
Notice to shareholders of UBS (Lux) Key Selection SICAV

The Board of Directors of the Company wishes to inform you of the following changes in the January 2022 version of the Company's Sales Prospectus:

- 1) The investment policy of the sub-fund **UBS (Lux) Key Selection SICAV – Asian Equities (USD)**, which will in future fall under Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector, has been revised and now reads as follows:

"In line with the above-mentioned investment policy, the sub-fund 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). This sub-fund promotes environmental and social characteristics and falls under Article 8(1) of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector.

The Portfolio Manager utilises a UBS ESG consensus score to identify companies for the investment universe with strong environmental and social performance characteristics, or a strong sustainability profile. This UBS ESG consensus score is a normalised weighted average of ESG score data from internal and recognised external providers. Rather than exclusively relying on an ESG score from a single provider, the Consensus Score approach enhances the plausibility of the sustainability profile quality. The UBS ESG consensus score assesses sustainability factors, such as the performance of the relevant 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 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, and anti-fraud and anti-corruption guidelines. The sub-fund promotes the following ESG characteristics:

- The sub-fund aims to report a lower weighted average carbon intensity profile than its benchmark and/or an absolute carbon emissions figure of less than 100 tonnes per million US dollars in revenue.
- The sub-fund aims to have a sustainability profile which is better than the sustainability profile of its benchmark and/or has the target of investing at least 51% of investments in companies with a sustainability profile that is in the top half of companies included in the benchmark (sorted by UBS ESG Consensus Score).

The calculation does not take account of cash and unrated investment instruments.

The sub-fund uses the benchmark MSCI AC Asia (ex Japan) (net div. reinvested) to measure performance and the ESG profile, as well as for ESG and investment risk management and portfolio construction purposes. The benchmark is not designed to promote ESG characteristics. The investment strategy and monitoring process ensure that the environmental or social characteristics of the product are taken into account. The sub-fund's sustainability profile is measured by its benchmark's profile and the corresponding results are calculated at least once a year from the respective monthly profiles and published in the annual report. The Portfolio Manager may use discretion when constructing the portfolio and is not tied to the benchmark in terms of investment selection or weight. This means that the investment performance of the sub-fund may differ from the benchmark. For share classes with "hedged" in their name, currency-hedged versions of the benchmark may be used if available.

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

- wholly or partially hedge investments that make up the sub-fund's assets against the currency risk associated with the sub-fund's reference currency. 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 other currencies included 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 conduct transactions 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 sub-fund's exposure may also include Chinese A shares traded via Shanghai-Hong Kong Stock Connect or Shenzhen-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. **This sub-fund may invest in both developed and emerging markets. The risks associated therewith are listed in the section entitled "General risk information". In addition to the aforementioned, investors should read, be aware of and take into account the risks associated with investments traded via Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect. Information on this topic can also be found in the section entitled "General risk information". For these reasons, this sub-fund is particularly suitable for risk-conscious investors."**

In addition, the typical investor profile has been revised and now reads as follows: "This actively managed sub-fund is suitable for investors who wish to invest in a diversified portfolio of Asian equities and equity rights and in a sub-fund promoting environmental and/or social characteristics, and who are willing to accept the risk associated with equities."

- 2) The investment policy of the sub-fund **UBS (Lux) Key Selection SICAV – Digital Transformation Themes (USD)**, which will in future fall under Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector, has been revised and now reads as follows:

"The sub-fund chiefly invests its assets in equities and other equity interests of companies in developed and emerging markets worldwide. The sub-fund focuses on digital aspects which the portfolio manager views as attractive from an investment perspective. These aspects can comprise any sectors, countries and company capitalisations. Potential digital aspects include e-commerce, security and protection, digital data, enabling technologies, finance technologies (fintech) and health technologies. This sub-fund promotes environmental and social characteristics and falls under Article 8(1) of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector.

The Portfolio Manager utilises a UBS ESG consensus score to identify companies for the investment universe with strong environmental and social performance characteristics, or a strong sustainability profile. This UBS ESG consensus score is a normalised weighted average of ESG score data from internal and recognised external providers. Rather than exclusively relying on an ESG score from a single provider, the Consensus Score approach enhances the plausibility of the sustainability profile quality. The UBS ESG consensus score assesses sustainability factors, such as the performance of the relevant 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 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, and anti-fraud and anti-corruption guidelines. The sub-fund promotes the following ESG characteristics:

- The sub-fund aims to report a lower weighted average carbon intensity profile than its benchmark and/or an absolute carbon emissions figure of less than 100 tonnes per million US dollars in revenue.

- The sub-fund aims to have a sustainability profile which is better than the sustainability profile of its benchmark and/or has the target of investing at least 51% of investments in companies with a sustainability profile that is in the top half of companies included in the benchmark (sorted by UBS ESG Consensus Score).

The calculation does not take account of cash and unrated investment instruments.

The sub-fund may invest on an ancillary basis in real estate investment trusts (“REITs”). Investments in REITs are permissible, if these fulfil the criteria of (i) a UCITS or other UCI or (ii) a transferable security. A closed-ended REIT whose units are listed on a regulated market meets the criteria of a security listed on a regulated market and therefore constitutes a permissible investment for the sub-fund under Luxembourg law.

As the sub-fund invests in many foreign currencies due to its global orientation, the portfolio or parts thereof may be hedged against the reference currency of the sub-fund in order to reduce the associated foreign currency risks.

The sub-fund uses the benchmark MSCI AC World (net div reinvested) to measure performance and the ESG profile, as well as for ESG and investment risk management and portfolio construction purposes. The benchmark is not designed to promote ESG characteristics. The sub-fund’s sustainability profile is measured by its benchmark’s profile and the corresponding results are calculated at least once a year from the respective monthly profiles and published in the annual report. The investment strategy and monitoring process ensure that the environmental or social characteristics of the product are taken into account. The Portfolio Manager may use discretion when constructing the portfolio and is not tied to the benchmark in terms of investment selection or weight. This means that the investment performance of the sub-fund may differ from the benchmark.

Investors should note that the sub-fund’s exposure may also include Chinese A shares traded via Shanghai-Hong Kong Stock Connect or Shenzhen-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. This sub-fund may invest in both developed and emerging markets. The risks associated therewith are listed in the section entitled “**General risk information**”. In addition to the aforementioned, investors should read, be aware of and take into account the risks associated with investments traded via Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect. Information on this topic can be found after the section “**General risk information**”. For the reasons mentioned, this sub-fund is particularly suitable for risk-conscious investors.

In addition, the typical investor profile has been revised and now reads as follows: “This actively managed sub-fund is suitable for investors who wish to invest globally in a broadly diversified portfolio of equities and equity rights of companies in developed countries and emerging markets and in a sub-fund promoting environmental and/or social characteristics, and who are willing to accept the risk associated with equities.”

- 3) The investment policy of the sub-funds **UBS (Lux) Key Selection SICAV – Global Allocation (CHF)**, **UBS (Lux) Key Selection SICAV – Global Allocation (EUR)** and **UBS (Lux) Key Selection SICAV – Global Allocation (USD)** clarifies that up to a maximum of 35% of investments may be made in high-yield instruments. These include high-yield bonds, high-yield investment funds and high-yield index derivatives. High-yield investments include investments with a rating between BB+ and C (Standard & Poor’s), a similar rating from another recognised agency or – for new issues that do not yet have an official rating – a similar internal UBS rating; however, no more than 10% of their assets may be invested directly in bonds rated between CCC and C.
- 4) The method for calculating the overall risk for the sub-fund **UBS (Lux) Key Selection SICAV – Asian Global Strategy Balanced (USD)** has been changed from the VaR approach to the **commitment approach**. In addition, the reference to the benchmark has been removed from the investment policy. This sub-fund is actively managed, without reference to a benchmark.
- 5) The name of the **UBS (Lux) Key Selection SICAV – China Equity Long Short (USD)** sub-fund will be changed to **UBS (Lux) Key Selection SICAV – China Equity Unconstrained (USD)**. The typical investor profile will remain unchanged. The investment policy of the sub-fund has been revised and now reads as follows:

“UBS Asset Management categorises this sub-fund as an ESG integration fund which does not promote particular ESG characteristics or pursue any specific sustainability or impact objective. The sub-fund pursues a long/short equities strategy. Its exposure to shares and other equity interests is primarily in the form of companies domiciled in the People’s Republic of China (“PRC”) as well as in other companies that have close economic links with the PRC. These investments contain securities listed within the PRC (onshore) or outside of the PRC (offshore).

The sub-fund generally seeks to combine long and short positions to maintain net equity exposure of between 50% and 100% of its total net assets. This net equity exposure may range between 0% and 100% of the total net assets. Gross exposure in the form of long positions may not exceed 175% of the total net assets, and gross exposure in the form of short positions may not exceed 75% of the total net assets. In accordance with Section 5 entitled “Special techniques and instruments with securities and money market instruments as underlying assets”, the sub-fund uses exchange-traded derivative instruments such as equity options or futures, or OTC derivatives such as equity rights (swaps), to build long and short equity positions. Potential losses incurred from taking a short position on an asset may be unlimited, since the price of the asset may rise without limitation. Sharp, rapid rises in the price of these assets may lead to substantial losses. The sub-fund does not engage in the physical short-selling of equities.

This sub-fund is actively managed, without reference to a benchmark.

Investors should note that the sub-fund’s exposure may also include Chinese A shares. 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. The sub-fund may invest in Chinese A shares via Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

The use of derivatives is a core element in achieving the investment objectives. The intention is to use the derivatives for participating in the expected market developments and/or for hedging purposes. The associated risks are described in the section “Risks connected with the use of derivatives”. The sub-fund may not at any time conduct physical short-selling in investment securities.

The sub-fund may invest up to 100% of its assets in liquid funds or near-money market instruments. As the sub-fund invests in many foreign currencies due to its regional orientation, the portfolio or parts thereof may be hedged against the reference currency of the sub-fund in order to reduce the associated foreign currency risks.

This sub-fund may invest in both developed and emerging markets. The risks associated therewith are listed in the section entitled “General risk information”. In addition to the aforementioned, investors should read, be aware of and take into account the risks associated with investments traded via Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect. Information on this topic can be found after the section “General risk information”. For the reasons mentioned, this sub-fund is particularly suitable for risk-conscious investors.

- 6) **UBS (Lux) Key Selection SICAV – Digital Transformation Dynamic (USD)** The investment policy of the sub-fund has been supplemented as follows: “In order to fulfil its investment objective and achieve broad diversification, the sub-fund may invest up to 40% of its net assets in UCITS as defined in section 1.1(e) of the Investment Principles. The methodology and the associated fees and expenses are described in more detail in the section “Investments in UCIs and UCITS”.
- 7) **UBS (Lux) Key Selection SICAV – Multi Strategy Alternatives (EUR):** It will be stated for this sub-fund that a net asset value will be calculated for 24 and 31 December if the master fund calculates a net asset value on these dates. However, shares will not be issued or redeemed on these dates.
- 8) The section on “Expenses paid by the Company” now clarifies that the maximum management fee of 3% should be taken to refer to target funds, before any performance fee.

The changes shall enter into force on 31 January 2022. Shareholders who do not agree to the changes may redeem their shares free of charge within 30 days of this notice. The amendments shall be visible in the January 2022 version of the Company’s Sales Prospectus.

Luxembourg, 30 December 2021 | The Company