

Notice to Unitholders

UBS (Lux) Bond Fund (the “Fund”)

This notice is important and requires your immediate attention. If you are in any doubt about the contents of this notice you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser for independent professional advice. UBS Fund Management (Luxembourg) S.A. (the “Management Company”), the management company of the Fund accepts full responsibility for the accuracy of the information contained in this notice and confirms, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts or omission of which would make any statement misleading.

Capitalised terms used herein shall bear the same meanings as capitalised terms used in the Sales Prospectus dated August 2018 (the “Prospectus”) and the Information for Hong Kong Investors (the “IHKI”) dated January 2019, as may be amended and supplemented from time to time.

Dear Hong Kong resident unitholders,

We are writing to inform you of the following changes to the sub-funds of the Fund, which shall enter into force on 30 December 2019 (the “Effective Date”):

- 1) It will be specified that the sub-funds UBS (Lux) Bond Fund – Euro High Yield (EUR) and UBS (Lux) Bond Fund – Full Cycle Asian Bond (USD) may invest up to 20% of their net assets in asset-backed securities (ABS), mortgage-backed securities (MBS), commercial mortgage-backed securities (CMBS) and collateralised debt obligations (CDOs)/collateralised loan obligations (CLOs). The associated risks will be described in the Prospectus in the section “Risks connected with the use of ABS/MBS” or “Risks connected with the use of CDOs/CLOs”.
- 2) The global risk calculation method for the sub-fund UBS (Lux) Bond Fund – Full Cycle Asian Bond (USD) will be changed from the commitment approach to the relative VaR approach, with an expected leverage range of 0%–200%. The reference portfolio of the sub-fund reflects the characteristics of a diversified portfolio of liquid fixed income bonds issued in Asia (excluding Japan) and denominated in USD.

Implications of the changes

Save for the above changes, there will be no change in the operation and/or manner in which the sub-funds are being managed. There is no material change to the investment objective and policy of the sub-funds. The above amendments will not result in any change to the risk profile of the sub-funds. The rights or interests of the existing investors would not be materially prejudiced. Further, there will be no change in the fee level or costs of managing the sub-fund following the implementation of the changes.

However, unitholders who object to the amendments listed under item (1) have the right to redeem their units free of charge¹ from the date of this notice up until the last business day before the Effective Date, in accordance with the procedure set out in the Prospectus and IHKI.

Offering documents for inspection

The Prospectus, IHKI, and the Product Key Facts Statements ("**KFS**") of the Fund and the sub-funds will be updated to reflect the changes set out above. You should refer to the updated Prospectus, the updated IHKI and KFS in respect of the Fund and the sub-funds for further details of the changes made.

The updated Prospectus, the updated IHKI and KFS of the Fund and the sub-funds will be available in due course for your inspection free of charge during normal business hours (except on Saturdays, Sundays and public holidays) at the office of the Hong Kong Representative at 45/F-52/F Two International Finance Centre, 8 Finance Street, Central, Hong Kong.

Enquiry

If you have any questions about the foregoing, you may contact the Fund at its registered office in Luxembourg or the Hong Kong Representative at 45/F-52/F Two International Finance Centre, 8 Finance Street, Central, Hong Kong at telephone (852) 2971 6330 (Mailing Address: GPO Box 506 Hong Kong).

Yours sincerely,

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

29 November 2019

¹ Please note that although we will not impose any charges in respect of your redemption, your bank, distributor, financial adviser or pension scheme trustee or administrator may charge you redemption and/or transaction fees and may impose different dealing arrangements. You are advised to contact your bank, distributor or financial adviser, pension scheme trustee or administrator should you have any questions.