or in the event of a substantial change in the political, economic and monetary environment, or as part of a rationalisation, the general meeting of shareholders or the Board of Directors of the Company may decide to redeem all shares of the corresponding share class(es) at the net asset value (taking into account the actual realisation prices and realisation cost of the investment) as at the valuation day or date on which the decision takes effect. The provisions of the section "General meeting of the Company or of the shareholders of the Subfund concerned" shall be applied accordingly to the decision of the general meeting of shareholders. The Board of Directors may also dissolve and liquidate a Subfund or share class in accordance with the provisions described in the above sentence.

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

Merger of the Company or of Subfunds with another undertaking for collective investment ("UCI") or with its subfunds; merger of Subfunds
"**Mergers**" are transactions in which
a) one or more UCITS or Subfunds of such UCITS, the "**absorbed UCITS**", upon being wound up without liquidation, transfer all assets and liabilities to another existing UCITS or a Subfund of that UCITS, the "**absorbing UCITS**", and the shareholders of the absorbed UCITS receive in return shares in the absorbing UCITS and, if applicable, a cash payment not exceeding 10% of the net asset value of such shares;
b) two or more UCITS or Subfunds of such UCITS, the "**absorbed UCITS**", upon being wound up without liquidation, transfer all their assets and liabilities to another UCITS formed by them or a Subfund of that UCITS, the "**absorbing UCITS**", and the shareholders of the absorbed UCITS receive in return shares in the absorbing UCITS and, if applicable, a cash payment not exceeding 10% of the net asset value of such shares;
c) one or more UCITS or Subfunds of such UCITS, the "**absorbed UCITS**", that continue to exist until liabilities have been paid off, transfer all net assets to another Subfund of the same UCITS, to another UCITS formed by them or to another existing UCITS or a Subfund of that UCITS, the "**absorbing UCITS**".

Mergers are permissible under the conditions provided for in the Law of 2010. The legal consequences of a merger are based on the Law of 2010.

Under the conditions described in the section "Liquidation of the Company and its Subfunds", the Board of Directors of the Company may decide to allocate the assets of a Subfund or of a share class to another existing Subfund or share class of the Company or to another Luxembourg UCI pursuant to Part I of the Law of 2010 or to a foreign UCITS pursuant to the provisions of the Law of 2010 and the redesignation of the shares of the Subfund or share class in question as shares of another Subfund or of another share class (as a result of the scission or consolidation, if necessary, and through the payment of an amount that corresponds to the pro rata entitlement of the shareholders). Notwithstanding the powers of the Board of Directors of the Company mentioned in the previous section, the decision to merge Subfunds, as described above, may also be taken by the general meeting of the shareholders of the Subfund in question.

The shareholders will be informed of the decision to merge in the same way as previously described for the redemption of shares. During the 30 days following the publication of such a decision, shareholders will have the right to redeem all or a part of their shares at the prevailing net asset value, free of redemption commission or other administration charges, in accordance with the established procedure outlined in "Redemption of shares". Shares not presented for redemption will be exchanged on the basis of the net asset value of the Subfund concerned, calculated for the day for which the exchange ratio is calculated. In the event of the allocation of units in a collective investment fund (*fonds commun de placement*), the decision is binding only for the investors who voted in favour of the allocation.

General meeting of the Company or of the shareholders of the Subfund concerned
For both the liquidation and merger of Subfunds, no minimum quorum is required at the general meeting of the Company or of the shareholders of the Subfund in question, and decisions can be approved by a simple majority of the shares present or represented at this general meeting.

Applicable law, place of performance and authoritative language

The District Court of Luxembourg is the place of performance for all legal disputes between the shareholders, the Company, the Management Company and the Custodian Bank. Luxembourg law applies. However, in matters concerning the claims of investors from other countries, the Company and/or the Custodian Bank may elect to make themselves subject to the jurisdiction of the countries in which the shares were bought and sold.
The German version of this sales prospectus is the authoritative version. However, in matters concerning shares sold to investors in the countries in which Company shares may be bought and sold, the Company and the Custodian Bank may recognise translations which they have approved into the languages concerned as binding.

Investment principles

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

1 Permitted investments of the Company

1.1 The investments of the Company may consist exclusively of one or more of the following components:

a) securities and money market instruments which are listed or traded on a "regulated market", as defined in Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments;

b) securities and money market instruments which are traded in a Member State on another market which operates regularly and is recognised and open to the public. The term "**Member State**" designates a Member State of the European Union; states that are parties to the agreement on the European Economic Area but are not Member States of the European Union are considered the same as Member States of the European Union, within the limits of said agreement and its related agreements;

c) securities and money market instruments admitted to official listing on a stock exchange in a non-Member State or traded there on another market of a European, American, Asian, African or Australasian country (hereinafter "**approved state**") which operates regularly and is recognised and open to the public;

d) newly issued securities and money market instruments provided that the terms of issue contain a clause that an application has been made for an official listing on one of the securities exchanges or a licence to trade on one of the regulated markets mentioned under 1.1(a) to 1.1(c), and that this listing/licence is to be granted within one year of the issue of the securities;

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

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

f) sight deposits or deposits at notice at credit institutions with a term of up to 12 months, provided the institution concerned has its registered office in an EU Member State, or — if the institution's registered office is located in a non-EU state — it is subject to supervisory regulations which the CSSF authority deems equivalent to those under Community law.

g) derivative financial instruments ("**derivatives**"), including equivalent cash-settled instruments, which are traded on one of the regulated markets listed in (a), (b) and (c) above, or derivatives which are not traded on a stock exchange ("**OTC derivatives**"), provided that:
   - the use of derivatives is in accordance with the investment purpose and investment policy of the respective Subfund, and is suited towards achieving these;
   - the underlying securities are instruments in accordance with the definition given in points 1.1(a) and 1.1(b) or financial or macroeconomic indices, interest rates, currencies or other underlying instruments in which the Company's investment policy allows it to invest directly or via other existing UCI or UCITS;
   - the Subfunds ensure, through adequate diversification of the underlying assets, that the diversification requirements applicable to them and listed in the section entitled "Risk diversification" are adhered to;
   - the counterparties in transactions involving OTC derivatives are institutions subject to official supervision and belonging to the categories admitted by the CSSF and expressly approved by the Company. The approval process by the Company is based on the principles drawn up by UBS AM Credit Risk and relating to inter alia the credit worthiness, reputation and experience of the counterparty in question in settling transactions of this type, as well as their willingness to provide capital. The Company maintains a list of counterparties it has approved;
   - the OTC derivatives are valued in a reliable and verifiable manner on a daily basis and may be sold, liquidated or settled by means of a back-to-back transaction at any time, upon the Company's initiative and at the appropriate market value;
   - the respective counterparty is not granted discretion regarding the composition of the portfolio managed by the respective Subfund (e.g. in the case of a total return swap or a derivative financial instrument with similar characteristics) or the underlying of the respective OTC derivative.

h) money market instruments as defined under "Investment policy", which are not traded on a regulated market, provided that the issuance or issuer of these instruments is governed by rules providing protection for investors and investments and on condition that such instruments are
   - issued or guaranteed by a central, regional or local authority or the central bank of a Member State, the European Central Bank, the European Union or European Investment Bank, by a non-Member State, or, in the case of a federal state, a Member State of the federation or by a public international body of which at least one Member State is a member; or
   - issued by an undertaking whose securities are traded on the regulated markets mentioned in points 1.1(a), (b) and (c);
   - issued or guaranteed by an institution that is subject to official supervision in accordance with the criteria laid down by Community law or by an institution that is subject to and complies with supervision that, in the opinion of the CSSF, is at least as stringent as that provided for by Community law, or are issued by other issuers belonging to a category approved by the CSSF, provided that investor protection rules apply to investments in such instruments, which are equivalent to those of the first, second or third listed point above and provided the issuers constitute either a company with equity capital amounting to at least 10 million euros (EUR 10,000,000), which prepares and publishes its annual accounts according to the provisions of the Fourth Council Directive 78/660/EEC, or an entity within a group encompassing one or more listed companies and responsible for its financing, or an entity which is to fund the underlying securities for obligations by the use of a credit line made available by a bank.

1.2 Contrary to the investment restrictions set out in 1.1, each Subfund may invest up to 10% of its net assets in securities and money market instruments other than those named in 1.1.

1.3 The Company ensures that the overall risk associated with derivatives does not exceed the overall net value of the Company portfolio. As part of its investment strategy, each Subfund may make investments in derivatives within the limits laid down in points 2.2 and 2.3, provided the overall risk of the underlying instruments does not exceed the investment limits stipulated in point 2.

1.4 Each Subfund may hold liquid funds on an ancillary basis.

2 Risk diversification

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

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

2.3 Contrary to the above, the following applies:

a) The limit of 10% mentioned in 2.1 may be raised to 25% for certain debt instruments issued by credit institutions domiciled in an EU Member State and subject, in that particular country, to special legislative supervision by public authorities that would ensure the protection of investors. In particular, funds originating from the issue of such bonds must, in accordance with the law, be invested in assets which provide sufficient cover for the obligations arising from them during the entire term of the bonds and, in the event of insolvency of the borrower, provide a preferential right in respect of the payment of capital and interest. If a Subfund invests more than 5% of its net assets in bonds of a single issuer, then the total value of these investments may not exceed 80% of the value of the net assets of the Subfund.

b) This limit of 10% can be raised to 35% for securities or money market instruments issued or guaranteed by an EU Member State or its central, regional and local authorities, by another approved state, or by international organisations with public-law character of which one or more EU States are members.
Securities and money market instruments that come under the special ruling given in 2.3(a) and (b) are not counted when calculating the above-mentioned 40% risk-diversification ceiling.

c) The limits set out in 2.1, 2.2, 2.3(a) and (b) may not be accumulated; therefore, the investments listed in these paragraphs made in securities or money market instruments of a single issuer or in deposits with that institution or in its derivatives may not exceed 35% of the net assets of a given Subfund.

d) Companies which belong to the same group of companies in that they prepare their consolidated accounts under the rules of Council Directive 83/349/EEC (1) or according to recognised international accounting principles, must be treated as a single issuer for the calculation of the investment limits set out in this section.
However, investments by a Subfund in securities and money market instruments of a single group of companies may together make up to 20% of the assets of the Subfund concerned.

e) In the interests of risk diversification, the Company is authorised to invest up to 100% of a Subfund's net assets in securities and money market instruments from various issues that are guaranteed or issued by an EU Member State or its local authorities, another authorised OECD Member State, Russia, Brazil, Indonesia or Singapore, or by international organisations under public law to which one or more EU Member States belong. These securities or money market instruments must be divided into at least six different issues, with securities or money market instruments from a single issue not exceeding 30% of the net assets of a Subfund.

2.4 The following provisions apply with regard to investments in other UCITS or UCIs:
a) The Company may invest up to 20% of the net assets of a Subfund in units in a single UCITS or other UCI. In implementing this investment limit, each Subfund of a UCI consisting of a number of Subfunds is treated as an independent issuer if it can be guaranteed that said Subfunds are individually liable in respect of third parties.
b) Investments in units of UCI other than UCITS may not exceed 30% of the Subfund's net assets. The assets of the UCITS or other UCI invested in are not included in the calculation of the maximum limits set out in 2.1, 2.2 and 2.3.
c) For Subfunds which, in line with their investment policy, invest a significant portion of their assets in units of other UCITS and/or other UCI, the maximum flat fees chargeable by the Subfund itself and by the other UCITS and/or other UCI in which it intends to invest are described in the section "Expenses paid by the Company".

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

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

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

The limit is 35% provided this is justified based on exceptional market conditions, and in particular on regulated markets on which certain securities or money market instruments are in a strongly dominant position. Investment up to this upper limit is only permitted in the case of a single issuer.

If the limits mentioned in points 1 and 2 are exceeded unintentionally or due to the exercise of subscription rights, the Company must attach top priority in its sales of securities to normalising the situation while, at the same time, considering the best interests of the shareholders.

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

3 Investment restrictions

The Company is prohibited from:

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

3.2. acquiring equities with voting rights that would enable the Company, possibly in collaboration with other investment funds under its supervision, to exert a significant influence on the management of an issuer;

3.3. acquiring more than:
- 10% of the non-voting shares of a single issuer;
- 10 % of the debt instruments of a single issuer;
- 25% of the units of a single UCITS or UCI;
- 10% of the money market instruments of a single issuer.

In the last three cases, the restrictions on acquiring securities need not be observed if the gross amount of the debt instruments or the money market instruments or the net amounts of the issued units cannot be determined at the time of acquisition.

Exempt from the provisions of 3.2 and 3.3 are:
- securities and money market instruments which are issued or guaranteed by an EU Member State or its central, regional and local authorities or by another approved state;
- securities and money market instruments issued or guaranteed by a non-Member State of the European Union;
- securities and money market instruments issued by public international bodies to which one or more Member States of the European Union belong;
- shares held in the capital of a company incorporated in a non-member state and investing its assets mainly in the securities of issuing bodies domiciled in that non-member State, where under the legislation of that non-member State such a stake represents the only way in which investments may be made in the securities of issuing bodies of that non-member state. In doing so, the provisions of the Law of 2010 must be complied with; and
- shares held in the capital of subsidiary companies, which carry out certain administrative, advisory or sales services with regard to the repurchase of units at shareholders' request in the country they are located and exclusively on behalf of the Company.

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

3.5 acquiring precious metals or related certificates;

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

3.7 taking out loans, unless
- these are in the form of a back-to-back loan for the purchase of foreign currency;
- the loan is only temporary and does not exceed 10% of the net assets of the Subfund in question;

3.8 granting loans or acting as guarantor for third parties. This restriction does not prevent the acquisition of securities, money market instruments or the other instruments listed in points 1.1(e), (g) and (h) if these are not fully paid up.

3.9. Notwithstanding the aforementioned prohibited investments, the Company is entitled to invest in the following assets:
- certificates, which have individual precious metals as underlying assets, comply with the securities requirements stipulated in Article 2 of Directive 2007/16/EC and do not contain any embedded derivatives linked to the performance of an index.
- certificates, which have individual commodities or commodity indices as underlying assets, comply with the securities requirements stipulated in Article 2 of Directive 2007/16/EC and do not contain any embedded derivatives linked to the performance of an index.

The Company is authorised to introduce further investment restrictions at any time in the interests of the shareholders, provided these are necessary to ensure compliance with the laws and regulations of those countries in which Company shares are offered and sold.

4 Merging assets

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

Pooling

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

The share of a participating Subfund in the respective asset pool is evaluated by reference to notional units of the same value. When an asset pool is created, the Company shall specify the initial value of the notional units (in a currency that the Company considers appropriate) and allot to each participating Subfund notional units in the total value of the cash (or other assets) it has contributed. The value of the notional units will then be determined by dividing the net assets of the asset pool by the number of existing notional units.

If additional cash or assets are contributed to or withdrawn from an asset pool, the notional units assigned to the participating Subfund concerned increase or diminish by a number, which is determined by dividing the contributed or withdrawn cash amount or assets by the current value of the holding of the participating Subfund in the pool. If cash is contributed to the asset pool, for calculation purposes it is reduced by an amount that the Company considers appropriate in order to take account of any tax expenses as well as the closing charges and acquisition costs relating to the investment of the cash concerned. If cash is withdrawn, a corresponding deduction may be made in order to take account of any costs related to the disposal of securities or other assets of the asset pool.

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

Joint management

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

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

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

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

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

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

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

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

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

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

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

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

The Company may under no circumstances deviate from its investment objectives for these transactions. Equally, the use of these techniques may not cause the risk level of the Subfund in question to increase significantly with regard to its original risk level (i.e. without the use of these techniques).

The risks inherent to the use of these techniques are essentially comparable to the risks associated with the use of derivatives (in particular, counterparty risk). For this reason, reference is made here to the information contained in the section entitled "Risks connected with the use of derivatives". The Company ensures that it or one of its appointed service providers will monitor and manage the risks incurred through the use of these techniques, particularly counterparty risk, as part of the risk management procedure. The monitoring of potential conflicts of interest arising from transactions with companies associated with the Company and the Management Company is primarily carried out through reviewing the contracts and corresponding processes on a regular basis.

The Company also ensures that, at any time, it can cancel any contract entered into within the framework of the use of the techniques and instruments for the efficient management of the portfolio or that the securities and/or liquid funds transferred to the respective counterparty can be reclaimed by the Company. In addition, the liquid funds should include the interest incurred up to the time of being reclaimed.

Furthermore, the Company ensures that, despite the use of these techniques and instruments, the investors' redemption orders can be processed at any time.

Within the framework of the use of techniques and instruments for the efficient management of the portfolio, the Company may lend portions of its securities portfolio to third parties ("**securities lending**"). In general, securities lending may be effected only via recognised clearing houses such as Clearstream International or Euroclear, or using first-class financial institutions that specialise in such activities and following the procedure specified by them.

In the case of securities lending transactions, the Company must, in principle, receive collateral, the value of which must at least correspond to the total value of the securities lent out and any accrued interest thereon. This collateral must be issued

in a form of financial collateral permitted by the provisions of Luxembourg law. Such collateral is not required if the transaction is effected via Clearstream International or Euroclear, or another organisation which guarantees the Company that the value of the securities lent will be refunded.
The provisions of the section entitled "Collateral management" shall apply accordingly to the management of collateral that was left to the Company within the scope of securities lending. In derogation
from the provisions of the section entitled "Collateral management", shares from the finance sector are accepted as securities
within the framework of securities lending.
Service providers that provide services to the Company in the field of securities lending have the right to receive a fee in return for their services that is line with the market standards. The amount of this fee is reviewed and adapted, where appropriate, by an independent body on an annual basis. The recipients of these and other direct and indirect fees, the amounts of the respective fees, as well as the findings as to whether the fee recipients are associated with the Company, the Management Company and/or Custodian Bank can be found in the respective annual or semi-annual report.
Furthermore, the Company has drawn up internal framework agreements regarding securities lending. These framework agreements contain, among other things, the relevant definitions, the description of the principles and standards of the contractual management of the securities lending transactions, the quality of the collateral, the approved counterparties, the risk management, the fees to be paid to third parties and fees to be received by the Company, as well as the information to be published in the annual and semi-annual reports.
The Board of Directors of the Company has approved instruments of the following asset classes as collateral from securities lending transactions and determined the following haircuts to be used on these instruments:

Asset class	**Minimum haircut (% deduction from market value)**
Fixed and variable-rate interest-bearing instruments	
Instruments issued by a state belonging to the G-10 (apart from the USA, Japan, the UK, Germany and Switzerland, including their federal states and cantons as issuers) and with a minimum rating of A*	2%
Instruments issued by the USA, Japan, the UK, Germany and Switzerland, including their federal states and cantons**	0%
Bonds with a minimum rating of A	2%
Instruments issued by supranational organisations	2%
Instruments issued by an entity and belonging to an issue with a minimum rating of A	4%
Instruments issued by a local authority and with a minimum rating of A	4%
Shares	8%
Shares listed on the following indexes are accepted as permissible collateral:	Bloomberg ID
Australia (S&P/ASX 50 INDEX)	AS31
Austria (AUSTRIAN TRADED ATX INDX)	ATX
Belgium (BEL 20 INDEX)	BEL20
Canada (S&P/TSX 60 INDEX)	SPTSX60
Denmark (OMX COPENHAGEN 20 INDEX)	KFX
Europe (Euro Stoxx 50 Pr)	SX5E
Finland (OMX HELSINKI 25 INDEX)	HEX25
France (CAC 40 INDEX)	CAC
Germany (DAX INDEX)	DAX
Hong Kong (HANG SENG INDEX)	HSI
Japan (NIKKEI 225)	NKY
Netherlands (AEX-Index)	AEX
New Zealand (NZX TOP 10 INDEX)	NZSE10

Norway (OBX STOCK INDEX)	OBX
Singapore (Straits Times Index STI)	FSSTI
Sweden (OMX STOCKHOLM 30 INDEX)	OMX
Switzerland (SWISS MARKET INDEX)	SMI
Switzerland (SPI SWISS PERFORMANCE IX)	SPI
U.K. (FTSE 100 INDEX)	UKX
U.S. (DOW JONES INDUS. AVG)	INDU
U.S. (NASDAQ 100 STOCK INDX)	NDX
U.S. (S&P 500 INDEX)	SPX
U.S. (RUSSELL 1000 INDEX)	RIY

* In this table, "rating" refers to the rating scale used by S&P. Ratings by S&P, Moody's and Fitch are used with their corresponding scales. If the ratings given to a certain issuer by these rating agencies are not uniform, then the lowest rating shall apply.
** Non-rated issues by these states are also permissible. No haircut is applied to these either.
The Company may, for a Subfund, also engage in repurchase transactions ("**repurchase agreements**" or "**reverse repurchase agreements**") involving the sale/purchase of securities, where agreements have been reached to buy back/sell back the sold/bought securities at a (higher) price and within a set time.
Any repurchase agreements are subject to the following conditions:

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

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

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