

Notice to Unitholders

**UBS (Lux) Bond Fund (the “Fund”)
UBS (Lux) Bond Fund – Euro High Yield (EUR)
UBS (Lux) Bond Fund – Full Cycle Asian Bond (USD)
(each a “Sub-Fund”, collectively the “Sub-Funds”)**

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 (“IHKI”) dated January 2019, as may be amended and supplemented from time to time.

Dear Hong Kong resident Unitholders,

Use of Financial Derivative Instruments of the Sub-Funds

Following the amendments made to the Code on Unit Trusts and Mutual Funds (“Code”) issued by the Securities and Futures Commission in Hong Kong (the “SFC”), the Management Company has decided to clarify the use of financial derivative instruments by the Sub-Funds in the Hong Kong offering documents.

Currently, each Sub-Fund may extensively use financial derivative instruments for investment and efficient portfolio management purposes. Based on the new calculation methodology of net derivative exposure in the Code and guidance issued by the SFC, it will be clarified that the expected maximum net derivative exposure (i.e. level of leverage through the use of financial derivative instruments) of each Sub-Fund arising from derivative investments may be up to 50% of the relevant Sub-Fund’s net asset value.

The above clarifications and associated enhancements to the disclosure in the Hong Kong offering documents of the Sub-Funds will take effect on and from 31 December 2019 (“Effective Date”). Such clarifications and enhancements of disclosure will not result in any material change to the investment objective, strategy and risk profile of any Sub-Fund.

Updates to offering documents

The IHKI of the Fund and the KFS of the Sub-Funds will be updated to reflect the changes set out above. You should refer to the Prospectus, the updated IHKI and KFS in respect of the Fund and the Sub-Funds for further details of the changes made.

The Prospectus, the updated IHKI, and KFS 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

15 November 2019