
Notice to shareholders of UBS (Lux) Key Selection SICAV
- UBS (Lux) Key Selection SICAV - Emerging Markets Income (USD)
- UBS (Lux) Key Selection SICAV – China Allocation Opportunity (USD)

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 of the Company and the directors of the Company, 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.

Dear Hong Kong resident Shareholders,

The Board of Directors of UBS (Lux) Key Selection SICAV (the "**Company**") and its sub-funds would like to inform you the following changes shall be incorporated into the sales prospectus (the "**Sales Prospectus**"), the Information for Hong Kong Investors ("**IHKI**") and product key fact statements of the relevant Sub-Fund (as defined below):

(I) Shenzhen-Hong Kong Stock Connect

*Forthcoming updates to the Company and "UBS (Lux) Key Selection SICAV - Emerging Markets Income (USD)" and "UBS (Lux) Key Selection SICAV – China Allocation Opportunity (USD)" (collectively the "**Sub-Funds**")*

The changes set out below have come into effect as of 28 July 2017.

- 1) In addition to the existing option of investing in certain permissible Chinese A-shares via Shanghai-Hong Kong Stock Connect, the Sub-Funds "UBS (Lux) Key Selection SICAV – Emerging Markets Income (USD)" and "UBS (Lux) Key Selection SICAV – China Allocation Opportunity (USD)" shall will be entitled to invest in certain permissible Chinese A-shares via Shenzhen-Hong Kong Stock Connect and have direct access to them. Shenzhen-Hong Kong Stock Connect is a securities trading and clearing system developed by Stock Exchange of Hong Kong Limited, the Shenzhen Stock Exchange ("SZSE"), China Securities Depository and Clearing Corporation Limited and Hong Kong Securities Clearing Company Limited in order to link the equity markets of Hong Kong and the People's Republic of China. Shenzhen-Hong Kong Stock Connect also comprises a Northbound Trading Link (for investments in China A-shares) that allows investors to place orders via their Hong Kong brokers and a securities trading service company founded by Stock Exchange of Hong Kong Limited, which routes orders for permissible SZSE-listed shares. Further information regarding Shenzhen-Hong Kong Stock Connect can be found on the following website: http://www.hkex.com.hk/eng/market/sec_tradinfra/chinaconnect/chinaconnect.htm. The objective of the proposed change is to increase the Sub-funds' capacity via additional direct access to SZSE-listed Chinese A-shares. The aggregate exposure (whether direct or indirect) to China A-Share and China B-Share markets for the Sub-Funds will be maintained at 10% or below of its total net asset value.

In line with the information outlined above, the investment policies of the Sub-funds shall be amended to the effect that the Sub-funds' investment exposure may also include Chinese A shares traded via Shenzhen-Hong Kong Stock Connect. Further, the existing risk information in relation to Shanghai-Hong Stock Connect will be adjusted by adding the respective details in relation to Shenzhen-Hong Kong Stock Connect.

2) As a result of recent regulatory changes in the People's Republic of China ("PRC") which opens up the China Interbank Bond Market to eligible foreign institutional investors to access PRC onshore bonds directly, the Company has decided to provide greater flexibility for UBS (Lux) Key Selection SICAV – China Allocation Opportunity (USD) (the "Relevant Sub-Fund") to invest not more than 20% of its total net asset value in debt securities issued in the PRC directly by using direct China Interbank Bond Market access with effect from 28 July 2017.

In line with the information outlined above, the investment policies of the Relevant Sub-Fund shall be amended to the effect that the Relevant Sub-Fund's investment exposure may also include debt securities issued in the PRC via direct China Interbank Bond Market access. Further, the existing risk information in relation to China Interbank Bond Market access will be adjusted by adding the respective details in relation to China Interbank Bond Market access.

The existing Hong Kong Offering Documents (comprising of the Sales Prospectus of the Company and the Sub-Funds, the IHKI and the product key fact statements of each Hong Kong Sub-Fund) will be amended to reflect the above changes and will be available free of charge from UBS Asset Management (Hong Kong) Limited, being the Hong Kong representative of the Company and the Sub-Funds at 43/F-52/F Two International Finance Centre, 8 Finance Street, Central and also on https://www.ubs.com/hk/en/asset_management/wholesale.html.¹

Shareholders are advised to read the Sales Prospectus, the IHKI and product key fact statements of the relevant Sub-Fund for detailed information on the investment objectives, dealing procedures, risks and fees associated with any relevant sub-fund.

(II) Enquiries

If you have any questions or concerns about the foregoing, you may contact the Company at its registered office in Luxembourg or the Hong Kong Representative at 43/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

31 July 2017

¹ Please note the content on this website has not been reviewed by the Securities and Futures Commission.