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Notice to unitholders of UBS (Lux) Equity Fund (the "Fund")
UBS (Lux) Equity Fund - Emerging Markets Sustainable Leaders (USD)
UBS (Lux) Equity Fund - Greater China (USD)
UBS (Lux) Equity Fund - Tech Opportunity (USD)
UBS (Lux) Equity Fund - Euro Countries Opportunity Sustainable (EUR)
UBS (Lux) Equity Fund - European Opportunity Sustainable (EUR)
UBS (Lux) Equity Fund - China Opportunity (USD)
(the "Sub-Funds", each a "Sub-Fund")

IMPORTANT: This notice is important and requires your immediate attention. If you have any questions about the contents of this notice, you should seek independent professional advice. The information contained in this notice is in accordance with the facts and does not omit anything likely to affect the import of such information as at the date of this notice to the best of the knowledge and belief of UBS Fund Management (Luxembourg) S.A. (the "Management Company") who has taken all reasonable care to ensure that such is the case. The Management Company accepts responsibility for the accuracy of the contents of this notice accordingly.

Unless otherwise defined in this notice, capitalised terms used in this notice shall have the same meaning as those used in the Information for Hong Kong Investors of the Fund dated June 2022 (the "IHKI") and prospectus dated May 2022 (the "Prospectus") (together, the "Hong Kong Offering Documents").

To Hong Kong resident unitholders,

The Board of Directors of the Management Company ("Board of Directors") wishes to inform you of the following changes that will take effect on 13 February 2023 (the "Effective Date"):

1. Updates to UBS (Lux) Equity Fund – European Opportunity Sustainable (EUR)

As from the Effective Date, the investment policy of UBS (Lux) Equity Fund – European Opportunity Sustainable (EUR) will be enhanced with the following disclosure:

"These investments may be complemented by shares and equity interest of companies that are domiciled or chiefly active outside of Europe."

2. Enhancement of ESG disclosures

In respect of UBS (Lux) Equity Fund - Emerging Markets Sustainable Leaders (USD), UBS (Lux) Equity Fund - Euro Countries Opportunity Sustainable (EUR) and UBS (Lux) Equity Fund - European Opportunity Sustainable (EUR):

As from the Effective Date, the Portfolio Manager's Sustainability Focus strategy of UBS (Lux) Equity Fund - Emerging Markets Sustainable Leaders (USD), UBS (Lux) Equity Fund - Euro Countries Opportunity Sustainable (EUR) and UBS (Lux) Equity Fund - European Opportunity Sustainable (EUR) shall be enhanced with the following disclosure:

"As part of the Portfolio Manager's Sustainability Focus strategy, the Sub-Fund will maintain ... (ii) a Weighted Average Carbon Intensity (WACI) that is lower than that of its benchmark or a low absolute

carbon profile (i.e. below 100 tonnes of CO₂ emissions per million US dollars of revenues). The calculations of ... WACI do not take account of cash, derivatives and unrated investment instruments."

Further, to streamline ESG disclosures, the disclosures as they relate to the Portfolio Manager's Sustainability Focus strategy with respect to the abovementioned Sub-Funds will be enhanced and revised as set out in Schedule 1.

In respect of UBS (Lux) Equity Fund – European Opportunity Sustainable (EUR):

Further, as from the Effective Date, the Portfolio Manager's Sustainability Focus strategy of UBS (Lux) Equity Fund – European Opportunity Sustainable (EUR) shall be enhanced with the following disclosures:

"The sub-funds investment universe consist of (i) mainly stocks of companies that are domiciled or chiefly active in Europe complemented by (ii) stocks of companies that are domiciled or chiefly active outside of Europe. The two parts of the investment universe are segregated and each reduced by at least 20% whereby issuers with the lowest UBS ESG consensus score are excluded."

and

"The Portfolio Manager shall apply the UBS ESG consensus score assessment for at least 90% of the securities in the portfolio, excluding cash, cash equivalents and derivatives for hedging purposes."

In respect of UBS (Lux) Equity Fund - China Opportunity (USD), UBS (Lux) Equity Fund - Greater China (USD) and UBS (Lux) Equity Fund – Tech Opportunity (USD)

As from the Effective Date, the disclosures as they relate to the environmental, social and governance (ESG) promotion features of UBS (Lux) Equity Fund - China Opportunity (USD), UBS (Lux) Equity Fund - Greater China (USD) and UBS (Lux) Equity Fund – Tech Opportunity (USD) shall be enhanced with the following disclosure:

~~"The Portfolio Manager utilises a UBS ESG consensus score is used to identify issuers/companies for the investment universe with strong environmental and social performance characteristics, or a strong sustainability profile. This UBS ESG consensus score is a normalized weighted average of ESG score data from internal and recognized external providers. Rather than relying on an ESG score from a single provider, the consensus score approach increases conviction in enhances the validity/plausibility of the sustainability profile quality. The UBS ESG consensus score assesses sustainability factors, such as the performance of the relevant issuers/companies with reference to environmental, social and governance (ESG) aspects. These ESG aspects relate to the main areas in which the companies operate and their effectiveness in managing ESG risks. Environmental and social factors can include (amongst others) the following elements: environmental footprint and operational efficiency, environmental risk management, climate change, natural resource usage, pollution and waste management, employment standards and supply chain monitoring, human capital, diversity within the board of directors, occupational health and safety, product safety, as well as anti-fraud and anti-corruption guidelines.~~

With respect to the sub-fund's investments the Portfolio Manager includes ESG analysis by means of the UBS ESG Consensus Score (by number of issuer) for at least (i) 90% of the securities issued by large capitalisation companies domiciled in "developed" countries and (ii) 75% of the securities issued by large capitalisation companies domiciled in "emerging" countries (by reference to the benchmark) and at least 75% for all other companies.

The Sub-Fund ~~includes~~incorporates the following environmental, social and governance (ESG) promotion features/characteristics:

- ~~the Sub-Fund does not invest directly in companies that violate the principles of the UN Global Compact without discernible corrective measures being taken;~~
- the Sub-Fund aims to achieve a lower absolute Weighted Average eCarbon Intensity than its the reference benchmark and/or an low absolute carbon profile value of less than (i.e. below 100 tonnes of CO₂carbon emissions per million US dollars of revenue);

- ~~the Sub-Fund aims to have a sustainability profile that is better than its benchmark's sustainability profile and/or aims to invest at least a minimum of 51% of assets invested in companies with a better-sustainability profile than the companies in the top half of the benchmark (ranked by UBS ESG consensus score).~~

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Please note that UBS (Lux) Equity Fund - China Opportunity (USD) and UBS (Lux) Equity Fund - Greater China (USD) are not designated by the Management Company as "ESG Funds" in accordance with the SFC's circular to management companies of SFC-authorized unit trusts and mutual funds on ESG Funds dated 29 June 2021 and ESG is not a key investment focus and consideration of these Sub-Funds.

For avoidance of doubt, the way in which the Sub-Funds are managed and the underlying investments have not changed.

3. Update with respect to general investment policy on ancillary liquid assets

Currently, the general investment policy applicable to the Fund is that each Sub-Fund may hold liquid funds on an ancillary basis. As from the Effective Date, this general policy in the Hong Kong Offering Documents will be revised as follows:

~~"Each sub-fund may hold liquid funds on an ancillary basis in all currencies in which investments are made~~

Each sub-fund may hold ancillary liquid assets within a limit of 20% of its net assets. The 20% limit shall only be temporarily breached for a period of time strictly necessary when, because of exceptionally unfavourable market conditions, circumstances so require and where such breach is justified having regard to the interests of shareholders. Liquid assets held to cover exposure to financial derivative instruments do not fall under this restriction. Bank deposits, money market instruments or money market funds that meet the criteria of Article 41(1) of the Law of 2010 are not considered to be included in the ancillary liquid assets under Article (2) b) of the Law of 2010. Ancillary liquid assets should be limited to bank deposits at sight, such as cash held in current accounts with a bank accessible at any time, in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets provided under Article 41(1) of the Law of 2010 or for a period of time strictly necessary in case of unfavourable market conditions. A sub-fund may not invest more than 20% of its Net Asset Value in bank deposits at sight made with the same body."

4. Amendment of Chinese names of the Sub-Funds

The Chinese names of the Sub-Funds shall be amended as set out below:

English name of the Sub-Fund	Current Chinese name of the Sub-Fund	New Chinese name of the Sub-Fund
UBS (Lux) Equity Fund - Emerging Markets Sustainable Leaders (USD)	瑞銀（盧森堡）新興市場可持續領先股票基金（美元）	瑞銀新興市場可持續領先股票基金
UBS (Lux) Equity Fund - Greater China (USD)	瑞銀（盧森堡）大中華股票基金（美元）	瑞銀大中華股票基金
UBS (Lux) Equity Fund - Tech Opportunity (USD)	瑞銀（盧森堡）科技機會股票基金	瑞銀科技機會股票基金
UBS (Lux) Equity Fund - Euro Countries Opportunity Sustainable (EUR)	瑞銀（盧森堡）歐元區可持續精選股票基金（歐元）	瑞銀歐元區可持續精選股票基金
UBS (Lux) Equity Fund - European Opportunity Sustainable (EUR)	瑞銀（盧森堡）歐洲可持續精選股票基金（歐元）	瑞銀歐洲可持續精選股票基金
UBS (Lux) Equity Fund - China Opportunity (USD)	瑞銀（盧森堡）中國精選股票基金（美元）	瑞銀中國精選股票基金

For the avoidance of doubt, the English names of the Sub-Funds remain unchanged.

5. Miscellaneous changes and updates

The Hong Kong Offering Documents will also be amended to reflect certain miscellaneous changes and updates, including:

- the structure of the IHKI will be re-organised, and the document will be renamed as the Hong Kong Covering Document to align with the Hong Kong offering documents of other UBS funds and for better readability for Hong Kong investors;
- changes to the Board of Directors of the Management Company;
- enhancements to disclosures relating to the Depositary
- elaboration of pre-contractual disclosures in the form of Annexes to the Prospectus to comply with Regulation (EU) of 2022/1288 which supplements Regulation (EU) 2019/2088 on Sustainability Related Disclosures in the Financial Services Sector (“SFDR”);
- enhancement of disclosures relating to Regulation (EU) 2016/1011, commonly known as the Benchmark Regulation;
- clarification of General Investment Principles that the maximum threshold of 25% net assets in securities or money market instruments issued by a single institution applies to bonds which fall under the definition of covered bonds in point (1) of Article 3 of Directive (EU) 2019/2162 of the European Parliament and of the Council and for bonds that were issued before 8 July 2022 by credit institutions domiciled in an EU Member State; and
- other editorial updates and clarificatory changes.

For the avoidance of doubt, the changes set out in this notice do not amount to material changes to the Sub-Funds. There will be no material change or increase in the overall risk profile of the Sub-Funds following the changes. The changes do not have a material adverse impact on unitholders’ rights or interests.

The current Hong Kong Offering Documents and product key fact statement of the Sub-Funds are available from the Hong Kong Representative for inspection for a reasonable charge and on the website (<https://www.ubs.com/hk/en/assetmanagement.html>). Note that the website has not been reviewed by the SFC. The updated version of the same will be available on or around the Effective Date.

If you have any questions or concerns about the foregoing, you may contact the Management Company at its registered office in Luxembourg or the Hong Kong Representative at 45/F & 47/F-52/F Two International Finance Centre, 8 Finance Street, Central, Hong Kong (Mailing Address: GPO Box 506 Hong Kong) or by telephone (852) 2971 6188.

UBS Asset Management (Hong Kong) Limited
For and on behalf of UBS Fund Management (Luxembourg) S.A.

11 January 2023

Schedule 1

Amendments to the disclosures on the Portfolio Manager’s Sustainability Focus strategy of UBS (Lux) Equity Fund – Emerging Markets Sustainable Leaders (USD), UBS (Lux) Equity Fund – Euro Countries Opportunity Sustainable (EUR) and UBS (Lux) Equity Fund – European Opportunity Sustainable (EUR)

Sub-Fund	Current disclosure	Revised Disclosure
<p>UBS (Lux) Equity Fund – Emerging Markets Sustainable Leaders (USD)</p>	<p>The Sub-Fund invests at least two-thirds of its assets following the principle of risk diversification in:</p> <p>a) shares or other equity interests of companies that are domiciled or chiefly active in emerging markets and that are leading companies in sectors benefiting from trends and themes which are expected to affect the economy and society in the long term...; and</p> <p>b) shares or other equity interests of companies which the Portfolio Manager believes to have strong environmental and social performance characteristics, or a strong sustainability profile.</p> <p>In order to invest in shares or other equity interests of companies which the Portfolio Manager believes to have “strong environmental and social performance characteristics, or a strong sustainability profile”, the Portfolio Manager will exclude “high or severe ESG risk” securities (defined below) from investment and use a stock selection process which aims to invest in shares and equity interests of companies which the Portfolio Manager believes in aggregate (i) outperforms the MSCI Emerging Markets (net dividend reinvested); or (ii) has a relatively stronger sustainability profile than that of the rest of the investment universe as indicated by the UBS ESG Consensus Score (as defined below).</p> <p>The process involves incorporating ESG factors as key considerations into the Portfolio Manager’s stock selection process and stock analysis. ESG factors include amongst others the following: environmental footprint and operational efficiency, environmental risk management, climate change, natural resource usage, pollution and waste management, employment standards and supply chain monitoring, human capital, diversity within the board of directors, occupational health and safety, product safety, as well as anti-fraud and anti-corruption guidelines. The criteria against which the Portfolio Manager will analyse the ESG factors of companies, their sectors and activities include those defined in United Nations Sustainable</p>	<p>The Sub-Fund invests at least two-thirds of its assets following the principle of risk diversification in shares or other equity interests of companies that are domiciled or chiefly active in emerging markets and that are leading companies in sectors benefiting from trends and themes which are expected to affect the economy and society in the long term.</p> <p>...</p> <p>The Sub-Fund’s portfolio is subject to the Portfolio Manager’s Sustainability Focus strategy below.</p> <p>As part of the Portfolio Manager’s Sustainability Focus strategy, the Sub-Fund will maintain (i) a sustainability profile (as measured by its weighted average UBS ESG consensus score) that is higher than its benchmark’s sustainability profile (as measured by its weighted average UBS ESG consensus score) or a weighted average UBS ESG consensus of between 7 and 10 (indicating a strong sustainability profile); and (ii) a Weighted Average Carbon Intensity (WACI) that is lower than that of its benchmark or a low absolute carbon profile (i.e. below 100 tonnes of CO2 emissions per million US dollars of revenues). The calculations of the sustainability profile and WACI do not take account of cash, derivatives and unrated investment instruments.</p> <p>The UBS ESG consensus score is used to identify issuers/companies for the investment universe with strong environmental and social performance characteristics, or a strong sustainability profile. This UBS ESG consensus score is a normalized weighted average of ESG score data from internal and recognized external providers. Rather than relying on an ESG score from a single provider, the consensus score approach increases conviction in the validity of the sustainability profile.</p> <p>The UBS ESG consensus score assesses sustainability factors, such as the performance of the relevant issuers/companies with reference to</p>

<p>Development Goals and other principles that are based on corporate governance and corporate social responsibility (“ESG criteria”).</p> <p>The Portfolio Manager will use a combination of proprietary tools, research techniques, analytics third party firms and qualitative and quantitative analysis to assess each company against the ESG criteria, and assign each company a score (on a scale of 1-10, with 10 having the best sustainability profile) based on its relative standing in accordance with ESG criteria against other companies in the investment universe (the “ESG Score”). Using the individual ESG Scores of the companies in the Sub-Fund’s investment portfolio and the constituents of its performance benchmark, the Portfolio Manager will calculate the normalised weighted average of ESG Score (the “UBS ESG Consensus Score”) of both the Sub-Fund’s investment portfolio and its performance benchmark.</p> <p>The ESG Score is used to exclude from investment any companies which demonstrate “high or severe ESG risk” when assessed against the ESG criteria. These companies are those that have been assigned the lowest ESG Scores, which typically means that the companies either do not demonstrate commitment to ESG criteria (e.g. have no commitment to reducing carbon footprint or sustainable energy), have repeatedly violated ESG criteria or environmental laws and regulations or have been involved in ESG controversies (e.g. human rights abuses, corruption, toxic waste spill). Typically, as an indication, around 15-30% of the investment universe are flagged as “high or severe ESG risk” based on the ESG Scores assigned and would subsequently be excluded. In exceptional circumstances, the Sub-Fund may invest in “high or severe ESG risk” securities to manage portfolio risk relative to the benchmark weighting, however, such securities will not be considered by the Portfolio Manager to have strong environmental and social performance characteristics, or a strong sustainability profile.</p> <p>The Portfolio Manager will then aim to invest in shares or other equity interests of companies such that the Sub-Fund’s investment portfolio has either (i) a higher UBS ESG Consensus Score than the UBS ESG Consensus Score of MSCI Emerging Markets (net dividend reinvested); or (ii) a UBS ESG Consensus Score of 7 or above (out of 10), indicating a strong</p>	<p>environmental, social and governance (ESG) aspects. These ESG aspects relate to the main areas in which the issuers/companies operate and their effectiveness in managing ESG risks. Environmental and social factors can include (amongst others) the following: environmental footprint and operational efficiency, environmental risk management, climate change, natural resource usage, pollution and waste management, employment standards and supply chain monitoring, human capital, diversity within the board of directors, occupational health and safety, product safety, as well as anti-fraud and anti-corruption guidelines. The individual investments in the Sub-Fund have a UBS ESG consensus score (on a scale of 0-10, with 10 having the best sustainability profile).</p> <p>Weighted Average Carbon Intensity (WACI): (i) Scope 1 refers to direct carbon emissions and therefore includes all direct greenhouse gas emissions from owned or controlled sources of the relevant entity or issuer; (ii) Scope 2 refers to indirect carbon emissions and therefore includes greenhouse gas emissions from the generation of electricity, thermal energy and/or steam that is consumed by the relevant entity or issuer.</p> <p>Companies violating the United Nations Global Compact (UNGC) principles, which do not demonstrate credible corrective action will be excluded from the investment universe. The exclusions include thermal coal mining and thermal coal-based energy production & oil sands; the Portfolio Manager selects investments based upon a lower absolute or relative scope 1+2 carbon intensity. UBS Asset Management does not invest in companies involved in controversial weapons i.e. cluster munitions, anti-personnel mines, chemical and biological weapons, or companies in breach of the Treaty on the Non-Proliferation of Nuclear Weapons. Further details can be found in the Sub-Fund’s Annex in the Prospectus and at https://www.ubs.com/global/en/asset-management/investment-capabilities/sustainability.html. Note that this website has not been reviewed by the SFC.</p> <p>Typically, as an indication, around 15-30% of the investment universe are excluded as a result of the application of the Portfolio Manager’s Sustainability Focus strategy.</p>
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	<p>sustainability profile relative to other companies in the investment universe. This means that the individual ESG Score of an investment and the effect of this ESG Score on the UBS ESG Consensus Score of the Sub-Fund’s investment portfolio will be key considerations of the Portfolio Manager’s stock selection process. The calculation does not take account of cash and unrated investment instruments.</p> <p>In addition to UBS Asset Management’s Sustainability Exclusion Policy as set out in the Prospectus, the Sub-Fund will not invest directly in companies that generate a substantial part of their turnover from the production of tobacco, adult entertainment, coal or energy generated by coal-fired power stations.</p> <p>For the avoidance of doubt, the Sub-Fund will not track a reference ESG benchmark.</p>	
<p>UBS (Lux) Equity Fund – Euro Countries Opportunity Sustainable (EUR)</p>	<p>The Sub-Fund invests at least 70% of its assets in shares and other equity of companies domiciled or chiefly active in a Member State of the European Monetary Union (“EMU”) and which are subject to the Portfolio Manager’s Sustainability Focus strategy set out below.</p> <p>As part of the Portfolio Manager’s Sustainability Focus strategy, the Portfolio Manager will use a combination of proprietary tools, research techniques, analytics third party firms and qualitative and quantitative analysis to assess each company against the ESG criteria (defined below), and assign each company a score (on a scale of 1-10, with 10 having the best sustainability profile) based on its relative standing in accordance with ESG criteria against other companies in the investment universe (the “UBS ESG consensus score”).</p> <p>The process involves incorporating ESG factors as key considerations into the Portfolio Manager’s stock selection process and stock analysis. Environmental and social factors can include (amongst others) the following: environmental footprint and operational efficiency, environmental risk management, climate change, natural resource usage, pollution and waste management, employment standards and supply chain monitoring, human capital, diversity within the board of directors,</p>	<p>The Sub-Fund invests at least 70% of its assets in shares and other equity of companies domiciled or chiefly active in a Member State of the European Monetary Union (“EMU”). The Sub-Fund’s portfolio is subject to the Portfolio Manager’s Sustainability Focus strategy below.</p> <p>As part of the Portfolio Manager’s Sustainability Focus strategy, the Sub-Fund will maintain (i) a sustainability profile (as measured by its weighted average UBS ESG consensus score) that is higher than its benchmark’s sustainability profile (as measured by its weighted average UBS ESG consensus score) or a weighted average UBS ESG consensus of between 7 and 10 (indicating a strong sustainability profile); and (ii) a Weighted Average Carbon Intensity (WACI) that is lower than that of its benchmark or a low absolute carbon profile (i.e. below 100 tonnes of CO2 emissions per million US dollars of revenues). The calculations of the sustainability profile and WACI do not take account of cash, derivatives and unrated investment instruments.</p> <p>The UBS ESG consensus score is used to identify issuers/companies for the investment universe with strong environmental and social performance characteristics, or a strong sustainability profile. This UBS ESG consensus score is a normalized weighted average of ESG score data from internal and</p>

occupational health and safety, product safety, as well as anti-fraud and anti-corruption guidelines. The criteria against which the Portfolio Manager will analyse the ESG factors of companies, their sectors and activities include those defined in United Nations Sustainable Development Goals and other principles that are based on corporate governance and corporate social responsibility (“ESG criteria”).

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

The UBS ESG consensus score is used to exclude from investment any companies which demonstrate “high or severe ESG risk” when assessed against the ESG criteria. These companies are those that have been assigned the lowest UBS ESG consensus scores, which typically means that the companies either do not demonstrate commitment to ESG criteria (e.g. have no commitment to reducing carbon footprint or sustainable energy), have repeatedly violated ESG criteria or environmental laws and regulations or have been involved in ESG controversies (e.g. human rights abuses, corruption, toxic waste spill). Typically, as an indication, around 15-30% of the investment universe are flagged as “high or severe ESG risk” based on the UBS ESG consensus scores assigned and would subsequently be excluded.

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

recognized external providers. Rather than relying on an ESG score from a single provider, the consensus score approach increases conviction in the validity of the sustainability profile.

The UBS ESG consensus score assesses sustainability factors, such as the performance of the relevant issuers/companies with reference to environmental, social and governance (ESG) aspects. These ESG aspects relate to the main areas in which the issuers/companies operate and their effectiveness in managing ESG risks. Environmental and social factors can include (amongst others) the following: environmental footprint and operational efficiency, environmental risk management, climate change, natural resource usage, pollution and waste management, employment standards and supply chain monitoring, human capital, diversity within the board of directors, occupational health and safety, product safety, as well as anti-fraud and anti-corruption guidelines. The individual investments in the Sub-Fund have a UBS ESG consensus score (on a scale of 0-10, with 10 having the best sustainability profile).

Weighted Average Carbon Intensity (WACI): (i) Scope 1 refers to direct carbon emissions and therefore includes all direct greenhouse gas emissions from owned or controlled sources of the relevant entity or issuer; (ii) Scope 2 refers to indirect carbon emissions and therefore includes greenhouse gas emissions from the generation of electricity, thermal energy and/or steam that is consumed by the relevant entity or issuer.

Companies violating the United Nations Global Compact (UNGC) principles, which do not demonstrate credible corrective action will be excluded from the investment universe. The exclusions include thermal coal mining and thermal coal-based energy production & oil sands; the Portfolio Manager selects investments based upon a lower absolute or relative scope 1+2 carbon intensity. UBS Asset Management does not invest in companies involved in controversial weapons i.e. cluster munitions, anti-personnel mines, chemical and biological weapons, or companies in breach of the Treaty on the Non-Proliferation of Nuclear Weapons. Further details can be found at in the Sub-Fund’s Annex in the Prospectus and <https://www.ubs.com/global/en/asset-management/investment->

		<p>capabilities/sustainability.html. Note that this website has not been reviewed by the SFC.</p> <p>Typically, as an indication, around 15-30% of the investment universe are excluded as a result of the application of the Portfolio Manager’s Sustainability Focus strategy.</p>
<p>UBS (Lux) Equity Fund – European Opportunity Sustainable (EUR)</p>	<p>Unless otherwise specified in the Sub-Fund’s investment policy, the Sub-Fund shall invest at least 70% of its assets in:</p> <p>a) shares and other equity interests of companies that are domiciled or chiefly active in Europe (i.e. more than 50% of the companies’ business activities are related to or take place in Europe); and</p> <p>b) shares and other equity interests of companies which the Portfolio Manager believes to have strong environmental and social performance characteristics, or a strong sustainability profile</p> <p>In order to invest in shares or other equity interests of companies which the Portfolio Manager believes to have “strong environmental and social performance characteristics, or a strong sustainability profile”, the Portfolio Manager will exclude “high or severe ESG risk” securities (defined below) from investment and use a stock selection process which aims to invest in shares and equity interests of companies which the Portfolio Manager believes in aggregate (i) outperforms the MSCI Europe (net dividend reinvested); or (ii) has a relatively stronger sustainability profile than that of the rest of the investment universe as indicated by the UBS ESG Consensus Score (as defined below).</p> <p>The process involves incorporating ESG factors as key considerations into the Portfolio Manager’s stock selection process and stock analysis. ESG factors include amongst others the following: environmental footprint and operational efficiency, environmental risk management, climate change, natural resource usage, pollution and waste management, employment standards and supply chain monitoring, human capital, diversity within the board of directors, occupational health and safety, product safety, as well as anti-fraud and anti-corruption guidelines. The criteria against which the Portfolio Manager will analyse the ESG factors of companies, their sectors and activities include those defined in United Nations Sustainable</p>	<p>Unless otherwise specified in the Sub-Fund’s investment policy, the Sub-Fund shall invest at least 70% of its assets in shares and other equity interests of companies that are domiciled or chiefly active in Europe (i.e. more than 50% of the companies’ business activities are related to or take place in Europe).</p> <p>...</p> <p>The Sub-Fund’s portfolio is subject to the Portfolio Manager’s Sustainability Focus strategy below.</p> <p>As part of the Portfolio Manager’s Sustainability Focus strategy, the Sub-Fund will maintain (i) a sustainability profile (as measured by its weighted average UBS ESG consensus score) that is higher than its benchmark’s sustainability profile (as measured by its weighted average UBS ESG consensus score); and (ii) a Weighted Average Carbon Intensity (WACI) that is lower than that of its benchmark or a low absolute carbon profile (i.e. below 100 tonnes of CO2 emissions per million US dollars of revenues). The calculations of the sustainability profile and WACI do not take account of cash, derivatives and unrated investment instruments.</p> <p>The UBS ESG consensus score is used to identify issuers/companies for the investment universe with strong environmental and social performance characteristics, or a strong sustainability profile. This UBS ESG consensus score is a normalized weighted average of ESG score data from internal and recognized external providers. Rather than relying on an ESG score from a single provider, the consensus score approach increases conviction in the validity of the sustainability profile.</p> <p>The UBS ESG consensus score assesses sustainability factors, such as the performance of the relevant issuers/companies with reference to environmental, social and governance (ESG) aspects. These ESG aspects</p>

<p>Development Goals and other principles that are based on corporate governance and corporate social responsibility (“ESG criteria”).</p> <p>The Portfolio Manager will use a combination of proprietary tools, research techniques, analytics third party firms and qualitative and quantitative analysis to assess each company against the ESG criteria, and assign each company a score (on a scale of 1-10, with 10 having the best sustainability profile) based on its relative standing in accordance with ESG criteria against other companies in the investment universe (the “ESG Score”). Using the individual ESG Scores of the companies in the Sub-Fund’s investment portfolio and the constituents of its performance benchmark, the Portfolio Manager will calculate the normalised weighted average of ESG Score (the “UBS ESG Consensus Score”) of both the Sub-Fund’s investment portfolio and its performance benchmark.</p> <p>The ESG Score is used to exclude from investment any companies which demonstrate “high or severe ESG risk” when assessed against the ESG criteria. These companies are those that have been assigned the lowest ESG Scores, which typically means that the companies either do not demonstrate commitment to ESG criteria (e.g. have no commitment to reducing carbon footprint or sustainable energy), have repeatedly violated ESG criteria or environmental laws and regulations or have been involved in ESG controversies (e.g. human rights abuses, corruption, toxic waste spill). Typically, as an indication, around 15-30% of the investment universe are flagged as “high or severe ESG risk” based on the ESG Scores assigned and would subsequently be excluded.</p> <p>The Portfolio Manager will then aim to invest in shares or other equity interests of companies such that the Sub-Fund’s investment portfolio has either (i) a higher UBS ESG Consensus Score than the UBS ESG Consensus Score of MSCI Europe (net dividend reinvested); or (ii) a UBS ESG Consensus Score of 7 or above (out of 10), indicating a strong sustainability profile relative to other companies in the investment universe. This means that the individual ESG Score of an investment and the effect of this ESG Score on the UBS ESG Consensus Score of the Sub-Fund’s investment portfolio will be key considerations of the Portfolio Manager’s stock</p>	<p>relate to the main areas in which the issuers/companies operate and their effectiveness in managing ESG risks. Environmental and social factors can include (amongst others) the following: environmental footprint and operational efficiency, environmental risk management, climate change, natural resource usage, pollution and waste management, employment standards and supply chain monitoring, human capital, diversity within the board of directors, occupational health and safety, product safety, as well as anti-fraud and anti-corruption guidelines. The individual investments in the Sub-Fund have a UBS ESG consensus score (on a scale of 0-10, with 10 having the best sustainability profile).</p> <p>The Sub-Fund’s investment universe consist of (i) mainly stocks of companies that are domiciled or chiefly active in Europe complemented by (ii) stocks of companies that are domiciled or chiefly active outside of Europe. The two parts of the investment universe are segregated and each reduced by at least 20% whereby issuers with the lowest UBS ESG consensus score are excluded.</p> <p>Weighted Average Carbon Intensity (WACI): (i) Scope 1 refers to direct carbon emissions and therefore includes all direct greenhouse gas emissions from owned or controlled sources of the relevant entity or issuer; (ii) Scope 2 refers to indirect carbon emissions and therefore includes greenhouse gas emissions from the generation of electricity, thermal energy and/or steam that is consumed by the relevant entity or issuer.</p> <p>Companies violating the United Nations Global Compact (UNGC) principles, which do not demonstrate credible corrective action will be excluded from the investment universe. The exclusions include thermal coal mining and thermal coal-based energy production & oil sands; the Portfolio Manager selects investments based upon a lower absolute or relative scope 1+2 carbon intensity. UBS Asset Management does not invest in companies involved in controversial weapons i.e. cluster munitions, anti-personnel mines, chemical and biological weapons, or companies in breach of the Treaty on the Non-Proliferation of Nuclear Weapons. Further details can be found in the Sub-Fund’s Annex in the Prospectus and at https://www.ubs.com/global/en/asset-management/investment-capabilities/sustainability.html. Note that this website has not been reviewed by the SFC.</p>
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	<p>selection process. The calculation does not take account of cash and unrated investment instruments.</p> <p>In addition to UBS Asset Management's Sustainability Exclusion Policy as set out in the Prospectus, the Sub-Fund will not invest directly in companies that generate a substantial part of their turnover from the production of tobacco, adult entertainment, coal or energy generated by coal-fired power stations.</p> <p>For the avoidance of doubt, the Sub-Fund will not track a reference ESG benchmark.</p>	
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