LUXEMBOURG SELECTION FUND

Société d'investissement à capital variable

33A, Avenue J.F. Kennedy, L-1855 Luxembourg

SALES PROSPECTUS

October 2026

Distribution of this sales prospectus is not authorised unless it is accompanied by a copy of the latest available annual report of LUXEMBOURG SELECTION FUND (the "Fund") containing the audited balance-sheet and a copy of the latest semi-annual report, if published after such annual report. The sales prospectus of the Fund (the "Prospectus") and the various annual and semi-annual reports may be obtained free of charge from all paying agents and sales agencies. It is prohibited to publish information on the Fund that is not contained in this Prospectus, the documents mentioned herein, the latest annual report and any subsequent semi-annual report. The English version of this Prospectus is binding.

INTRODUCTION

The Fund is a société d'investissement à capital variable ("SICAV") registered under Part I of the Luxembourg law of 17 December 2010 on undertakings for collective investment (the "2010 Law"). This registration may not be interpreted as a positive evaluation on the part of the supervisory authority as to the contents of this sales prospectus or as to the quality of the securities offered and held by the Fund. Any representation to the contrary is unauthorised and unlawful.

The Fund represents and warrants that its shares will not be offered, sold or delivered from within the United States or to investors who are US Persons. A US Person is any person who:

1. is a United States person within the meaning of Section 7701(a)(30) of the US Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder;
2. is a US person within the meaning of Regulation S under the US Securities Act of 1933 (17 CFR § 230.902(k));
3. is not a Non-United States person within the meaning of Rule 4.7 of the US Commodity Futures Trading Commission Regulations (17 CFR § 4.7(a)(1)(iv));
4. is in the United States within the meaning of Rule 202(a)(30)-1 under the US Investment Advisers Act of 1940, as amended; or
5. any trust, entity or other structure formed for the purpose of allowing US Persons to invest in the Fund.

As US Person shall further be considered:

1. an "employee benefit plan" within the meaning of Section 3(3) of the US Employee Retirement Income Security Act of 1974, as amended ("ERISA") that is subject to Title I of ERISA,
2. a "plan" within the meaning of Section 4975(e)(1) of the US Internal Revenue Code of 1986, as amended ("IRC"),
3. an entity whose underlying assets include "plan assets" subject to Title I of ERISA or Section 4975 of the IRC, or
4. a governmental plan or another type of plan (or an entity whose assets are considered to include the assets of any such governmental or other plan) that is subject to any law, rule or restriction that is similar to Section 406 of ERISA or Section 4975 of the IRC.

The Shares have not been registered under the United States Securities Act of 1933, as amended (the "1933 Act"); they may therefore not be publicly offered or sold in the United States of America (the "USA"), or in any of its territories subject to its jurisdiction or to or for the benefit of a US Person. The Shares are not being offered in the USA, and may be so offered only pursuant to an exemption from registration under the 1933 Act, and have not been registered with the Securities and Exchange Commission or any state securities commission nor has the Fund been registered under the Investment Company Act of 1940, as amended (the "1940 Act"). No transfer or sale of the Shares shall be made unless, among other things, such transfer or sale is exempt from the registration requirement of the 1933 Act and any applicable state securities laws or is made pursuant to an effective registration statement under the 1933 Act and such state securities laws and would not result in the Fund becoming subject to registration or regulation under the 1940 Act. Shares may furthermore not be sold or held either directly by nor to the benefit of, among others, a citizen or resident of the USA, a partnership organized or existing in any state, territory or possession of the USA or other areas subject to its jurisdiction, an estate or trust the income of which is subject to United States federal income tax regardless of its source, or any corporation or other entity organized under the laws of or existing in the USA or any state, territory or possession thereof or other areas subject to its jurisdiction (a "US Person"). All purchasers must certify that the beneficial owner of such Shares is not a US Person and is purchasing such Shares for its own account, for investment purposes only and not with a view towards resale thereof.

No person is authorised to publish any information other than that contained in this Prospectus or in the documents referred to herein and that are available for consultation by the public.

The board of directors of the Fund (the "Board") assumes responsibility for all information contained in this Prospectus as at the date of its publication.

Potential subscribers to the Fund should inform themselves about the laws and regulations in force in their country of citizenship, residence or domicile that may apply to the subscription, acquisition, holding, conversion or redemption of shares in the Fund.

In this Prospectus, all references to "EUR" are to the official currency of the European Union and all references to "CHF" are to the official currency of Switzerland.

This Prospectus may be updated to take into account significant changes made to this document. For this reason, it is recommended that subscribers inquire at the Fund with regard to the publication of any more recent Prospectus.

The attention of potential subscribers is drawn to the fact this Prospectus is composed of Section I, on the regulations applicable to each Subfund, and Section II, on the regulations to which the Fund as a whole is subject.

SECTION I: DESCRIPTION OF THE SUBFUNDS

- List of available Subfunds:

  Subfund 1 - LUXEMBOURG SELECTION FUND – Active Solar

  Subfund 2 - LUXEMBOURG SELECTION FUND – Nerrick US Equities

  Subfund 3 - LUXEMBOURG SELECTION FUND – Arcano Low Volatility European Income Fund – ESG Selection

  Subfund 4 - LUXEMBOURG SELECTION FUND – UBS Bond 2031

  Subfund 5 - LUXEMBOURG SELECTION FUND – Thema Equities Fund

- Unless otherwise indicated in the tables below, each Subfund of the Fund is subject to the general regulations as set out in Section II of this Prospectus.

LUXEMBOURG SELECTION FUND – Active Solar

This section describes the characteristics of the Subfund LUXEMBOURG SELECTION FUND – Active Solar and all of the information contained therein should be read in conjunction with the General Provisions of the Prospectus.

Investor profile

This Subfund is intended for investors considering an investment in the Subfund as a means of participating in the capital markets and who do not need regular income. Investors must be able to accept considerable annual volatility in order to possibly reap high returns in the long-term. As a result, this Subfund is intended for investors who can afford, in principle, to invest their capital as investment capital for a period of at least 6 years.

Risk profile

The risks associated with investments made in equities and other similar transferable securities can be summarised as follows: marked variations in market prices, liquidity risk, damaging information about issuers or markets, and subordination of shares to bonds and other debts issued by the same company. Potential investors should consider fluctuations in exchange rates, the possibility of controls on foreign exchange and other restrictions.

Due to possible use of techniques and instruments relating to transferable securities and money market instruments for purposes of efficient portfolio management, investors may be exposed to greater risks and no assurance can be given that the objective sought from such use will be achieved. For more details on the risks associated with techniques and instruments, please refer to the section "Risks associated with the use of financial derivative instruments".

Investment objective and policy

The investment objective of the Subfund is long-term capital appreciation through investing at least two thirds of the assets in shares of companies whose primary activity is associated with the solar industry.

The Subfund has sustainable investment as its objective and accordingly complies with Article 9 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("**SFDR**"). Information related to the Subfund's sustainable investment objective is available in Annex 1 to this document (SFDR RTS Art. 18(2)).

The approach adopted by the Subfund is that solar energy is one of the least polluting sources of energy. When power is generated by a solar installation, it reduces the carbon emissions, because electric power is not generated by a more polluting source of electricity. Hence, by investing in companies throughout the solar value chain, the Subfund contributes to reducing carbon emissions, with the aim to reach net zero emissions by 2040.

It is impossible to guarantee that the Subfund will be in a position to achieve the set investment objectives, and investment results may fluctuate considerably over time.

Pursuant to the section "Financial techniques and instruments", the Subfund may buy and sell futures contracts or options on financial instruments, as well as enter into transactions involving options on transferable securities for purposes of hedging or sound portfolio management. The purchase or sale of futures on indices will allow the manager to increase or decrease, at lower costs, the Subfund's market exposure. The purchase or sale of call or put options on transferable securities/indices will allow the manager to increase or decrease the exposure to the underlying with respect to the market conditions/trends.

Investor attention is drawn to the fact that investments made in emerging markets may be subject to risks different to those in industrialised countries, such as (a) monetary devaluations and exchange rate fluctuations, (b) political uncertainty and instability, (c) government interference in the economy, (d) higher inflation rates, (e) less or different regulation of transferable security markets, (f) possible unexpected market volatility, (g) investment and repatriation restrictions on the funds invested.

Investment strategy

The strategy of the Subfund is to invest in the best companies in the solar sector based on a detailed fundamental analysis and on the exclusion of companies that do not follow good governance practices. The strategy of the Subfund is not limited to a single type of technology or to a single market. Instead, it seeks to identify the leaders in each of the segments and each of the steps of the value chain in order to identify suitable investment opportunities that do not significantly harm any of the sustainable investment objectives referred to in Article 2 (17) of the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector. Besides, in order to reach the net zero carbon emission objective, greenhouse gas emissions of investee companies will be measured and will need to decrease over time to reach net zero by 2040.

The environmental, social and governance (ESG) fundamental analysis and/or screening is applied to 100% of the portfolio of the Subfund.

As part of the management process, the Subfund's Portfolio Manager actively monitors Sustainability Risks (as defined below) that represent potential or actual material risks. The impacts following the occurrence of a Sustainability Risk may be numerous and vary depending on the specific risk, region and asset class. As of the date of this Prospectus, the global climate change risk is assessed to be low or even positive as solar companies are generally taking direct advantage of the current sustainable development. The overall impact of sustainability risks on the value of the portfolio is deemed positive.

Further general information about the likely impacts of Sustainability Risks on the returns of the Subfund is disclosed under "General risk information" below.

Investors are invited to consult the additional information available on the following website (www.fundinfo.com). Complementary information can be also found on the website of the Subfund's portfolio manager (www.activenf.ch).

The transferable securities, primarily equities, in which the Subfund will invest, will be essentially listed on approved national or international stock exchanges, but they may also, to a certain extent, be traded on unlisted markets provided such markets are recognised as regulated markets that operate regularly and are recognised and open to the public.

The Subfund is a long-only global equity fund investing in the solar sector anywhere in the world, including emerging countries. This may include China A-Shares directly through the Stock Connect programmes (composed of the Shenzhen Stock Connect and the Shanghai Stock Connect) or indirectly through for instance structured products (including, but not limited to, certificates).

The Subfund may not invest its assets in other investment funds (UCITS and/or other UCIs) with the exception of up to 10% in money market funds for cash management purposes only.

Subject to the conditions set out in Chapter 20 "Investment Restrictions" of Section II "General Provisions" under number 1 lit. B (d), the Subfund's assets may hold liquid assets on an ancillary basis to provide for redemptions or to meet other liquidity needs.

- **Options on transferable securities/indices:** an option on transferable securities or on indices gives the purchaser, or "Holder", the right, but not the obligation, to purchase, in the case of a call option, or sell, in the case of a put option, a set amount of the underlying at a fixed price by a stated expiration date. The Holder pays a commission (a 'premium') for the option but cannot lose more than this amount, plus associated transaction fees. Compared with futures, options only impose an obligation on the seller or 'Issuer'. If the option is exercised by the Holder, the Issuer is obliged to settle the transaction by surrendering the underlying asset or the cash, based on the value of the underlying asset. An option becomes worthless for the holder if it is not exercised within the period of validity. Such options may be traded on the official listings of a stock market for transferable securities, or traded 'over-the-counter' with first-class financial institutions specialised in this type of transaction. When purchasing an OTC option, the holder will be subject to the default risk of the issuer; for this reason, the purchase of this type of option may require that a guarantee be provided in the form of a margin deposit.
- **Futures:** a future is a bilateral contract conferring the purchase or sale of a fixed amount of financial instruments (such as index or other instrument) at a stated time in the future for a fixed price. Under these

terms, a future has a specific redemption date at which the index value must be surrendered by the seller and acquired by the buyer. The purchase or sale of futures differs from the purchase or sale of transferable securities or other types of instruments in that no initial purchase price is paid. Instead, a variable cash sum no greater than the contract value is deposited with a broker as an 'initial margin'. Subsequent payments from or to the broker will be made daily taking into account the variation, for example, of the index. The use of futures instead of investing in the underlying has the advantage of lower transaction fees.

Partial exemption under the German Investment Tax Act 2018

In addition to the investment restrictions set out in the special investment policies of the Subfund, the Management Company will manage the Subfund in accordance with the partial exemption regime according to Sec. 20 para. 1 and 2 of the German Investment Tax Act 2018 ("GITA").

On that basis, the Subfund will invest more than 50% of its relevant total assets in equity investments (as defined by Sec. 2 para. 8 GITA and associated guidance), on a continuous basis, in order to establish eligibility as an "equity fund" according to Sec. 2 para. 6 GITA for the partial exemption according to Sec. 20 para. 1 GITA.

German investors should consult their tax advisors regarding the tax consequences of investing into an "equity fund", "mixed fund" or "other fund" under the German Investment Tax Act.

Securities financing transactions

The Subfund will not enter into total return swaps nor make use of securities financing transactions, i.e. (i) repurchase transactions, (ii) securities or commodities lending and securities or commodities borrowing, (iii) buy-sell back transactions or sell-buy back transactions, and (iv) margin lending transactions.

General risk information

Risks associated with the use of financial derivative instruments

While the prudent use of financial derivative instruments may be beneficial, financial derivative instruments are also subject to different risks that, in certain cases, may be greater than the risks associated with more traditional investments. These include: market risk, which is associated with all types of investment; management risk, as the use of financial derivative instruments requires understanding not just of the underlying but also of the financial derivative instrument itself; credit risk, which is the result of the default risk, if the counterparty to the financial derivative instrument fails to respect the terms of the derivatives contract.

The credit risk for financial derivative instruments traded on a regulated market is generally lower than for OTC derivatives, because the clearing agents, which assume the function of issuer or counterparty in relation to each derivative traded over the counter, assume a performance guarantee. This guarantee is provided via the margin deposit requirements for purposes of reducing global credit risk. In the case of financial derivative instruments traded over-the-counter, there is no comparable clearing agent. As a result, the rating of each counterparty must be analysed in order to evaluate the potential credit risk.

Liquidity risk exists when a particular instrument is difficult to purchase or sell and it might not be possible to conclude the transaction or liquidate a position at an advantageous price.

The other risks associated with using financial derivative instruments include the valuation risk or the impossibility of perfectly correlating financial derivative instruments with the underlying assets and indices.

Liquidity risk

The Subfund is exposed to the liquidity risk of the equities held in the portfolio. This means that some underlying securities may subsequently prove difficult to sell due to reduced liquidity. This may have a negative effect on their market price and consequently on the Subfund's Net Asset Value. The reduced liquidity of these securities may be due to unusual or extraordinary economic or market events such as a deterioration in the credit rating of an issuer or the lack of an efficient market.

In extreme market situations, there may be few willing buyers and it may not be easy to sell the investments at the chosen time; in addition, the Subfund may have to agree to a lower price in order to sell the investments, or they may not be able to sell the investments at all. Trading in certain securities or other instruments may be suspended or restricted by the relevant exchange or by a governmental or regulatory body, which may cause the Subfund to incur a loss. The inability to sell a portfolio position may have a disadvantageous effect on the value of the Subfund or prevent them from being able to exploit other investment opportunities. In order to meet

redemption requests, the Subfund may be forced to sell investments at unfavourable times and/or on unfavourable terms.

Sustainability Risks

"Sustainability Risk" means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investments made by the Subfund.

Such Sustainability Risks are principally linked to climate-related events resulting from climate change (i.e. physical risks) or to the society's response to climate change (i.e. transition risks), which may potentially affect the Subfund's returns. Social events (e.g. inequality, inclusiveness, labour relations, investment in human capital, accident prevention, changing customer behavior, etc.) or governance shortcomings (e.g. recurrent significant breach of international agreements, bribery issues, products quality and safety, selling practices, etc.) may also translate into Sustainability Risks.

In general, where a Sustainability Risk occurs in respect of an asset, there will be a negative impact on, or entire loss of, its value. As such, for a company in which the Subfund invests, this may be because of damage to its reputation resulting in a consequential fall in demand for its products or services, loss of key personnel, exclusion from potential business opportunities, increased costs of doing business and/or increased cost of capital. A company may also suffer the impact of fines and other regulatory sanctions. The time and resources of the company's management team may be diverted from furthering its business into dealing with the Sustainability Risk event, including changes to business practices and dealing with investigations and litigation. Sustainability Risk events may also give rise to loss of assets and/or physical loss including damage to real estate and infrastructure. The utility and value of assets held by companies to which the Subfund is exposed may also be adversely impacted by a Sustainability Risk event.

A Sustainability Risk event may arise and impact a specific investment or may have a broader impact on an economic sector, geographical or political region or country.

Risks associated with investments in structured products

Structured products, such as certificates, credit-linked notes, equity-linked notes or other similar products involve an issuer structuring the product whose value is intended to replicate, to track, to peg or to be linked in any other way to another security, a basket of securities, an index or to a direct or a synthetic position. To be eligible, the structured products must be sufficiently liquid and issued by first-class financial institutions (or by issuers that offer investor protection comparable to that provided by first-class financial institutions). Structured products must qualify as securities pursuant to Article 41 (1) of the 2010 Law and must be valued regularly and transparently on the basis of independent sources. If the source for valuation is not independent or done by the issuer itself, the Subfund or an agent duly appointed by the Subfund shall verify the valuation provided.

Different types of risk may apply to structured products since the term encompasses a broad scope of different structuring possibilities. Given that structured products are often unsecured and are only backed by the credit of the issuer, they are subject to credit risk of the issuer. In addition, the structured products may be highly customised. Accordingly, particular attention shall be paid to whether the envisaged structured product is eligible for an investment and suits the Fund's investment objective and investment policy appropriately.

Risks associated with investments in emerging countries

Investing in emerging markets may carry a higher risk than investing in developed markets.

There may be a higher than usual risk of political, economic, social and religious instability and adverse changes in government regulations and laws in less developed or emerging markets, which could affect the investments in those countries. The assets of the Subfund invested in such markets, as well as the income derived from the Subfund, may also be affected unfavourably by fluctuations in currency rates and exchange control and tax regulations and consequently the Net Asset Value of the Subfund may be subject to significant volatility. Also, there might be restrictions on the repatriation of the capital invested.

Some of these markets may not be subject to accounting, auditing and financial reporting standards and practices comparable to those of more developed countries and the securities markets of such markets may be subject to unexpected closure. In addition, there may be less government supervision, legal regulation and less well-defined tax laws and procedures than in countries with more developed securities markets.

Moreover, settlement systems in emerging markets may be less well organised than in developed markets. Thus, there may be a risk that settlement may be delayed and that cash or securities of the concerned Subfunds may be in jeopardy because of failures or of defects in the systems. In particular, market practice may require that payment shall be made prior to receipt of the security which is being purchased or that delivery of a security must be made before payment is received. In such cases, default by a broker or bank through whom the relevant transaction is executed might result in a loss being suffered by the Subfunds investing in emerging market securities.

Risks associated with investments in China (Stock Connect)

The Stock Connect (currently comprising of the Shanghai Stock Connect and the Shenzhen Stock Connect), is a securities trading and clearing linked program developed by the Hong Kong Exchanges and Clearing Limited ("HKEX"), the Shanghai Stock Exchange ("SSE"), the Shenzhen Stock Exchange ("SZSE") and ChinaClear with an aim to achieve the mutual stock market access between the People's Republic of China ("PRC") and Hong Kong. The Shanghai Stock Connect and the Shenzhen Stock Connect are operated independently from each other, but are similar in respect to the fundamental principles, operational mechanism and regulatory framework.

The Stock Connect comprises a Northbound trading link and a Southbound trading link. Under the Northbound trading link, Hong Kong and overseas investors, such as the Subfund, through its Hong Kong brokers and a securities trading service company established by the Stock Exchange of Hong Kong Limited ("SEHK"), respectively in Shanghai (for trading under the Shanghai Stock Connect) and Shenzhen (for trading under the Shenzhen Stock Connect), may be able to trade certain eligible China A-Shares listed on SSE/SZSE by routing orders to SSE/SZSE. Under the Southbound trading link, investors in the PRC will be able to trade certain stocks listed on SEHK. Under a joint announcement issued by the Securities and Futures Commission ("SFC") and the China Securities Regulatory Commission ("CSRC") on 10 November 2014, the Shanghai Stock Connect commenced trading on 17 November 2014. The Shenzhen Stock Connect commenced trading on 5 December 2016.

Under the Stock Connect, the Subfund, through its Hong Kong brokers may trade certain eligible shares listed on SSE/SZSE. As for trading on SSE, the eligible China A-Shares include all the constituent stocks from time to time of the SSE 180 Index and the SSE 380 Index, and all the SSE listed A-Shares that are not included as constituent stocks of the relevant indices but which have corresponding H-Shares listed on SEHK (companies that issue both A-Shares on SSE/SZSE and H-Shares on SEHK are referred to as "A+H Shares Companies"). As for trading on SZSE, the eligible China A-Shares include all constituent shares of the SZSE Constituent Index and the SZSE Small/Mid Cap Innovation Index issued by a company with a market capitalisation of RMB6 billion or above, all eligible shares on the ChiNext markets, and China A-Shares issued by A+H Shares Companies listed on SZSE. SSE/SZSE-listed shares which are not traded in Renminbi ("RMB") and SSE/SZSE-listed shares which are included in the "risk alert board" or under suspension of listing are explicitly excluded from the eligible shares under the Stock Connect. It is expected that the list of eligible securities will be subject to review and adjustment (in particular, the adjustment along with the changes of the constituent China A-Shares in the relevant indices).

The Hong Kong Securities Clearing Company Limited ("HKSCC"), a wholly-owned subsidiary of HKEX, and ChinaClear are responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by their respective market participants and investors. The China A-Shares traded through the Stock Connect are issued in scripless form, and investors will not hold any physical China A-Shares.

Although HKSCC does not claim proprietary interests in the SSE/SZSE securities held in its omnibus stock account in ChinaClear, ChinaClear as the share registrar for SSE/SZSE listed companies will still treat HKSCC as one of the shareholders when it handles corporate actions in respect of such SSE/SZSE securities. Stock Connect trades are settled in RMB and investors must have timely access to a reliable supply of RMB in Hong Kong, which cannot be guaranteed.

In addition to paying trading fees, levies and stamp duties in connection with trading in the China A-Shares, the Subfunds investing via the Stock Connect may be subject to new fees arising from trading of the China A-Shares via the Stock Connect which are yet to be determined and announced by the relevant authorities.

Liquidity and Volatility Risk

The existence of a liquid trading market for China A-Shares may depend on whether there is supply of, and demand for, China A-Shares. The price at which securities may be purchased or sold by the Subfund and the Net

Asset Value of the Subfund may be adversely affected if trading markets for China A-Shares are limited or absent. The China A-Share market may be more volatile and unstable (for example, due to the risk of suspension of a particular stock or government intervention). Market volatility and settlement difficulties in the China A-Share markets may also result in significant fluctuations in the prices of the securities traded on such markets and thereby may affect the value of the Subfund.

Suspension Risk

It is contemplated that both SEHK and SSE/SZSE have the right to suspend or limit trading in any security traded on the relevant exchange if necessary for ensuring an orderly and fair market and that risks are managed prudently. In particular, trading in any China A-Share security on SSE/SZSE is also subject to the trading band limits applicable to each China A-Share. Any trading suspension and/or trading band limit may render it impossible for the Subfund to liquidate positions and could thereby expose the Subfund to significant losses. Further, when the suspension is subsequently lifted, it may not be possible for the Subfund to liquidate positions at a favourable price, which could thereby expose the affected Subfund to significant losses. Finally, where a trading suspension occurs, the relevant Subfund's ability to access the PRC market will be adversely affected.

Quota and Other Limitations

Although the Stock Connect is the first program allowing non-Chinese investors to trade the China A-Shares without a license and there is no longer an aggregate quota limitation, trading of China A-Shares through the Stock Connect is still subject to a daily quota ("Daily Quota"), which limits the maximum net buy value of cross-boundary trades under the Stock Connect each day. Northbound trading and Southbound trading under each of the Shanghai Stock Connect and the Shenzhen Stock Connect will be subject to a separate set of Daily Quota. The Northbound Daily Quota for each of the Shanghai Stock Connect and the Shenzhen Stock Connect is currently and respectively set at RMB52 billion. Quota limitations may prevent the Subfund from purchasing the Stock Connect securities when it is otherwise advantageous to do so. In particular, once the remaining balance of the relevant Daily Quota drops to zero or the Daily Quota is exceeded, buy orders will be rejected (although investors will be permitted to sell their cross-boundary securities regardless of the quota balance).

Differences in Trading Day

Because Stock Connect trades are routed through Hong Kong brokers and the SEHK, Stock Connect will only operate on days when both the PRC and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. Therefore, it is possible that there are occasions when it is a normal trading day for the PRC market but the Subfund cannot carry out any China A-Shares trading via the Stock Connect. As a result, prices of the relevant China A-Shares may fluctuate at times when the Subfund is unable to add to or exit its position.

Additionally, an investor cannot sell the securities purchased on the current trading day on SSE/SZSE, which may restrict the Subfund's ability to invest in China A-Shares through Stock Connect and to enter into or exit trades where it is advantageous to do so on the same trading day.

Eligibility of Shares

Only certain China A-Shares are eligible to be accessed through Stock Connect. Such securities may lose their eligibility at any time. When a China A-Share is recalled from the scope of eligible shares for trading via the Stock Connect, the China A-Share can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of the Subfund, for example, if the Portfolio Manager wishes to purchase a China A-Share which is recalled from the scope of eligible shares.

Operational Uncertainty

Because Stock Connect is relatively new, its effects on the market for trading China A-Shares are uncertain. In addition, the trading, settlement and IT systems required to operate Stock Connect are relatively new and continuing to evolve. In particular, the Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are permitted to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house. The securities regimes and legal systems of the two markets differ significantly and market participants may need to address issues arising from the differences on an on-going basis. There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems

do not function properly, trading through Stock Connect could be disrupted and the Subfund's ability to access the China A-Share market may be adversely affected and the Subfund may not be able to effectively pursue its respective investment strategy.

Other Legal and Regulation Risks

Stock Connect is subject to regulation by both Hong Kong and China. The current regulations are untested and there is no certainty as to how they will be applied. In addition, the current regulations are subject to change and there can be no assurance that the Stock Connect will not be abolished. There can be no assurance that further regulations will not affect the availability of securities in the program, the frequency of redemptions or other limitations. Additional shareholder restrictions and disclosure requirements might also be applicable to the Subfund as a result of its investments in China A-Shares via Stock Connect.

Legal/Beneficial Ownership

In China, Stock Connect securities are held on behalf of ultimate investors (such as the Fund) by the HKSCC as nominee. HKSCC in turn holds the SSE/SZSE shares, as the nominee holder, through an omnibus securities account in its name registered with ChinaClear. While Chinese regulators have affirmed that the ultimate investors hold a beneficial interest in Stock Connect securities, the law surrounding such rights is in its early stages and the mechanisms that beneficial owners may use to enforce their rights are untested and therefore pose uncertain risks. Further, courts in China have limited experience in applying the concept of beneficial ownership and the law surrounding beneficial ownership will continue to evolve as they do so. There is accordingly a risk that as the law is tested and developed, the Subfund's ability to enforce its ownership rights may be negatively impacted. Because of this uncertainty, in the unlikely event that HKSCC becomes subject to winding up proceedings in Hong Kong it is not clear if the SSE/SZSE shares will be regarded as held for the beneficial ownership of the Subfund or as part of the general assets of HKSCC available for general distribution to its creditors. Furthermore, the Subfund may not be able to participate in corporate actions affecting Stock Connect securities due to time constraints or for other operational reasons. Similarly, the Subfund will not be able to vote in shareholders' meetings except through HKSCC and will not be able to attend shareholders' meetings.

Clearing and Settlement Risk

ChinaClear and HKSCC have established the clearing links and each becomes a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

As the national central counterparty of the PRC's securities market, ChinaClear operates a comprehensive network of clearing, settlement and stock holding infrastructure. ChinaClear has established a risk management framework and measures that are approved and supervised by CSRC. The chances of ChinaClear default are considered to be remote. In the remote event of a ChinaClear default, HKSCC's liabilities in SSE/SZSE shares under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC should in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, the Subfund may suffer delay in the recovery process or may not fully recover its losses from ChinaClear.

Pre-Trade Requirements and Special Segregated Accounts

PRC regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise, SSE/SZSE will reject the sell order concerned. SEHK will carry out pre-trade checking on China A-Share sell orders of its participants (i.e., the stock brokers) to ensure there is no over-selling.

If the Subfund intends to sell certain China A-Shares it holds, it must transfer those China A-Shares to the respective accounts of its broker(s) before the market opens on the day of selling (the "trading day"). If it fails to meet this deadline, it will not be able to sell those shares on the trading day. Because of this requirement, the Subfund may not be able to dispose of its holdings of China A-Shares in a timely manner.

In addition, as the broker(s) of the Fund will hold and safekeep the Chinese A-Shares before the trading day, there is a risk that the creditors of the broker(s) will seek to assert that the Chinese A-Shares are owned by the

brokers rather than the Subfund if it is not made clear that the broker(s) act as a custodian in respect of the Chinese A-Shares for the benefit of the Subfund.

Alternatively, if the Subfund maintains its SSE/SZSE shares with a custodian which is a custodian participant or general clearing participant participating in the Hong Kong Central Clearing and Settlement System ("CCASS"), the Fund may request such custodian to open a special segregated account ("SPSA") in CCASS to maintain its holdings in SSE/SZSE shares under the enhanced pre-trade checking model. Each SPSA will be assigned a unique "Investor ID" by CCASS for the purpose of facilitating the Stock Connect system to verify the holdings of an investor such as the Subfund. Provided that there is sufficient holding in the SPSA when a broker inputs the Subfund's sell order, the Subfund will only need to transfer SSE/SZSE shares from its SPSA to its broker's account after execution and not before placing the sell order and the Subfund will not be subject to the risk of being unable to dispose of its holdings of China A-Shares in a timely manner due to failure to transfer of China A-Shares to its brokers in a timely manner.

In addition, these pre-trade requirements may, as a practical matter, limit the number of brokers that the Subfund may use to execute trades. In relation to transactions executing through a SPSA order, the Subfund, as the investor, may at most designate twenty (20) brokers currently. While the Subfund may use SPSA in lieu of the pre-trade check, many market participants have yet to fully implement IT systems necessary to complete trades involving securities in such accounts in a timely manner. Market practice as well as governmental policies with respect to SPSA is continuing to evolve.

Management of the Subfund and Benchmark

The Subfund is actively managed with reference to a benchmark due to the calculation of performance fees based on performance against a reference benchmark index. The benchmark indicated below is being provided by the entity specified next to the name of the relevant benchmark in its capacity as administrator (as defined in the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "Benchmark Regulation")) of the benchmark (the "Benchmark Administrator"). Next to the name of the relevant Benchmark Administrator in the table below is set out the status of each Benchmark Administrator in relation to the register referred to in Article 36 of the Benchmark Regulation as of the date of this visa-stamped Prospectus.

Benchmark	Benchmark Administrator	Status of the Benchmark Administrator
MSCI WORLD NET TOTAL RETURN USD INDEX	MSCI Ltd	Not listed in the register referred to in Article 36 of the Benchmark Regulation, as it is an entity located in a country outside of the European Union and can be used in accordance with Article 51 (5) of the Benchmark Regulation

Limits concerning Global Exposure

The Global Risk Exposure calculation method in accordance with applicable laws and regulations can be prepared based either on the commitment approach or the Value at Risk approach (relative or absolute). The risk management procedure shall also be applied within the scope of collateral management (see Section II Chapter 20 Investment Restrictions - Collateral management) and the techniques and instruments for the efficient management of the portfolio (see Section II "Financial techniques and instruments") as set forth in the CSSF Circular 14/592.

Leverage

Leverage is defined pursuant to the applicable ESMA guidelines and CSSF circular 11/512 as the total of the nominal values of the financial derivative instruments used by the Subfund. According to the definition, leverage may result in artificially increased leverage amounts, as some financial derivative instruments that can be used for hedging purposes may be included in the calculation. Consequently, this information does not necessarily reflect the precise actual leverage risk that the investor is exposed to.

The expected leverage is expressed in the table below as a ratio between the total of the nominal value and the Net Asset Value of the Subfund and is based on historical data. Greater leverage amounts may be attained for the Subfund, under certain circumstances.

Active Subfunds	Risk Profile	Expected level of leverage (absolute value)	Reference Portfolio (Benchmark)[1]
Luxembourg Selection Fund - Active Solar	Commitment approach	n.a.	n.a.

[1] In accordance with CSSF Circular 11/512, reference portfolio must be disclosed for Subfunds for which the Global Risk Exposure is calculated using the Relative Value at Risk Approach.

Portfolio management

UBS Asset Management (Europe) S.A., domiciled at 33A avenue J.F. Kennedy, L-1855 Luxembourg, has been designated as the Management Company of the Fund.

UBS Asset Management (Europe) S.A. has delegated the management of the assets of this Subfund to Active Niche Funds S.A., domiciled at Avenue de Rumine 7, 1005 Lausanne, Switzerland, which has been designated Portfolio Manager, and consequently assumes the management of the assets of this Subfund.

The Portfolio Manager can use the services of service providers (such as data service providers) to support the portfolio manager in carrying out its duties (provided that these services do not form part of the portfolio management function). All charges are borne directly by the Portfolio Manager and not by the Subfund.

The annual portfolio management fee paid monthly to Active Niche Funds S.A. for Classes C EUR, C CHF and C USD is fixed at 1.5% per annum, 1.6% per annum for Classes P USD and P EUR, 1.80% per annum for Class B EUR, 2.0% per annum for Class B USD, 0.9% per annum for Classes I USD, I EUR, I CHF and X GBP, 1.0% per annum for Class X EUR, and 1.25% per annum for Class S SEK. The fee is calculated based on the assets of the share class, calculated and accrued at each Valuation Day and payable on a monthly basis during the following month directly out of the assets of the Subfund.

As part of the remuneration for portfolio management, the Management Company may also pay the Portfolio Manager a performance fee out of the assets of the Subfund (hereinafter, the “Performance Fee”). The Performance Fee will be calculated in respect of each financial year ending on 30 April (the "Calculation Period"). The Performance Fee will be calculated and accrued as an expense of the Subfund at each Valuation Day and will be crystallised at the end of each Calculation Period and payable to the Portfolio Manager in arrears within thirty (30) calendar days of the end of each Calculation Period upon the final determination of the UCI Administrator.

For the avoidance of doubt and subject to this section, a Performance Fee will be paid regardless of whether the reference benchmark index itself has positive or negative performance for the applicable Calculation Period, and there may be instances when the reference benchmark index return is negative and the Portfolio Manager generates a positive net excess return, resulting in a performance fee accrual even if the absolute performance of the Subfund is negative.

For each Calculation Period, the Performance Fee rate will be equal to 15 per cent of any new net relative appreciation as at the end of such Calculation Period. The new net relative appreciation calculated at each Valuation Day shall equal the amount by which the Net Asset Value (after the deduction of any fixed portfolio management fee and before the deduction of any accrued Performance Fee) (hereinafter, the “Total Net Assets”) exceeds the Aggregate Benchmark Amount (as defined below), adjusted for any loss carry forward.

The “Aggregate Benchmark Amount” attributable to the Subfund, (either during such Calculation Period at each Valuation Day or as at the end of such Calculation Period), shall be equal to the sum of the Benchmark Capital Amount and the Period Benchmark Amount (as such terms are defined below).

In respect of the first Valuation Day of each Calculation Period, the “Benchmark Capital Amount” shall be the Total Net Assets after the deduction of any Performance Fees (hereinafter, the “Net Assets”) as at the last Valuation Day of the previous Calculation Period (or the Valuation Day before the date of first implementation), increased for additional asset allocation inflows and reduced for asset allocation outflows from the Subfund as

of the Valuation Day immediately before the relevant Valuation Day. For all other Valuation Days, the "Benchmark Capital Amount" is the aggregate Benchmark Capital Amount as at the end of the previous Valuation Day, increased by the amount of any additional asset allocation inflows to the Portfolio Manager's sub-account and reduced proportionately for asset allocation outflows as of the Valuation Day immediately before the relevant Valuation Day from the Portfolio Manager's sub-account by being multiplied by a fraction, the numerator of which is the Net Assets immediately after, and the denominator of which is the Net Assets immediately prior to, the allocation of the net flows in the Net Assets of the relevant Valuation Day.

The "Period Benchmark Amount" for each Valuation Day equals the Benchmark Capital Amount increased by the loss carry forward and then multiplied by the Performance Fee Benchmark Return (as defined below).

The loss carry forward for the first Valuation Day of each Calculation Period shall be (i) where new net relative appreciation as at the end of the previous Calculation Period for such Calculation Period is greater than zero, zero; and (ii) where new net relative appreciation as at the end of the previous Calculation Period is less than zero, such new net relative appreciation reduced proportionately for asset allocation outflows from the Subfund by being multiplied by a fraction, the numerator of which is the Net Assets immediately after, and the denominator of which is the Net Assets immediately prior to, the allocation of the outflows in the Net Assets of the first Valuation Day of the relevant Calculation Period. For all other Valuation Days, the loss carry forward shall be the loss carry forward as at the end of the previous Valuation Day proportionally reduced for any asset allocation outflows from the Subfund, as set out above, as at the relevant Valuation Day. For the avoidance of doubt, the loss carry forward as at each Valuation Day in the first Calculation Period and at the end of the first Calculation Period shall be zero.

The "Performance Fee Benchmark Return" for each Valuation Day shall be the percentage return of the performance fee benchmark index or, if an index disruption event occurs with respect to such index, such other equivalent index or indices as the Management Company may determine, calculated over the relevant Valuation Day.

In the event of asset allocation outflows from the Subfund on a Valuation Day other than the first Valuation Day of a Calculation Period, a Performance Fee (if accrued as of the Valuation Day immediately prior to the date of such asset allocation outflow) attributable to the portion of such asset allocation outflow shall be crystallised and payable to the Portfolio Manager at the end of the annual Calculation Period (or upon termination of the Portfolio Management Agreement, if earlier). If the appointment of a Portfolio Manager is terminated during a Calculation Period, the Performance Fee in respect of the then current Calculation Period will be calculated and paid as though the date of termination were the end of the relevant period and the relevant Portfolio Manager shall not be reappointed during the same Calculation Period.

The applicable Performance Fee benchmark for the Subfund shall be the following:

Subfund	Performance Fee Benchmark
Luxembourg Selection Fund – Active Solar	MSCI WORLD NET TOTAL RETURN USD INDEX

Examples of Performance Fee calculation

			Scenarios 1 & 2 Portfolio Manager (PM) outperforms the Performance Fee Benchmark Index		**Scenarios 3 & 4** Portfolio Manager (PM) underperforms the Performance Fee Benchmark Index		
			Scenario 1	Scenario 2	Scenario 3	Scenario 4	
			PM has positive performance and outperforms the Performance Fee Benchmark Index	**PM has negative performance but outperforms the Performance Fee Benchmark Index**	**PM has positive performance but underperforms the Performance Fee Benchmark Index**	**PM has negative performance and underperforms the Performance Fee Benchmark Index**	
Initial asset allocation to PM sub-account (Benchmark Capital Amount)	**A**		1000	1000	1000	1000	
Performance of the Portfolio Manager sub-account							
Period performance after deduction of management fees	**B**		20%	-20%	20%	-20%	
Total Net Assets of the PM sub-account	**C**	= A * (1 + B)	1200	800	1200	800*	**J**
Performance of the Benchmark							
Benchmark Return	**D**		10%	-30%	30%	-10%	
Period Benchmark Amount	**E**	= A * D	100	-300	300	-100	
Aggregate Benchmark Amount	**F**	= A + E	1100	700	1300	900	
Net New Relative Appreciation	**G**	= C – F	100	100	-100	-100	

			Scenarios 1 & 2 Portfolio Manager (PM) outperforms the Performance Fee Benchmark Index		**Scenarios 3 & 4** Portfolio Manager (PM) underperforms the Performance Fee Benchmark Index		
			Scenario 1	Scenario 2	Scenario 3	Scenario 4	
			PM has positive performance and outperforms the Performance Fee Benchmark Index	**PM has negative performance but outperforms the Performance Fee Benchmark Index**	**PM has positive performance but underperforms the Performance Fee Benchmark Index**	**PM has negative performance and underperforms the Performance Fee Benchmark Index**	
Performance Fee @ 15% of positive Net New Relative Appreciation (i.e. due amount for the payment of the Performance Fee)	**H**	= IF G > 0, then (15%* G) = IF G < 0, then 0	**15**	**15**	**0**	**0**	
Loss Carry Forward to the next period	**I**	= IF G > 0, then 0 = IF G < 0, then G	0	0	-100	-100*	**K**

* Total Net Assets and Loss Carry Forward from Scenario 4 carried forward to Scenarios 5 and 6 as "J" and "K" to illustrate the calculation in the subsequent period.

This table is for informational and illustrative purposes only. It does not constitute a guarantee of success and is limited in its entirety by the express terms of the Prospectus.

			Scenarios 5 & 6 Portfolio Manager (PM) has a Loss Carry Forward and outperforms the Performance Fee Benchmark Index	
			Scenario 5	Scenario 6
			PM has a Loss Carry Forward, outperforms the Performance Fee Benchmark Index but does not make up the previous underperformance	**PM has a Loss Carry Forward, outperforms the Performance Fee Benchmark Index and makes up the previous underperformance**
Assume the subsequent period following from Scenario 4:				
Net Assets at the end of previous period	**J**	= C from Scenario 4	*800*	*800*
Loss Carry Forward at the end of previous period	**K**	= I from Scenario 4	*-100*	*-100*
Benchmark Capital Amount (Net Assets at the end of previous period)	**L**	= J	800	800
Performance of the Portfolio Manager sub-account				
Period performance after deduction of management fees	**M**		30%	30%
Total Net Assets of the PM sub-account	**N**	= L * (1 + M)	1040	1040
Performance of the Benchmark				
Benchmark Return	**O**		20%	10%
Period Benchmark Amount	**P**	= (L - K) * O	180	90
Aggregate Benchmark Amount	**Q**	= L + P	980	890
Net New Relative Appreciation	**R**	= N - Q + K	-40	50
Performance Fee @ 15% of positive Net New Relative Appreciation (i.e. due amount for the payment of the Performance Fee)	**S**	= IF R > 0, then (15% * R) = IF R < 0, then 0	**0**	**7.5**

			Scenarios 5 & 6 Portfolio Manager (PM) has a Loss Carry Forward and outperforms the Performance Fee Benchmark Index	
Loss Carry Forward to the next period	**T**	= IF R > 0, then 0 = IF R < 0, then R	-40	0

This table is for informational and illustrative purposes only. It does not constitute a guarantee of success and is limited in its entirety by the express terms of the Prospectus.

Distribution

UBS Asset Management (Europe) S.A. has delegated the global distribution of the shares of this Subfund to Active Niche Funds S.A., domiciled at Avenue de Rumine 7, 1005 Lausanne, Switzerland. Active Niche Funds S.A. is authorised by the Swiss supervisory authority (*Eidgenössische Finanzmarktaufsicht - FINMA*) in Switzerland to publicly distribute the Subfund's shares. Furthermore, Active Niche Funds S.A. may enter into sub-distribution agreements in jurisdictions where the Subfund may be distributed.

Investing in LUXEMBOURG SELECTION FUND – Active Solar

General information

- Reference currency: USD. Currency in which the Net Asset Value of shares in the Subfund is calculated. Investments will be made in the currencies that are most suitable for the performance of the Subfund.
- Extension of notice periods: The Management Company or Board of Directors may activate the extension of notice periods applicable to redemption requests made by investors when redeeming their shares, for up to 90 days, when the Management Company or Board of Directors determines in its own discretion the activation to be necessary to protect the Subfund's and the investors' best interest due to periods of market stress, liquidity problem, unusual redemption activity or any other specific exceptional circumstances.

  The extended notice period covers the period between the receipt of the redemption request by the Subfund and its execution. The extended notice period does not include the time required for the settlement process.

  The extension of the notice period does not have any impact on the redemption frequency of the Subfund.

Share classes

As further specified below, there are various share classes, which differ in their currency: USD, CHF, GBP, SEK and EUR.

Share Classes	Denomination Currency	Hedged	Investment Management fee	Targeted Investors	Minimum Initial subscription amount	NAV Frequency
C USD	USD	N/A	1,50%	Retail & Institutional	None	Daily
C EUR	EUR	Yes	1,50%			
C CHF	CHF	Yes	1,50%			
B EUR	EUR	Yes	1.80%	Retail		
B USD	USD	N/A	2.00%	Retail		
S SEK	SEK	No	1.25%	Retail		
X EUR	EUR	Yes	1.00%	Institutional		
X GBP	GBP	Yes	0.90%	Retail & Institutional		
I USD	USD	N/A	0.90%	Institutional	2,000,000 in denomination currency and no limit on subsequent investments[1]	
I EUR	EUR	Yes	0.90%			
I CHF	CHF	Yes	0.90%			
P USD	USD	N/A	1.60%	Retail & Institutional	None	Daily

[1] The Board may decide to lower the minimum initial subscription amount for the initial subscriptions, provided that this is in the interest of the investors.

P EUR	EUR	Yes	1.60%	Retail & Institutional	None	Daily
Share Classes	**Dividend policy**	**Performance Fee**	**Subscription fee**	**Redemption fee**	**Cut-off time for subscription and redemption orders**	**Settlement of subscription and redemption orders**
C USD	Accumulation	15% over MSCI World Total Return, on an annual basis	Up to 2% of the Net Asset Value in favour of the distributor and the sale agents	None	4 p.m. on the Business Day preceding a Valuation Day	T+2 (T=Valuation Day)
C EUR						
C CHF						
B EUR						
B USD						
X EUR						
X GBP						
I USD						
I EUR						
I CHF						
I GBP						
P USD						
P EUR						
S SEK		No performance fees applicable				

Share classes B EUR and B USD are notably available to investors and financial intermediaries, which according to local market practices receive trail commissions paid from the Investment Management fee. Such payable trail commissions are governed by an agreement with the distributor.

Shares Classes X EUR and X GBP are notably available to institutional investors and financial intermediaries, which according to regulatory requirements are not allowed to accept and keep trail commissions.

Share Class S SEK is reserved to Swedish investors with a sub-distribution contract with the global distributor Active Niche Funds S.A..

Share Classes P USD and P EUR are philanthropic Share Classes available to any investors seeking long-term capital appreciation through the growth of the solar sector while supporting foundations dedicated to combating climate change and promoting renewable energies. The Portfolio Manager pays 50% of both the Investment Management Fee and the Performance Fee received for these Share Classes to *L'institut Océanographique de Monaco, Fondation Albert 1er* and *Fondation PlanetSolar*. This is intended to support those two foundations which are dedicated to combating climate change and promoting renewable energies. Both foundations operate independently, with no influence or conflicts of interest involving the Portfolio Manager, the Subfund, or each other. These foundations are selected independently by the Portfolio Manager, without the involvement from the Management Company or any UBS Group affiliate. The Management Company neither assumes responsibility for the selection of these organisations, nor it is in a position to assess or monitor individual projects or activities undertaken by the foundations.

A minimum investment amount of 2.000.000 (in the currency in which the share of the Share Class is denominated) for Share Classes I USD, I EUR and I CHF must be observed for the initial subscription of each investor but not for subsequent subscriptions.

All these Share Classes participate in the portfolio according to their respective attributes. All non-USD Share Classes are hedged against the reference currency of the Subfund, except for the S SEK Share Class. If any, hedging costs are charged to the Share Class in question, either in CHF, or in EUR or in GBP.

- Valuation Day: the Net Asset Value per share is determined on each Business Day.

- Shares are exclusively issued in the form of registered shares.

Conversions

- Conversion fee: none

Past performance

- The past performance of this Subfund is shown on the website https://www.fundinfo.com/.

Portfolio turnover

- The portfolio turnover rate is included in the annual report. It is calculated using the following formula:

  Portfolio turnover rate = [(Total 1 – Total 2)/M]*100

  where

  Total 1= total of securities transactions during the relevant period = X+Y

  Where X = purchases of securities and Y = sale of securities

  Total 2 = total of transactions in shares of the Subfund during the relevant period = S+T

  Where S = subscriptions of shares of the Subfund and T = redemptions of shares of the Subfund

  M = average monthly assets of the Subfund

Fees & Expenses

- UCI Administrator fee: the UCI Administrator is authorised to receive a fee for exercising this function for a maximum amount of 0.10% (with a minimum of EUR 30,000) per year, calculated based on the assets of the Subfund, calculated and accrued at each Valuation Day and payable on a monthly basis during the following month directly out of the assets of the Subfund.
- Depositary fee: the Depositary is authorised to receive a fee for exercising this function for a maximum amount of 0.10% (with a minimum of EUR 30,000) per year, calculated based on the assets of the Subfund, calculated and accrued at each Valuation Day and payable on a monthly basis during the following month directly out of the assets of the Subfund.
- The Management Company fee: the Management Company is authorised to receive an annual fee for its services of EUR 12,800, payable every six months during the month following the relevant semester directly out of the assets of the Subfund, subject to a maximum of 0.025% of the net assets of the Subfund at the end of the relevant semester.
- Distribution fee: distributors are authorised to receive a fee for their services of an applicable amount of 0.30 % of the net assets of the Subfund per year, calculated based on the assets of the Subfund, calculated and accrued at each Valuation Day and payable on a monthly basis during the following month directly out of the assets of the Subfund.
- Subscription tax (taxe d'abonnement)*:

Class of Shares	Subscription tax
C USD	0.05%
C EUR	0.05%
C CHF	0.05%
B EUR	0.05%
S SEK	0.05%
X EUR	0.01%
X GBP	0.05%

I USD	0.01%
I EUR	0.01%
I CHF	0.01%
P USD	0.05%
P EUR	0.05%

* In case the Subfund invests in other Luxembourg UCITS or other UCIs, which in turn are subject to the annual subscription tax (*taxe d'abonnement*) provided for by the 2010 Law, no annual subscription tax (*taxe d'abonnement*) is due from the Subfund on the portion of assets invested therein.

- Research expenses: The Portfolio Manager may incur research costs in connection with the investment decision-making process, in particular ESG or Asian markets related. Such costs may be charged directly to the Subfund. The Portfolio Manager ensures that: (i) Research services are acquired in a manner that reasonably benefits the Subfund and its investors; (ii) The total estimated research costs are proportionate and regularly monitored; (iii) The amount of research cost charged to the Subfund is disclosed in the annual report. The actual amount charged to the Subfund may vary depending on trading activity, market conditions and SFDR regulatory requirements. The total annual research cost charged to the Subfund shall not exceed USD 60'000 p.a..
- Additional fees for further services of the UCI Administrator, the Depositary and the Management Company and additional costs and expenses may be charged to the Subfund as reflected in Chapter 13 "Charges and Expenses" of Section II"General Provisions" below.

LUXEMBOURG SELECTION FUND – NERRICK US Equities

This section describes the characteristics of the Subfund LUXEMBOURG SELECTION FUND – Nerrick US Equities and all of the information contained therein should be read in conjunction with the General Provisions of the Prospectus.

Investor profile

This Subfund is intended for investors considering an investment in the Subfund as a means of participating in the US equity markets and who do not need regular income. Investors must be able to accept considerable annual volatility in order to possibly reap high returns in the long-term. As a result, this Subfund is intended for investors who can afford, in principle, to set aside their capital as investment capital for a period of at least 5 years.

Risk profile

The risks associated with investments made in equities and other similar transferable securities can be summarised as follows: sharp fluctuations in market price, negative information on issuers or markets and subordination of equities to bonds issued by the same enterprise. Potential investors should also consider fluctuations in exchange rates, the possibility of controls on foreign exchange and other restrictions.

Due to the possible use of techniques and instruments relating to transferable securities and money market instruments for purposes of efficient portfolio management as well as currency hedging, investors may be exposed to greater risks and no assurance can be given that the objective sought from such use will be achieved. For more details on the risks associated with techniques and instruments, please refer to the section "Risks associated with the use of financial derivative instruments".

Investment objective and policy

The Subfund invests primarily in companies based in North America which are listed on a stock exchange or in companies that are listed on a stock exchange and generate most of their profits or revenues from North America. The investment decisions of the Subfund are the result of secondary research based on both fundamental analysis and valuation analysis. Investment decisions are taken based on a value approach which means that the Subfund invests in companies where the current valuation of a company at the stock exchange is believed to be below the real value of the respective company. The Subfund will invest across all sectors and market capitalizations.

The objective of the Subfund is to invest primarily in companies whose business is based in the United States or in Canada. However, the Subfund may also invest in non-North-American companies that operate in North America or manufacture a significant portion of their products or generate a growing share of their turnover in North America.

The transferable securities, primarily equities, in which the Subfund will invest, will be essentially listed on approved stock exchanges in the United States or in Canada, but they may also, to a certain extent, be traded on other stock exchanges or in unlisted markets provided such markets are recognised as regulated markets that operate regularly and are recognised and open to the public.

Fundamental analysis and valuation analysis are applied to all companies comprising the investment universe. This methodology takes into account not only the macro- and micro-economic factors, but also quantitative and qualitative variables. Ideally, the Subfund's portfolio should have between fifty and seventy-five securities. It may not, in principle, hold fewer than twenty-five and more than hundred securities.

In addition, the Subfund may not invest more than 10% of its assets in other investment funds (UCITS and/or other UCIs).

The investments will be made in shares, American depositary receipts (ADRs), bonds that are convertible into shares, equity-linked notes and participating notes.

Subject to the conditions set out in Chapter 20 “Investment Restrictions” of Section II “General Provisions” under number 1 lit. B (d), the Subfund’s assets may hold liquid assets on an ancillary basis to provide for redemptions or to meet other liquidity needs.

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities (TR Art. 7). This Subfund complies with Article 6 of SFDR. As such it does not consider principal adverse impacts on sustainability factors due to its investment strategy and the nature of the underlying investments (SFDR Art. 7(2)).

“Sustainability Risk" means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investments made by each Subfund. Sustainability Risks are not systematically integrated due to the nature of the investment objective of the Subfund and they are also not a core part of the investment strategy. The Subfund does not promote particular Environmental, Social and Governance (ESG) characteristics or pursue a specific sustainability or impact objective. Sustainability Risks are not relevant due to the nature of the investment objective of the Subfund. Sustainability Risks are currently not expected to have a material impact on the returns of the Subfund.

Management of the Subfund and Benchmark

The Subfund is actively managed with reference to a benchmark. The Subfund aims to outperform the S&P 500 Index but the portfolio and the performance of the Subfund can deviate from the benchmark based on the investment decisions of the Subfund as further specified above. The benchmark indicated below is being provided by the entity specified next to the name of the relevant benchmark in its capacity as administrator (as defined in the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the “Benchmark Regulation”)) of the benchmark (the “Benchmark Administrator”). Next to the name of the relevant Benchmark Administrator in the table below is set out the status of each Benchmark Administrator in relation to the register referred to in Article 36 of the Benchmark Regulation as of the date of this visa-stamped Prospectus.

Benchmark	Benchmark Administrator	Status of the Benchmark Administrator
S&P 500 Index	S&P Dow Jones Indices LLC	Listed in the register referred to in Article 36 of the Benchmark Regulation

Securities financing transactions and total return swaps

The Subfund will not enter into total return swaps nor make use of securities financing transactions, i.e. (i) repurchase transactions (ii) securities or commodities lending and securities or commodities borrowing (iii) buy-sell back transactions or sell-buy back transactions, and (iv) margin lending transactions.

General risk information

Risks associated with the use of financial derivative instruments

While the prudent use of financial derivative instruments may be beneficial, financial derivative instruments are also subject to different risks that, in certain cases, may be greater than the risks associated with more traditional investments. These include: market risk, which is associated with all types of investment; management risk, as the use of financial derivative instruments requires understanding not just of the underlying but also of the financial derivative instrument itself; credit risk, which is the result of the default risk, if the counterparty to the financial derivative instrument fails to respect the terms of the derivatives contract.

The credit risk for financial derivative instruments traded on a regulated market is generally lower than for OTC derivatives, because the clearing agents, which assume the function of issuer or counterparty in relation to each financial derivative instrument traded over the counter, assume a performance guarantee. This guarantee is provided via the margin deposit requirements for purposes of reducing global credit risk. In the case of financial

derivative instruments traded over-the-counter, there is no comparable clearing agent. As a result, the rating of each counterparty must be analysed in order to evaluate the potential credit risk.

Liquidity risk exists when a particular instrument is difficult to purchase or sell and it might not be possible to conclude the transaction or liquidate a position at an advantageous price.

The other risks associated with using financial derivative instruments include the valuation risk or the impossibility of perfectly correlating financial derivative instruments with the underlying assets and indices.

Liquidity risk

The Subfund is exposed to the liquidity risk of the equities held in the portfolio. This means that some underlying securities may subsequently prove difficult to sell due to reduced liquidity. This may have a negative effect on their market price and consequently on the Subfund's Net Asset Value. The reduced liquidity of these securities may be due to unusual or extraordinary economic or market events such as a deterioration in the credit rating of an issuer or the lack of an efficient market.

In extreme market situations, there may be few willing buyers and it may not be easy to sell the investments at the chosen time; in addition, the Subfund may have to agree to a lower price in order to sell the investments, or they may not be able to sell the investments at all. Trading in certain securities or other instruments may be suspended or restricted by the relevant exchange or by a governmental or regulatory body, which may cause the Subfund to incur a loss. The inability to sell a portfolio position may have a disadvantageous effect on the value of the Subfund or prevent them from being able to exploit other investment opportunities. In order to meet redemption requests, the Subfund may be forced to sell investments at unfavourable times and/or on unfavourable terms.

Risks associated with structured products

Structured products, such as certificates, credit-linked notes, equity-linked notes, convertible bonds or other similar products involve an issuer structuring the product whose value is intended to replicate, to track, to peg or to be linked in any other way to another security, a basket of securities, an index or to a direct or a synthetic position. To be eligible, the structured products must be sufficiently liquid and issued by first-class financial institutions (or by issuers that offer investor protection comparable to that provided by first-class financial institutions). Structured products must qualify as securities pursuant to Art. 41 (1) of the 2010 Law and must be valued regularly and transparently on the basis of independent sources. If the source for valuation is not independent or done by the issuer itself, the Fund or an agent duly appointed by the Fund shall verify the valuation provided.

Different types of risk may apply to structured products since the term encompasses a broad scope of different structuring possibilities. Given that structured products are often unsecured and are only backed by the credit of the issuer, they are subject to credit risk of the issuer. In addition, the structured products may be highly customised. Accordingly, particular attention shall be paid to whether the envisaged structured product is eligible for an investment and suits the Fund's investment objective and investment policy appropriately.

Risk associated with the investment in units of UCITS and/or UCIS and ETFs

By investing in collective investment vehicles indirectly through the Subfund, the investor will bear not only his proportionate share of the management fee of the Subfund, but also indirectly, the management and administration expenses of the underlying collective investment vehicles. In the case of investment in closed-ended investment vehicles, shares may at times be acquired only at market prices representing premiums to their net asset values. Shares of such collective investment vehicles will be valued at their last available stock market value. Closed-ended investment vehicles which are not subject in their country of origin to permanent supervision by a supervisory authority set up by law in order to ensure the protection of investors may expose the Subfund investing in them to additional risks than if they were investing in collective investment vehicles established in other jurisdictions more protective of the investors (for instance, less frequent opportunities for disposal, delayed payment or non-receipt of settlement monies, or less protective judicial structures).

The Subfund may invest in shares of collective investment schemes including exchange traded funds, closed-ended funds and UCITS – collectively, underlying funds. These funds may be advised or sub-advised by the Portfolio Manager, an affiliate manager or by an unaffiliated manager. The ability of the Subfund to invest in shares of an underlying fund or funds to achieve its investment objective may be directly related to the ability of

the underlying funds to meet their investment objectives. The Subfund will be exposed to the risks to which the underlying funds are exposed. These risks may include liquidity risk where the ability of the Subfund to meet the liquidity requirements of its investment is directly linked to the ability of the underlying funds to meet their liquidity requirements.

Limits concerning Global Exposure

The Global Risk Exposure calculation method in accordance with applicable laws and regulations can be prepared based either on the commitment approach or the Value at Risk approach (relative or absolute). The risk management procedure shall also be applied within the scope of collateral management (see Section II, Chapter 20 Investment Restrictions - Collateral management) and the techniques and instruments for the efficient management of the portfolio (see Section II "Financial techniques and instruments") as set forth in the CSSF Circular 14/592.

Leverage

Leverage is defined pursuant to the applicable ESMA guidelines and CSSF circular 11/512 as the total of the nominal values of the financial derivative instruments used by the Subfund. According to the definition, leverage may result in artificially increased leverage amounts, as some financial derivative instruments that can be used for hedging purposes may be included in the calculation. Consequently, this information does not necessarily reflect the precise actual leverage risk that the investor is exposed to.
The expected leverage is expressed in the table below as a ratio between the total of the nominal value and the Net Asset Value of the Subfund. Greater leverage amounts may be attained for the Subfund, under certain circumstances.

Active Subfunds	Risk Profile	Expected level of leverage (absolute value)	Reference Portfolio (Benchmark)[1]
Luxembourg Selection Fund – Nerrick US Equities	Commitment Approach	n.a.	n.a.

[1] In accordance with CSSF Circular 11/512, reference portfolio must be disclosed for Subfunds for which the Global Risk Exposure is calculated using the Relative Value at Risk Approach.

Portfolio management

UBS Asset Management (Europe) S.A., domiciled at 33A avenue J.F. Kennedy, L-1855 Luxembourg, is the appointed Management Company of the Fund and has therefore assumed the management of the assets of this Subfund.

UBS Asset Management (Europe) S.A. has appointed PvB Pernet von Ballmoos AG as portfolio manager of this Subfund (the “Portfolio Manager”). The Portfolio Manager is an asset manager with registered office at is Zollikerstrasse 226, 8008 Zurich, Switzerland. The Portfolio Manager is authorised and regulated by the Swiss Financial Market Supervisory Authority ("FINMA") in Switzerland. The firm was founded as a public limited company in Switzerland. The Portfolio Manager shall report regularly to the Board of Directors of UBS Asset Management (Europe) S.A. on their asset allocation key, the evolution of the assets, the adequate liquidity management of the Subfund any risk of potential breach of the investment policy and on the transactions executed for the account of the Subfund.

The Portfolio Manager can use the services of service providers (such as data service providers) to support the portfolio manager in carrying out its duties (provided that these services do not form part of the portfolio management function). All charges are borne directly by the Portfolio Manager and not by the Subfund.

PvB Pernet von Ballmoos AG as Portfolio Manager is entitled to a portfolio management commission detailed below, which is calculated based on the assets of the Subfund, calculated and accrued at each Valuation Day and payable on a monthly basis during the following month directly out of the assets of the Subfund (excluding those net assets held in the form of investments in other investment funds managed or controlled by entities of the same portfolio manager).

The portfolio management fee due to the Portfolio Manager is of a maximum of 1.5% per annum for Class A shares of which a maximum of 0.75% per annum will be paid to distribution partners. The portfolio management fee for Class I shares is of a maximum of 1.0% per annum.

The Portfolio Manager may – at its own cost – appoint an investment advisor to this Subfund.

The Portfolio Manager will also be entitled to receive a performance-based fee out of the assets of the Subfund (the "Performance Fee"). The Performance Fee will be calculated in respect of each financial year of the Fund (the "Calculation Period") ending on 30 April (the "Crystallisation Date"), it being clarified that the first Calculation Period in respect of any share class will be the period commencing on the date such class is issued and ending on the Crystallisation Date of the next year such share class is issued. If the Crystallisation Date is not a Business Day, it shall designate the last Business Day in April.

The Performance Fee will be calculated and accrued as an expense of the Subfund at each Valuation Day and will be crystallised at the Crystallisation Date and payable to the Portfolio Manager in arrears as soon as reasonably practicable as of the Crystallisation Date upon the final determination of the UCI Administrator.

The "Performance Reference Period", which is the period at the end of which the past losses can be reset, corresponds to the whole life of the Subfund. Any underperformance or loss previously incurred during the Performance Reference Period should be recovered before a Performance Fee becomes payable.

For each Calculation Period, the Performance Fee will be equal to 10% of the Net Outperformance (as defined below) calculated at the end of the Calculation Period.

The "Net Outperformance" corresponds to the performance of the Net Asset Value per share (calculated net of all costs, but prior to the deduction of the Performance Fee) in excess of the Performance of the Benchmark (as defined below) over the Calculation Period. In the event of a negative Net Outperformance, no Performance Fees shall be paid, and the negative Net Outperformance shall be carried forward to the next Calculation Period. Where there is a negative Net Outperformance brought forward, the Net Outperformance shall correspond to the cumulative performance of the Net Asset Value per share (prior to the deduction of the Performance Fee) in excess of the cumulative performance of the benchmark since the last Performance Fee payment (or since the inception of the share class, if no Performance Fee has been paid to date). This means that any negative Net Outperformance must be compensated before a Performance Fee can be charged in subsequent Calculation Periods.

If a Performance Fee has been paid at the end of a Calculation Period, the negative Net Outperformance carried forward for the beginning of the next Calculation Period will be zero.

The "Performance of the Benchmark" is the return of the S&P 500 Index (the "Index" – BBG ticker S&P 500 Index) over the course of the Calculation Period.

The Performance Fee calculation will be adjusted for any subscriptions, conversions, redemptions, dividend distributions at each valuation day.

For the avoidance of doubt, it is hereby noted that a Performance Fee may be paid irrespective of whether the performance of the benchmark for the relevant Calculation Period is positive or negative, and that there may be instances where the performance of the benchmark is negative and the share class achieves a positive Net Outperformance, which will result in a Performance Fee being paid even if the absolute performance of the share class is negative.

If, (i) shares are redeemed during a Calculation Period or (ii) shares are converted shares into other shares of any share class of this Subfund or another Subfund during a Calculation Period or (iii) in case of transfer of assets or merger of a share class or the Subfund with another share class or existing Subfund (including of other existing fund) during a Calculation Period, the Performance Fee will be calculated as though respectively the relevant redemption day, conversion day or merger day were the end of a Calculation Period and an amount equal to any accrued Performance Fee in respect of such shares will be crystallised to the Portfolio Manager. The accrued Performance Fee as crystallised in respect of those shares will be paid to the Portfolio Manager as of the next Crystallisation Date if any Performance Fee is due.

However, no Performance Fee shall be payable where this Subfund or a share class of this Subfund is merged with a newly established receiving fund or subfund with no performance history and with an investment policy

not substantially different from that of this Subfund. In that case, the Performance Reference Period of this Subfund shall continue applying in the receiving fund or subfund.

If the portfolio management agreement is terminated during a Calculation Period, the Performance Fee in respect of the then current Calculation Period will be calculated and paid as though the date of termination were the end of the relevant Calculation Period.

				Scenario 1	Scenario 2	Scenario 3	Scenario 4
				Fund has a positive performance and a positive Net Outperformance against the Benchmark in year 1	Fund has a negative performance and a negative Net Outperformance against the Benchmark in year 1	Fund has a positive performance but negative Net Outperformance against the Benchmark in year 1	Fund has a negative performance but positive Net Outperformance against the Benchmark in year 1
Year 1	Initial NAV per share	**A**		100.0	100.0	100.0	100.0
	Annual NAV performance	**B**		20.0%	-20.0%	20.0%	-20.0%
	Annual benchmark performance	**C**		10.0%	-10.0%	30.0%	-30.0%
	Cumulative benchmark performance	**D**	= C	10.0%	-10.0%	30.0%	-30.0%
	NAV per Share at the end of the year **before** performance fees	**E**	= A * (1 + B)	120.0	80.0	120.0	80.0
	Net Outperformance	**F**	= A * (B - D)	10.00	-10.00	-10.00	10.00
	Performance Fee Rate	**G**		10.0%	10.0%	10.0%	10.0%
	Performance fee	**H**	= IF F > 0, then (G * F) = IF F < 0, then 0	1.0	0.0	0.0	1.0
			Expressed in % of NAV = H / E	0.8%	0.0%	0.0%	1.3%
	NAV per Share at the end of the year **after** performance fees	**I**	= E - H	119.0	80.0	120.0	79.0
		J	= IF H > 0, then 0	0.0%	-10.0%	30.0%	0.0%

	Cumulative benchmark performance (carried forward)		= IF H = 0, then D				
Year 2	NAV per share (carried forward)	**K**	= I	119.0	80.0	120.0	79.0
	Annual NAV performance	**L**		-20.0%	20%	-20%	20%
	Annual benchmark performance	**M**		-10.0%	5%	-30%	30%
	Cumulative benchmark performance	**N**	= IF J = 0, then M; = IF J ≠ 0, then J*(1 + M) + M	-10.0%	-5.5%	-9.0%	30.0%
	NAV per Share at the end of the year **before** performance fees	**O**	= K * (1 + L)	95.2	96.0	96.0	94.8
	Net Outperformance	**P**	= K * (1 + L) - (IF H>0, then K, else A) * (1 + N)	-11.9	1.5	5.0	-7.9
	Performance Fee Rate	**G**		10.0%	10.0%	10.0%	10.0%
	Performance fee	**Q**	= IF P > 0, then (G * P) = IF P < 0, then 0	0.0	0.2	0.5	0.0
			Expressed in % of NAV = Q / O	0.0%	0.2%	0.5%	0.0%
	NAV per Share at the end of the year **after** performance fees	**R**	= O - Q	95.2	95.9	95.5	94.8
	Cumulative benchmark performance (carried forward)	**S**	= IF Q > 0, then 0 = IF Q = 0, then N	-10.0%	0.0%	0.0%	30.0%

This table is for informational and illustrative purposes only. It does not constitute a guarantee of success and is limited in its entirety by the express terms of the prospectus.

Distribution

PvB Pernet von Ballmoos AG acts as distributor of the Subfund´s shares and will not receive a specific remuneration.

Investing in LUXEMBOURG SELECTION FUND – Nerrick US Equities

General information

- Reference currency of the Subfund: USD
  - Reference currency for Class A and Class I shares: USD.

  The Reference Currency is the currency in which the Net Asset Value of shares in the Subfund is calculated. Investments will be made in the currencies that are most suitable for the performance of the Subfund.
- Dividend policy: This Subfund pursues a policy of accumulation.
- Valuation Day: the Net Asset Value per share is determined on every Business Day.
- Share classes:
  - Class A shares are available for investors with a minimum holding amount of at least USD 1,000 (US Dollars one thousand).
  - Class I shares are available for investors with a minimum holding amount of at least USD 500,000 (US Dollars five hundred thousand).
- Shares are issued exclusively in the form of registered shares.
- Extension of notice period: The Management Company or Board of Directors may activate the extension of notice periods applicable to redemption requests made by investors when redeeming their shares, for up to 90 days, when the Management Company or Board of Directors determines in its own discretion the activation to be necessary to protect the fund's and the investors' best interest due to periods of market stress, liquidity problem, unusual redemption activity or any other specific exceptional circumstances.

  The extended notice period covers the period between the receipt of the redemption request by the Subfund and its execution. The extended notice period does not include the time required for the settlement process.

  The extension of the notice period does not have any impact on the redemption frequency of the Subfund.

Subscriptions

- Shares of Class A and Class I may be subscribed on between 1 January 2015 and 15 January 2015.
- The initial subscription price per shares of Class A and Class I amounts to USD 150.
- Subscription amount: The minimum subscription amount is USD 1,000 (US Dollars one thousand) for Class A shares and USD 500,000 (US Dollars five hundred thousand) for Class I shares.
- Subscription requests received by the Subfund no later than 12 p.m. (Central European Time) on the Business Day preceding a Valuation Day shall be settled at the Net Asset Value of that Business Day calculated on the Valuation Day, provided that the issue price is paid no later than one (1) Business Day after the relevant Valuation Day.
- Subscription fee: none

Redemptions

- Redemption amount: The minimum redemption amount is USD 1,000 (US Dollars one thousand) for Class A shares and USD 500,000 (US Dollars five hundred thousand) for Class I shares.
- Redemption requests received by the Subfund no later than 12 p.m. (Central European Time) on the Business Day preceding a Valuation Day shall be settled at the Net Asset Value of that Business Day calculated on the Valuation Day. The counter value for redeemed shares is paid no later than one (1) business day after the relevant Valuation Day unless legal provisions, such as foreign exchange controls or restrictions on capital movements, or other circumstances beyond the control of the Depositary, make it impossible to transfer the redemption amount to the country in which the redemption application was submitted.

- Redemption fee: none

Conversions

- Conversion fee: none

Past performance

- The past performance of this Subfund is shown on the website https://www.fundinfo.com/.

Portfolio turnover

- The portfolio turnover rate is included in the annual report. It is calculated using the following formula:
  Portfolio turnover rate = [(Total 1 – Total 2)/M]*100

  where

  Total 1= total of securities transactions during the relevant period = X+Y
  Where X = purchases of securities and Y = sale of securities
  Total 2 = total of transactions in shares of the Subfund during the relevant period = S+T
  Where S = subscriptions of shares of the Subfund and T = redemptions of shares of the Subfund
  M = average monthly assets of the Subfund

Fees & Expenses

- UCI Administrator fee: the UCI Administrator is authorised to receive a fee for exercising this function for a maximum amount of 0.08 % (with a minimum of EUR 30'000) per year, calculated based on the assets of the Subfund, calculated and accrued at each Valuation Day and payable on a monthly basis during the following month directly out of the assets of the Subfund.
- Depositary fee: the Depositary is authorised to receive a fee for exercising this function for a maximum amount of 0.070% (with a minimum of EUR 30,000) per year, calculated based on the assets of the Subfund, calculated and accrued at each Valuation Day and payable on a monthly basis during the following month directly out of the assets of the Subfund.
- Management Company fee: the Management Company is authorised to receive an annual fee for its services of 0.02% (with a minimum of EUR 15,000 per year), calculated based on the assets of the Subfund, calculated and accrued at each Valuation Day The fees are payable every six months during the month following the relevant semester directly out of the assets of the Subfund.
- Subscription tax (taxe d'abonnement)*:

Class of Shares	Subscription tax
A	0.05%
I	0.05%

  * In case the Subfund invests in other Luxembourg UCITS or other UCIs, which in turn are subject to the annual subscription tax (*taxe d'abonnement*) provided for by the 2010 Law, no annual subscription tax (*taxe d'abonnement*) is due from the Subfund on the portion of assets invested therein.

- Additional fees for further services of the UCI Administrator, the Depositary and the Management Company and additional costs and expenses may be charged to the Subfund as reflected in Chapter 13 "Charges and Expenses" of Section II"General Provisions" below.

LUXEMBOURG SELECTION FUND – Arcano Low Volatility European Income Fund – ESG Selection

This section describes the characteristics of the Subfund LUXEMBOURG SELECTION FUND – Arcano Low Volatility European Income Fund – ESG Selection and all of the information contained therein should be read in conjunction with the General Provisions of the Prospectus.

Investor profile

The Subfund is suitable for private and institutional investors seeking:

1. to maximize total investment returns via an approach emphasizing low volatility through fixed-rate and floating-rate fixed-income instruments selection;
2. a strategy focused on recurring income and capital appreciation;
3. active portfolio management and defensive investment criteria;
4. exposure to a diversified portfolio of European high-yield bonds, fixed-income corporate debt securities with fixed or variable interest rates.

This Subfund is intended for investors who can afford, in principle, to set aside their capital as investment capital for a period of at least three years.

Risk profile

General risks

The most relevant risks associated with the Subfund can be summarized as follows: credit risk, interest rate risk, market risk, asset liquidity risk, capital risk, counterparty risk, collateral risk, credit rating risk, currency risk, high yield investment risk, risk linked to discretionary portfolio management, inflation risk, UCITS investment risk, emerging countries risk, financial derivative instruments risk, structured finance securities risk, contingent convertibles instruments risk, contingent equity risk.

The capital invested may fluctuate up or down, and investors may not recover the entire value of the capital initially invested.

Investment objective and policy

Objective

The Subfund's objective is to offer a balanced low volatility investment strategy that generates attractive returns. As experienced fixed-rate and floating-rate fixed-income instruments investors with a proven track record in fixed income investing, the portfolio manager will apply its rigorous screening process to deliver a low volatility approach to the European Credit space. Fixed-income instruments selection will be complemented with an emphasis on floating rate instruments to achieve a strategy with shorter duration – duration being one of the main drivers of volatility. Furthermore, a focus on recurring income as opposed to price appreciation will contribute to a more resilient performance. The portfolio manager's investing approach is based on a bottoms-up philosophy – selectively handpicking credits to construct a high conviction portfolio underpinned by its own in-house exhaustive research analysis not only on the investment decision but on the ongoing monitoring of the fixed-rate and floating-rate fixed-income instruments in the portfolio. This rigorous fundamentals-based investment process will provide investors with a higher degree of principal stability than is typically available in a portfolio of lower rated fixed income investments.

This Subfund promotes environmental and/or social characteristics and complies with Article 8 of SFDR. Further information related to environmental and/or social characteristics is available in Annex 3 to this document (SFDR RTS Art. 14(2)).

Policy

The Subfund will seek to invest principally in a diversified portfolio of European high yield, fixed-income corporate debt securities with fixed or variable interest rates. At least two-thirds of the Subfund's assets will be invested in debt instruments denominated in euros or issued by corporations or entities with European exposure. These debt instruments will be issued principally by medium and large sized corporations but may also include, among others, governments or governmental agencies or instrumentalities. Moreover, on an ancillary basis, the portfolio manager may also invest in debt instruments issued in non-European currencies or by non-European entities. The issuers will principally be from countries which possess an investment grade rating from S&P, Moody's or Fitch, but the Subfund may also invest in issuers of countries which do not possess an investment grade rating.

The Subfund's portfolio manager actively monitors Sustainability Risks (as defined below) that represent a potential or actual material risk. The integration of Sustainability Risks is based on the negative screening and the engagement approach. The impacts following the occurrence of a Sustainability Risk may be numerous and vary depending on the specific risk, region and asset class. The main Sustainability Risks specific to the Subfund are detailed in the Subfund's ESG Policy available on https://www.arcanopartners.com/en/web/guest/lovei-esg. Further general information about the likely impacts of Sustainability Risks on the returns of the Subfund is disclosed under "General risk information" below.

Further general information about the likely impacts of Sustainability Risks on the returns of the Subfund is disclosed under "General risk information" below.

Ratings

Various credit rating agencies investment services rate some of the types of securities in which the Subfund may invest. Higher yields are ordinarily available from securities in the lower-rating categories and from unrated securities of comparable quality.

These ratings will be considered in connection with the Subfund's investment decisions, but will not necessarily be a determinative or limiting factor. The Subfund may invest in debt instruments regardless of their rating and in debt instruments which are not rated. It is the portfolio manager's expectation, however, that the Subfund will invest mostly in securities rated below investment grade (that is, securities rated below BBB- by S&P, Baa3 by Moody's or BBB- by Fitch). If the rating on a security held by the Subfund declines, the Subfund will consider such matters in its evaluation of the merits of retaining the security in its portfolio, but will not be obliged to dispose of the security should the portfolio manager consider this not to be in the investors' best interest.

Corporate bonds and transferable debt securities

Up to 100% of the Subfund's assets may be invested in corporate bonds and transferable fixed and variable rate debt securities. The issuers may be listed companies or not listed companies. Such instruments may be issued in order to raise financing for a variety of reasons including but not limited to ongoing operations, M&A, or to expand business. They may trade in decentralized, dealer-based, over-the-counter markets and may be listed on exchanges and electronic communication networks.

The transferable debt securities in which the Subfund may invest may also include, among others, the following instruments: (i) securities issued or guaranteed by Member States and Non-Member States, their sub-divisions, agencies or instrumentalities (ii) collateralised loan obligations (CLO) and other asset-backed securities which are transferable securities that are collateralized by receivables or other assets, (iii) freely transferable structured notes, provided that they are in full compliance with the 2010 Law, and (iv) convertible bonds.

Liquid assets

Subject to the conditions set out in Chapter 20 "Investment Restrictions" of Section II "General Provisions" under number 1 lit. B (d), the Subfund's assets may hold cash on an ancillary basis to provide for redemptions or to meet other liquidity needs.

In addition the Subfund may invest in commercial paper and other money market instruments, money market funds and monetary type of UCITS and other UCIs (within the limit set out by the 2010 Law), bonds including floating rate notes for treasury purposes or in case of unfavorable market conditions.

Financial derivative instruments

The Subfund may use all types of financial derivative instruments traded on a regulated market and/or over the counter (OTC) (such as but not limited to warrants, futures, options, swaps -including but not limited to contracts for difference-) and forwards for investment or hedging purposes, including but not limited to the following purposes:

- hedging of currency exposure;
- managing the duration exposure of the Subfund within the limits of efficient portfolio management through the use of bond/interest rate futures;
- hedging specific market or portfolio credit risk by entering into credit default swaps or other financial derivative instruments in order to buy protection;
- taking specific market risks by entering into credit default swaps in order to sell protection or through other derivative instruments;
- gaining exposure to financial indices; and
- gaining indirect exposures to loan participation and assignments by entering into cash settled credit default swaps in order to sell or buy protection.

The use of such financial instruments is not expected to affect the Subfund`s over-all risk profile.

The Subfund will only enter into OTC derivative transactions with highly rated financial institutions specialized in this type of transaction and only in accordance with the standard terms laid down by the ISDA Master Agreement.

The maximum net exposure of the Subfund may not exceed 100% of its net assets.

Use of Securities Financing Transaction and total return swaps

The Subfund uses securities financing transactions in the form of securities lending for efficient portfolio management purposes. Securities financing transactions will be used on a continuous basis but depending on market conditions it may be decided from time to time to suspend or reduce the exposure to securities financing transactions.

The use of such financial instruments is not expected to affect the Subfund's over-all risk profile.

A maximum of 70% of the assets held by the Subfund can be subject to securities lending transactions. The expected percentage of the assets subject to securities lending is between 20% and 40%.

All the revenues arising from securities financing transactions in the form of securities lending, the net of direct and indirect operational costs/fees, will be returned to the Subfund.

Any direct and indirect operational costs/fees arising from securities financing transactions in the form of securities lending, that may be deducted from the revenue delivered to the relevant Subfund must not include hidden revenue. Such direct and indirect operational costs/fees will be paid to the entities outlined in the annual and semi-annual report of the Fund, which shall indicate if the entities are related to the Management Company or the Depositary.

Service providers that provide securities lending services to the Company have the right to receive a fee in line with market standards in return for their services. The amount of this fee is reviewed and adapted, where appropriate, on an annual basis. 60% of the gross revenue received in the context of securities lending transactions negotiated at arm's lengths is credited to the relevant Subfund, while 30% of the gross revenue are retained as fees by UBS Switzerland AG as the securities lending service provider, responsible for the ongoing securities lending activities and collateral management, and 10% of the gross revenue are retained as fees by UBS Europe SE, Luxembourg Branch as the securities lending agent. All fees of running the securities lending programme are paid from the securities lending agents' portion of the gross income. This covers all direct and indirect costs generated by the securities lending activities. UBS Europe SE, Luxembourg Branch and UBS Switzerland AG are part of the UBS Group.

The Subfund will not enter into total return swaps nor make use of other securities financing transactions, i.e. (i) repurchase transactions (ii) commodities lending and securities or commodities borrowing (iii) buy-sell back transactions or sell-buy back transactions, (iv) margin lending transactions.

Asset Backed Securities

Up to 20% of the Subfund assets may be invested in asset-backed securities whether investment is grade or not. These will mainly comprise collateralised loan obligations but may also include, among others, asset-backed commercial paper, collateralised mortgage obligations, commercial mortgage-backed securities, credit-linked notes, real estate mortgage investment conduits, residential mortgage-backed securities and synthetic collateralised loan obligations. The underlying assets of the ABS and MBS may include loans, leases or receivables (such as credit card debt, automobile loans and student loans in the case of ABS and commercial and residential mortgages originating from a regulated and authorised financial institution in the case of MBS). Certain ABS may be structured by using a financial derivative instrument such as a credit default swap or a basket of such financial derivative instruments to gain exposure to the performance of securities of various issuers without having to invest in the securities directly.

Structured Financial Instruments

The Subfund may invest up to 30% of its assets in structured products embedding or not a financial derivative instrument. These structured products may be backed or linked to the performance of other assets (which may or may not be eligible) and may embed leverage. The aforementioned may include, among others, credit linked notes, convertible bonds, exchangeable bonds, structured financial instruments which are linked to the performance of an index or a basket of assets which may or may not be eligible. In any event, the Subfund may solely invest in structured financial instruments complying with the criteria of transferable securities.

UCITS/UCIs

The Subfund may invest up to 10% of its net assets in units and/or shares of UCITS and/or other UCIs. The Subfund may not invest in UCITS or other UCIs which invest more than 10% of their net assets in other UCITS and/or other UCIs.

Convertible bonds and Contingent Convertible bonds ("CoCos") and related securities

The Subfund may invest up to 20% of its assets in convertible bonds (which includes CoCos or related instruments). This strategy can enable the Subfund to take advantage of attractive opportunities in securities similar to conventional corporate bonds, with the benefit of an option on the underlying equity.

CoCos are unlimited, principally fixed-income bonds with a hybrid character which are issued as bonds with fixed coupon payments, but which upon a trigger event are mandatorily converted into company shares or written down, provided that respective trigger events are set out in the issuing terms of the CoCos. Coupon payments on certain CoCos may be entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time. Contrary to typical capital hierarchy, CoCo investors may suffer a loss of capital before equity holders.

Most CoCos are issued as perpetual instruments which are callable at pre-determined dates. Perpetual CoCos may not be called on the predefined call date and investors may not receive return of principal on the call date or at any date.

There are no widely accepted standards for valuing CoCos. The price at which bonds are sold may therefore be higher or lower than the price at which they were valued immediately before their sale.

In certain circumstances finding a ready buyer for CoCos may be difficult and the seller may have to accept a significant discount to the expected value of the bond in order to sell it.

There are three types of CoCos with different percentage of risk weighted assets (RWA). The implemented legislation through the Capital Requirements Directive IV (CRD IV) and Capital Requirement Regulation (CRR) as with Basel III, mandates a change in the quantity of the highest quality capital layer Common Equity Tier 1 (CET1), increasing from what was effectively 2% to 4.5% of RWA. While the intent of the legislation is to ensure an increase in a bank's common equity, the regulation allows a financial institution to issue Additional Tier 1 (AT1) securities in non-CET1 capital but in the form of CoCos so that Tier 1 capital is at least 6% of RWA at all times. CoCos may also be issued as Tier 2 (T2) instruments so that total capital is at least 8% of RWA at all times.

Equities

The Subfund may invest up to 25% of its assets in stocks listed on regulated markets or multilateral trading facilities. The Subfund may also be indirectly exposed to this asset category due to the sensitivity of convertible bonds influenced by the price of underlying equities. The Subfund may directly hold equities after exercising the conversion option attached to convertible bonds or following debt restructuration. Although such direct positions are not intended to be held over the long term, the Subfund is not required to sell them within a predefined period.

Other

Look through approach applies to the determination of concentration percentages (including but not limited to geographic, issuer, single position) in considering investments in UCIs or other investments with more than one underlying asset.

Benchmark

The Subfund does not aim to replicate any benchmark index so as to ensure it has the flexibility to build the best risk adjusted return portfolio composition given current market conditions without any restrictions. Following a benchmark would limit investment decisions and interfere with the portfolio manager's strategy of applying a bottom-up and fundamental approach with a view to selectively lending to strong companies. As a result, the Subfund's performance may significantly deviate from high yield indices.

General risk information

Sustainability Risks

"Sustainability Risk" means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investments made by the Subfund.

Such Sustainability Risks are principally linked to climate-related events resulting from climate change (i.e. physical risks) or to the society's response to climate change (i.e. transition risks), which may potentially affect the Subfund's returns. Social events (e.g. inequality, inclusiveness, labour relations, investment in human capital, accident prevention, changing customer behavior, etc.) or governance shortcomings (e.g. recurrent significant breach of international agreements, bribery issues, products quality and safety, selling practices, etc.) may also translate into Sustainability Risks.

In general, where a Sustainability Risk occurs in respect of an asset, there will be a negative impact on, or entire loss of, its value. As such, for a company in which the Subfund invests, this may be because of damage to its reputation resulting in a consequential fall in demand for its products or services, loss of key personnel, exclusion from potential business opportunities, increased costs of doing business and/or increased cost of capital. A company may also suffer the impact of fines and other regulatory sanctions. The time and resources of the company's management team may be diverted from furthering its business into dealing with the Sustainability Risk event, including changes to business practices and dealing with investigations and litigation. Sustainability Risk events may also give rise to loss of assets and/or physical loss including damage to real estate and infrastructure. The utility and value of assets held by companies to which the Subfund is exposed may also be adversely impacted by a Sustainability Risk event.

A Sustainability Risk event may arise and impact a specific investment or may have a broader impact on an economic sector, geographical or political region or country. For instance, sector and geographic Sustainability Risk events may have an impact on the investment value of the sovereign fixed income exposure of the Subfund.

Liquidity risk

The Subfund is exposed to the liquidity risk of the equities held in the portfolio. This means that some underlying securities may subsequently prove difficult to sell due to reduced liquidity. This may have a negative effect on their market price and consequently on the Subfund's Net Asset Value. The reduced liquidity of these securities may be due to unusual or extraordinary economic or market events such as a deterioration in the credit rating of an issuer or the lack of an efficient market.

In extreme market situations, there may be few willing buyers and it may not be easy to sell the investments at the chosen time; in addition, the Subfund may have to agree to a lower price in order to sell the investments, or they may not be able to sell the investments at all. Trading in certain securities or other instruments may be

suspended or restricted by the relevant exchange or by a governmental or regulatory body, which may cause the Subfund to incur a loss. The inability to sell a portfolio position may have a disadvantageous effect on the value of the Subfund or prevent them from being able to exploit other investment opportunities. In order to meet redemption requests, the Subfund may be forced to sell investments at unfavourable times and/or on unfavourable terms.

Risks associated with investments in debt securities and bonds

The risks associated with investments made in bonds and other similar transferable securities can be summarised as follows: interest rate risk, credit risk, liquidity risk and currency risk.

The value of debt securities may change significantly depending on economic and interest rate conditions as well as the credit worthiness of the issuer. Issuers of debt securities may fail to meet payment obligations or the credit rating of debt securities may be downgraded. These risks are typically increased for sub-investment grade debt securities which may also be subject to higher volatility and lower liquidity than investment grade debt securities.

Risks associated with the use of financial derivative instruments

Due to the possible use of techniques and instruments relating to transferable securities for purposes of efficient portfolio management as well as currency hedging, investors may be exposed to greater risks and no assurance can be given that the objective sought from such use will be achieved.

While the prudent use of financial derivative instruments may be beneficial, financial derivative instruments are also subject to different risks that, in certain cases, may be greater than the risks associated with more traditional investments. These include: market risk, which is associated with all types of investment; management risk, as the use of financial derivative instruments requires understanding not just of the underlying but also of the financial derivative instrument itself; credit risk, which is the result of the default risk, if the counterparty to the financial derivative instrument fails to respect the terms of the derivatives contract.

As regards OTC derivatives, various mechanisms were introduced successively in the past years, with the aim to reduce counterparty risk associated with the use of such OTC derivatives (i.e. mandatory clearing, mandatory margin exchange). Nevertheless, some OTC derivatives are likely to be more risky than financial derivative instruments traded on a regulated market.

EU Regulation 648/2012 on OTC derivatives, central counterparties and trade repositories (also known as the European Market Infrastructure Regulation or EMIR) requires certain eligible OTC derivatives to be submitted for clearing to regulated central clearing counterparties and the reporting of certain details to trade repositories. In addition, EMIR imposes requirements for appropriate procedures and arrangements to measure, monitor and mitigate operational and counterparty risk in respect of OTC derivatives which are not subject to mandatory clearing. Ultimately, these requirements are likely to include the exchange and segregation of collateral by the parties, including by the Fund. More precisely, the Fund will generally, to the extent required by law, require the counterparty to an OTC derivative to post collateral in favour of a Subfund representing, at any time during the lifetime of the agreement, up to 100% of a Subfund's exposure under the transaction, and the Fund will be required to do so vice-versa. This guarantee is provided via the margin deposit requirements for purposes of reducing global credit risk. As a result, the rating of each counterparty must be analyzed in order to evaluate the potential credit risk.

Liquidity risk exists when a particular instrument is difficult to purchase or sell and it might not be possible to conclude the transaction or liquidate a position at an advantageous price.

The other risks associated with using financial derivative instruments include the valuation risk or the impossibility of perfectly correlating financial derivative instruments with the underlying assets and indices.

Risks associated with the use of securities financing transactions in the form of securities lending

Securities lending involve certain risks and there can be no assurance that the objective sought to be obtained from the use of such techniques will be achieved.

The principal risk when engaging in securities lending is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuses to honour its obligations to return securities or cash to the Subfund as required by the terms of the transaction. Counterparty risk is generally mitigated by the transfer or pledge of collateral in favour of the Subfund. However, there are certain risks associated with collateral management,

including difficulties in selling collateral and/or losses incurred upon realization of collateral, as described in Chapter 20, Investment Restrictions – Collateral Policy and Management of the Prospectus. Should the borrower of securities fail to return the securities lent by the Subfund, there is a risk that the collateral received may be realized at a lower value than the securities lent, whether due to inaccurate pricing of the collateral, adverse market movements, decrease in the credit rating of the issuer of the collateral, the illiquidity of the market in which the collateral is traded, negligence or insolvency of the custodian holding collateral or termination of legal agreements, due to, for instance, insolvency which could adversely impact the performance of the Subfund. If the other party to a securities lending transaction should default, the Subfund might suffer a loss to the extent that the proceeds from the sale of the collateral held by the Fund in connection with the securities lending transaction are less than the value of the securities lent. In addition, in the event of the bankruptcy or similar proceedings of the other party to the securities lending transaction or its failure to return the securities as agreed, the Subfund could suffer losses, including loss of interest on or principal of the securities and costs associated with delay and enforcement of the securities lending agreement.

Securities lending also entail liquidity risks due, inter alia, to locking cash or securities positions in transactions of excessive size or duration relative to the liquidity profile of the Subfund or delays in recovering cash or securities paid to the counterparty. These circumstances may delay or restrict the ability of the Subfund to meet redemption requests. The Subfund may also incur operational risks such as, inter alia, non-settlement or delay in settlement of instructions, failure or delays in satisfying delivery obligations under sales of securities, and legal risks related to the documentation used in respect of such transactions.

Risks associated with investments in Asset-Backed/Mortgage-Backed Securities (ABS/MBS)

Asset-backed securities (ABS) are securities issued by special purpose vehicles (SPV) and are backed by a pool of assets, such as corporate loans, auto, student, home equity and other loans, credit card receivables or similar that provide funds for interest payments to the ABS investors and for the repayment of the invested principal. In case of mortgage-backed securities (MBS), the securities are backed by a pool of mortgages. The SPV is established with the sole purpose to issue and administer the ABS/MBS and is fully independent from the entity granted the underlying receivables ("off-balance sheet"). One of the main purposes of ABS/MBS is to reallocate credit and prepayment risks among investors which is achieved by creating different tranches within the securities that have a senior-subordinated structure as regards the credit and pre-payment risks. The attention of the investors is drawn to the fact that the structure of the ABS/MBS and the pools backing them are often intransparent and the Subfund may expose a greater credit and prepayment risks (extension or contraction risks) depending on which tranche of ABS/MBS is purchased by the Subfund.

Risks associated with structured products

Structured products, such as certificates, credit-linked notes, equity-linked notes or other similar products involve an issuer structuring the product whose value is intended to replicate, to track, to peg or to be linked in any other way to another security, a basket of securities, an index or to a direct or a synthetic position. To be eligible, the structured products must be sufficiently liquid and issued by first-class financial institutions (or by issuers that offer investor protection comparable to that provided by first-class financial institutions). Structured products must qualify as securities pursuant to Art. 41 (1) of the 2010 Law and must be valued regularly and transparently on the basis of independent sources. If the source for valuation is not independent or done by the issuer itself, the Fund or an agent duly appointed by the Fund shall verify the valuation provided.

Different types of risk may apply to structured products since the term encompasses a broad scope of different structuring possibilities. Given that structured products are often unsecured and are only backed by the credit of the issuer, they are subject to credit risk of the issuer. In addition, the structured products may be highly customised. Accordingly, particular attention shall be paid to whether the envisaged structured product is eligible for an investment and suits the Fund's investment objective and investment policy appropriately.

Risk associated with the investment in units of UCITS and/or UCIS and ETFs

By investing in collective investment vehicles indirectly through the Subfund, the investor will bear not only his proportionate share of the management fee of the Subfund, but also indirectly, the management and administration expenses of the underlying collective investment vehicles. In the case of investment in closed-ended investment vehicles, shares may at times be acquired only at market prices representing premiums to their net asset values. Shares of such collective investment vehicles will be valued at their last available stock market value. Closed-ended investment vehicles which are not subject in their country of origin to permanent

supervision by a supervisory authority set up by law in order to ensure the protection of investors may expose the Subfund investing in them to additional risks than if they were investing in collective investment vehicles established in other jurisdictions more protective of the investors (for instance, less frequent opportunities for disposal, delayed payment or non-receipt of settlement monies, or less protective judicial structures).

The Subfund may invest in shares of collective investment schemes including exchange traded funds, closed-ended funds and UCITS – collectively, underlying funds. These funds may be advised or sub-advised by the Portfolio Manager, an affiliate manager or by an unaffiliated manager. The ability of the Subfund to invest in shares of an underlying fund or funds to achieve its investment objective may be directly related to the ability of the underlying funds to meet their investment objectives. The Subfund will be exposed to the risks to which the underlying funds are exposed. These risks may include liquidity risk where the ability of the Subfund to meet the liquidity requirements of its investment is directly linked to the ability of the underlying funds to meet their liquidity requirements.

Risks associated with investment in CoCos

Trigger level risk: CoCo which qualify as AT1 ("additional tier 1capital") can be converted in Common Equity (CET1 or Tier 1 common equity capital) if certain level are triggered. So CoCos which are AT1 carry de facto an equity risk. The amount of CET1 varies depending on the issuer while trigger levels differ depending on the specific terms of issuance. The trigger could be activated either through a material loss in capital as represented in the numerator or an increase in risk weighted assets as measured in the denominator.

Coupon cancellation: Coupon payments on AT1 instruments are entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time.

While all CoCos (AT1 and T2) are subject to conversion or write down when the issuing bank reaches the trigger level, for AT1s there is an additional source of risk for the investor in the form of coupon cancellation in a going concern situation. Coupon payments on AT1 instruments are entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time. The cancellation of coupon payments on AT1 CoCos does not amount to an event of default. Cancelled payments do not accumulate and are instead written off. This significantly increases uncertainty in the valuation of AT1 instruments and may lead to mispricing of risk. Perhaps most challenging to investors, given the required absence of dividend stoppers/pushers, the AT1 holders may see their coupons cancelled while the issuer continues to pay dividends on its common equity and variable compensation to its workforce.

Capital structure inversion risk: contrary to classic capital hierarchy, CoCo investors may suffer a loss of capital when equity holders do not.

In certain scenarios, holders of CoCos will suffer losses ahead of equity holders, e.g., when a high trigger principal write-down CoCo is activated. This cuts against the normal order of capital structure hierarchy where equity holders are expected to suffer the first loss. This is less likely with a low trigger CoCo when equity holders will already have suffered loss. Moreover, high trigger Tier 2 CoCos may suffer losses not at the point of gone concern but conceivably in advance of lower trigger AT1s and equity.

Call extension risk: AT1 CoCos are issued as perpetual instruments, callable at pre-determined levels only with the approval of the competent authority.

It cannot be assumed that the perpetual CoCos will be called on call date. AT1 CoCos are a form of permanent capital. The investor may not receive return of principal if expected on call date or indeed at any date.

Unknown risk: The structure of the instruments is innovative yet untested.

In a stressed environment, when the underlying features of these instruments will be put to the test, it is uncertain how they will perform. In the event a single issuer activates a trigger or suspends coupons, will the market view the issue as an idiosyncratic event or systemic. In the latter case, potential price contagion and volatility to the entire asset class is possible. This risk may in turn be reinforced depending on the level of underlying instrument arbitrage. Furthermore, in an illiquid market, price formation may be increasingly stressed.

Yield/Valuation risk: investors's awareness has to be drawn on instruments such as CoCos which often offer an attractive yield but which may be viewed as carrying a complexity premium.

Yield has been a primary reason this asset class has attracted strong demand, yet it remains unclear whether investors have fully considered the underlying risks. Relative to more highly rated debt issues of the same issuer or similarly rated debt issues of other issuers, CoCos tend to compare favourably from a yield standpoint. The concern is whether investors have fully considered the risk of conversion or, for AT1 CoCos, coupon cancellation.

Liquidity Risk: CoCos tend to have higher price volatility and greater liquidity risk than other securities which do not expose investors to the aforementioned risks.

Risks associated with the investments in equities

The risks associated with investments made in equities and other similar transferable securities can be summarised as follows: sharp fluctuations in market price, negative information on issuers or markets and subordination of equities to bonds issued by the same enterprise.

Potential investors should also consider fluctuations in exchange rates, the possibility of controls on foreign exchange and other restrictions.

Limits concerning Global Exposure and leverage

The Global Risk Exposure calculation method in accordance with applicable laws and regulations is prepared based on the commitment approach. The risk management procedure shall also be applied within the scope of collateral management (see Chapter 20, Investment Restrictions – Collateral Policy and Management of the Prospectus) and the techniques and instruments for the efficient management of the portfolio (see Chapter 20, Investment Restrictions - Financial techniques and instruments of the Prospectus) as set forth in the CSSF Circular 14/592.

Leverage is defined pursuant to the applicable ESMA guidelines and CSSF Circular 11/512 as the total of the nominal values of the financial derivative instruments used by the Subfund. According to the definition, leverage may result in artificially increased leverage amounts, as some financial derivative instruments that can be used for hedging purposes may be included in the calculation. Consequently, this information does not necessarily reflect the precise actual leverage risk that the investor is exposed to.

The expected maximum leverage is expressed in the table below as a ratio between the total of the nominal value and the Net Asset Value of the Subfund. Greater leverage amounts may be attained for the Subfund, under certain circumstances.

Active Subfund	Expected Risk Profile	Expected maximum level of leverage (absolute level)	Expected Reference Portfolio (Benchmark)[2]
Luxembourg Selection Fund – Arcano Low Volatility European Income Fund – ESG Selection	Commitment Approach	n.a.	n.a.

Portfolio management

UBS Asset Management (Europe) S.A., domiciled at 33A avenue J.F. Kennedy, L-1855 Luxembourg, has been appointed the Management Company of the Fund and has therefore assumed the management of the assets of this Subfund.

UBS Asset Management (Europe) S.A. has appointed Arcano Capital SGIIC S.A.U. as portfolio manager of this Subfund (the "Portfolio Manager"). The Portfolio Manager shall report regularly to the Board of Directors of UBS Asset Management (Europe) S.A. on their asset allocation key, the evolution of the assets, the adequate liquidity management of the Subfund any risk of potential breach of the investment policy and on the transactions executed for the account of the Subfund.

[2] In accordance with CSSF Circular 11/512, reference portfolio must be disclosed for Subfunds for which the Global Risk Exposure is calculated using the Relative Value at Risk Approach.

Arcano Capital SGIIC S.A.U. is an asset manager with registered office at Calle Jose Ortega y Gasset 29, 4th floor, E-28006 Madrid, Spain. Arcano Capital SGIIC S.A.U. is authorised and regulated by the Spanish Securities and Markets Authority ("CNMV") in Spain. The firm was founded in Spain on the 6th of March of 2015 and is active in the areas of asset management and investment advisory services in Europe.

Distribution

UBS Asset Management (Europe) S.A. has delegated the global distribution of the shares of the Subfund to Arcano Capital SGIIC S,A,U., with its registered office in Calle Jose Ortega y Gasset 29, 4th floor, E-28006 Madrid, Spain. Furthermore, Arcano Capital SGIIC S.A.U. may enter into sub-distribution agreements in jurisdictions where the Subfund may be distributed.

Investing in LUXEMBOURG SELECTION FUND – Arcano Low Volatility European Income Fund – ESG Selection

General information

- The reference currency is the currency in which the Net Asset Value of shares in the Subfund is calculated. Investments will be made in the currencies that are most suitable for the performance of the Subfund. All non-Euro share classes are hedged against the Euro.
- Dividend policy: This Subfund pursues either an accumulation policy or a dividend distribution policy, depending on the share class.
- Valuation Day: The Net Asset Value per share is determined on each Business Day.
- Swing pricing: Shares are generally issued and redeemed based on a single price: the Net Asset Value. To reduce the effects of dilution, the Net Asset Value per share is nevertheless adjusted on valuation days as described below; this takes place irrespective of whether the Subfund is in a net subscription or net redemption position on the relevant valuation day. If no trading is taking place in any Subfund or class of a Subfund on a particular valuation day, the unadjusted Net Asset Value per share is applied. The circumstances in which such a dilution adjustment is made are determined at the discretion of the Board. The requirement to carry out a dilution adjustment generally depends on the scale of subscriptions or redemptions of shares in the relevant Subfund. The Board may carry out a dilution adjustment if, in its view, the existing shareholders (in the case of subscription) or remaining shareholders (in the case of redemptions) could be put at a disadvantage. The dilution adjustment may take place if:

    (a) a Subfund records a steady fall (i.e. a net outflow due to redemptions);

    (b) a Subfund records a considerable volume of net subscriptions relative to its size;

    (c) a Subfund shows a net subscription or net redemption position on a particular valuation day; or

    (d) in all other cases in which the Board believes a dilution adjustment is necessary in the interests of the shareholders.

  When a valuation adjustment is made, a value is added to or deducted from the Net Asset Value per share depending on whether the Subfund is in a net subscription or net redemption position; the extent of the valuation adjustment shall, in the opinion of the Board, adequately cover the fees and charges as well as the spreads of buy and sell prices. In particular, the Net Asset Value of the respective Subfund will be adjusted (upwards or downward) by an amount that (i) reflects the estimated tax expenses, (ii) the trading costs that may be incurred by the Subfund, and (iii) the estimated bid-ask spread for the assets in which the Subfund invests. As some equity markets and countries may show different fee structures on the buyer and seller side, the adjustment for net inflows and outflows may vary. The adjustments are generally limited to a maximum of 2% of the prevailing Net Asset Value per share at the time. The Board may decide to temporarily apply a dilution adjustment of more than 2% of the prevailing Net Asset Value per share in respect of any Subfund and/or Valuation Day in exceptional circumstances (e.g. high market volatility and/or liquidity, exceptional market conditions, market disruption, etc.), provided the Board can justify that this is representative of the prevailing market conditions and that it is in the best interest of the shareholders. This dilution adjustment will be calculated in accordance with the method determined by the Board. Shareholders will be informed via the usual communication channels when the temporary measures are introduced and when they end.

The Net Asset Value of each class of the Subfund is calculated separately. However, dilution adjustments affect the Net Asset Value of each class to the same degree in percentage terms. The dilution adjustment is made at subfund level and relates to capital activity, but not to the specific circumstances of each individual investor transaction.

Share classes

Share Class	Reference Currency	Minimum Initial Subscription Amount	Distribution Accumulation	Management Fee	Performance Fee	Subscription Fee
CE-A	EUR	[EUR 1]	Accumulation	[0.70%]	none	[Max 2.5%]
CC-A	CHF	[CHF 1]	Accumulation	[0.70%]	none	[Max 2.5%]
CU-A	USD	[USD 1]	Accumulation	[0.70%]	none	[Max 2.5%]
CG-A	GBP	[GBP 1]	Accumulation	[0.70%]	none	[Max 2.5%]
CE-D	EUR	[EUR 1]	Distribution-Quarterly	[0.70%]	none	[Max 2.5%]
CC-D	CHF	[CHF 1]	Distribution-Quarterly	[0.70%]	none	[Max 2.5%]
CU-D	USD	[USD 1]	Distribution-Quarterly	[0.70%]	none	[Max 2.5%]
CG-D	GBP	[GBP 1]	Distribution-Quarterly	[0.70%]	none	[Max 2.5%]
RE-A	EUR	[EUR 1]	Accumulation	[1.30%]	none	[Max 3.0%]
RC-A	CHF	[CHF 1]	Accumulation	[1.30%]	none	[Max 3.0%]
RU-A	USD	[USD 1]	Accumulation	[1.30%]	none	[Max 3.0%]
RG-A	GBP	[GBP 1]	Accumulation	[1.30%]	none	[Max 3.0%]
RE-D	EUR	[EUR 1]	Distribution-Quarterly	[1.30%]	none	[Max 3.0%]
RC-D	CHF	[CHF 1]	Distribution-Quarterly	[1.30%]	none	[Max 3.0%]
RU-D	USD	[USD 1]	Distribution-Quarterly	[1.30%]	none	[Max 3.0%]
RG-D	GBP	[GBP 1]	Distribution-Quarterly	[1.30%]	none	[Max 3.0%]
VE-AP	EUR	[EUR 1]	Accumulation	[none]	[15%]	[Max 2.5%]
VC-AP	CHF	[CHF 1]	Accumulation	[none]	[15%]	[Max 2.5%]
VU-AP	USD	[USD 1]	Accumulation	[none]	[15%]	[Max 2.5%]
VG-AP	GBP	[GBP 1]	Accumulation	[none]	[15%]	[Max 2.5%]
VE-DP	EUR	[EUR 1]	Distribution-Quarterly	[none]	[15%]	[Max 2.5%]
VU-DP	USD	[USD 1]	Distribution-Quarterly	[none]	[15%]	[Max 2.5%]
VEUH-AP	EUR	[EUR 1]	Accumulation	[none]	[15%]	[Max 2.5%]
VCUH-AP	CHF	[CHF 1]	Accumulation	[none]	[15%]	[Max 2.5%]
VUUH-AP	USD	[USD 1]	Accumulation	[none]	[15%]	[Max 2.5%]
VGUH-AP	GBP	[GBP 1]	Accumulation	[none]	[15%]	[Max 2.5%]
VEUH-DP	EUR	[EUR 1]	Distribution-Quarterly	[none]	[15%]	[Max 2.5%]
VUUH-DP	USD	[EUR 1]	Distribution-Quarterly	[none]	[15%]	[Max 2.5%]
SVE-AP	EUR	[EUR 50,000,000]	Accumulation	[none]	[12%]	[Max 2.5%]
SVC-AP	CHF	[CHF 50,000,000]	Accumulation	[none]	[12%]	[Max 2.5%]
SVU-AP	USD	[USD 50,000,000]	Accumulation	[none]	[12%]	[Max 2.5%]
SVG-AP	GBP	[GBP 50,000,000]	Accumulation	[none]	[12%]	[Max 2.5%]
SVE-DP	EUR	[EUR 50,000,000]	Distribution-Quarterly	[none]	[12%]	[Max 2.5%]
SVU-DP	USD	[EUR 50,000,000]	Distribution-Quarterly	[none]	[12%]	[Max 2.5%]
AE-A	EUR	[EUR 1]	Accumulation	[none]	[none]	[Max 3.0%]
AE-D	EUR	[EUR 1]	Distribution-Quarterly	[none]	[none]	[Max 3.0%]
E-A	EUR	[EUR 1]	Accumulation	[none]	[none]	[Max 3.0%]
E-D	EUR	[EUR 1]	Distribution-Quarterly	[none]	[none]	[Max 3.0%]

- Shares classes CE-A, CC-A, CU-A, CG-A, CE-D, CC-D, CU-D, CG-D, VE-AP, VC-AP, VU-AP, VG-AP,VE-DP, VU-DP, SVE-AP, SVC-AP, SVU-AP, SVG-AP,SVE-DP and SVU-DP are available to:
    - financial institutions which, according to regulatory requirements are not allowed to accept and keep trail commissions (in the European Union this will include financial intermediaries providing discretionary portfolio management or investment advice on an independent basis);
    - financial institutions rendering non-independent advice and which according to individual fee arrangements with their clients are not allowed to accept and keep trail commissions;
    - Institutional investors investing on their own account. With respect to investors that are incorporated in the European Union institutional investor means Eligible Counterparty/Professional Investors per se.
- Share classes VEUH-AP, VCUH-AP, VUUH-AP, VGUH-AP, VEUH-DP and VUUH-DP are available to:
    - Financial intermediaries which, according to regulatory requirements, do not accept and retain inducements from third parties (in the EU, this will include financial intermediaries providing discretionary portfolio management or investment advice on an independent basis);
    - Such financial intermediaries which, based on individual fee arrangements with their clients, do not accept and retain inducements from third parties;
    - Companies investing on their own account that do not qualify as professional investors within the meaning of the directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments.
- Share classes AE-A and AE-D are reserved for (i) funds managed by the Portfolio Manager and (ii) employees, directors, shareholders, officers and members of any entity of Arcano Partners Group and affiliates thereof, as well as their respective spouses, ascendants, descendants and siblings.
- Share classes E-A and E-D are reserved for the Spanish feeder fund managed by the Portfolio Manager.
- Share classes RE-A, RC-A, RU-A, RG-A, RE-D, RC-D, RU-D, RG-D are available to:
    - Financial intermediaries which, according to regulatory requirements are allowed to accept and keep trail commissions
    - Retail clients as defined by the Luxembourg laws and regulations.
- A minimum initial subscription amount of 1,000,000 (in the currency in which the share of the share class is denominated) is required to activate any inactive share class. The minimum initial subscription amount to activate any not launched share class can be comprised of several subscriptions.
- A minimum initial subscription amount of 50.000.000 (in the currency in which the share of the share class is denominated) for share classes SVE-AP, SVC-AP, SVU-AP, SVG-AP, SVE-DP and SVU-DP must be observed but not for subsequent subscriptions. The minimum initial subscription amount can be comprised of several payments made within the same trade date. The Manager will aggregate the subscription amounts of investors that are: (i) entities in the same group, (ii) pension funds or investment funds of the same manager or its group.
- The minimum initial subscription amount for each share class will not be applicable for the employees, directors, shareholders, officers and members of Arcano Group and affiliates thereof, as well as their respective spouses, ascendants, descendants and siblings.

Subscriptions

- Subscription fee is as a percentage of the Net Asset Value shall be in favor of the distributors and sales agents.

- Initial subscription price per share is 100 (in the currency in which the share of the share class is denominated).
- Subscription requests received by the Subfund no later than 12 p.m. on the Business Day preceding a Valuation Day shall be settled at the Net Asset Value of that Business Day calculated on the Valuation Day.

Redemptions

- Redemption fee: none
- Redemption requests received by the Subfund no later than 12 p.m. on the Business Day preceding a Valuation Day shall be settled at the Net Asset Value of that Business Day calculated on the Valuation Day.

Conversions

- Conversion fee: none

Past performance

The past performance of the Subfund is shown on the website https://www.fundinfo.com/.

Portfolio turnover

The portfolio turnover rate is included in the annual report. It is calculated using the following formula:

Portfolio turnover rate = [(Total 1 – Total 2)/M]*100

where

Total 1= total of securities transactions during the relevant period = X+Y

Where X = purchases of securities and Y = sale of securities

Total 2 = total of transactions in Shares of the Subfund during the relevant period = S+T

Where S = subscriptions of Shares of the Subfund and T = redemptions of Shares of the Subfund

M = average monthly assets of the Subfund

Fees & Expenses

Management Fee: Classes of Shares in the Subfund will be charged a Management Fee as detailed in the share classes table above, which is calculated (all taxes excluded) monthly on the average total net assets of the Subfund (excluding those net assets held in the form of investments in other investment funds managed or controlled by entities of the same portfolio manager). This fee is payable monthly in arrears directly out of the Subfund's assets. The Management Fee includes the Portfolio Management Fee and the Distribution Fee.

Performance Fee: In the case of performance fee share classes (as indicated in the table under section “Share classes” above), the Portfolio Manager will also be entitled to receive a performance-based fee out of the assets of the Subfund (the “Performance Fee”).

The Performance Fee will be calculated in respect of each calendar year (the “Calculation Period”) ending on 31 December (the “Crystallisation Date”), it being clarified that the the first Calculation Period in respect of any share class commencing on the Business Day immediately following the expiry of the initial offer period for that share class and ending on the Crystallisation Date of the next calendar year. If the Crystallisation Date is not a Business Day, it shall designate the last Business Day in December.

The Performance Fee will be calculated and accrued as an expense of the Subfund at each Valuation Day and will be crystallised at the Crystallisation Date and payable to the Portfolio Manager in arrears as soon as reasonably practicable as of the Crystallisation Date upon the final determination of the UCI Administrator.

The "Performance Reference Period", which is the period at the end of which the past losses can be reset, corresponds to a period of five (5) years on a rolling basis[3]. Any underperformance or loss previously incurred during the Performance Reference Period (i.e. during the previous five (5) years) should be recovered before a Performance Fee becomes payable.

For each Calculation Period, the Performance Fee will be equal to 15% p.a. of the Net Outperformance (as defined below). The "Net Outperformance" is the Net Asset Value per share in excess of the High-on-High (as defined below). For the first Calculation Period of a share class, the starting point to be considered in the calculations of the Performance Fee should be the initial offering price per share.

A Performance Fee shall only be payable where the Net Asset Value per share of the relevant share class exceeds the Net Asset Value at which the Performance Fee was last crystallised during the Performance Reference Period (the "High-on-High").

The Performance Fee will be calculated and accrued as at each Valuation Day and paid annually in arrears. The Performance Fee in respect of each Calculation Period will be calculated by reference to the Net Asset Value per share after deduction of all costs, but before deduction for any accrued Performance Fee. The Performance Fee calculation will also be adjusted on each Valuation Day by any subscriptions, redemptions or dividend distribution.

If shares are redeemed during a Calculation Period, the Performance Fee can be calculated as if the relevant redemption date were the end of the Calculation Period and an amount equal to the Performance Fee accrued in respect of such shares will be calculated and paid to the Portfolio Manager as soon as possible after redemption. The above applies *mutatis mutandis* in case of (i) conversion of shares into other shares of any share class of this Subfund or another Subfund and (ii) transfer of assets or merger of a share class or the Subfund with another share class or existing Subfund (including of other existing fund). However, no Performance Fee shall be payable where this Subfund or a share class of this Subfund is merged with a newly established receiving fund or subfund with no performance history and with an investment policy not substantially different from that of this Subfund. In that case, the Performance Reference Period of this Subfund shall continue applying in the receiving fund or subfund.

If the portfolio management agreement is terminated during a Calculation Period, the Performance Fee in respect to the then current Calculation Period will be calculated and paid as though the date of termination were the end of the Calculation Period.

[3] The starting date of the Performance Reference Period is 30 December 2022.

				Scenario 1	Scenario 2	Scenario 3
				Fund has a positive performance in year 1 and a negative performance in year 2	Fund has a positive performance in year 1 and a positive performance in year 2	Fund has a negative performance in year 1 and a negative performance in year 2
Year 1	Initial NAV per share	**A**		100.00	100.00	100.00
	Annual NAV return at the end of year 1	**B**		4%	4%	-4%
	NAV per Share at the end of the year **before** performance fees	**C**	= A * (1 + B)	104.00	104.00	96.00
	Performance Fee Rate	**D**		15%	15%	15%
	Net value growth per share at the end of year 1	**E**	= A * B	4.00	4.00	-4.00
	Performance fee at 15% of net value growth	**F**	= IF E > 0, then (15%* E)	0.60	0.60	0.00
			= IF E < 0, then 0			
			Expressed in % of NAV = F / C	0.58%	0.58%	0.00%
	NAV per Share at the end of year 1 **after** performance fees	**G**	= C - F	103.40	103.40	96.00
	New High-on-High (carried forward to year 2)	**H**	= IF F > 0, then G	103.40	103.40	100.00
			= IF F < 0, then A			
	Performance fee per share paid out to Portfolio Manager after year 1 on crystallisation date	**I**	= IF E < 0, then 0 = IF E > 0, then F	0.60	0.60	0.00
Year 2	Annual NAV return at the end of year 2	**J**		-4%	4%	-4%
	NAV per Share at the end of the year **before** performance fees	**K**	= G * (1 + J)	99.26	107.54	92.16
	Performance Fee Rate	**L**		15%	15%	15%
	Net value growth per share at the end of year 2	**M**	= H * J	-4.14	4.14	-4.00

	Performance fee at 15% of net value growth	**N**	= IF M > 0, then (15%* M)	0.00	0.62	0.00
			= IF M < 0, then 0			
			Expressed in % of NAV = F / C	0.00%	0.58%	0.00%
	NAV per Share at the end of year 2 **after** performance fees	**O**	= K - N	99.26	106.92	92.16
	New High-on-High (carried forward to year 3)	**P**	= IF N > 0, then K = IF N < 0, then H	103.40	106.92	100.00
	Performance fee per share paid out to Portfolio Manager after year 2 on crystallisation date	**Q**		0.00	0.62	0.00

Portfolio Management: Arcano Capital SGIIC S.A.U. as portfolio manager is entitled to a Portfolio Management Fee as further detailed in the Portfolio Management Agreement. The Portfolio Management Fee will be deducted from the Management Fee.

The Portfolio Manager will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties in the management of the Subfund.

Distribution: Arcano Capital SGIIC S.A.U. as distributor is entitled to a Distribution Fee as further detailed in the Distribution Agreement (the "Distributor"). The Distribution Fee will be deducted from the Management Fee.

The Distributor may be entitled to reimbursement of a reasonable proportion of the costs of marketing and advertising and especially those incurred directly in connection with the offering of the Shares of the Subfund.

Moreover, distribution platforms may be entitled to fees granted as a compensation for the distribution of the Subfund through the relevant platforms. Such fees will be deducted from the Management Fee and/or the Performance Fee, as the case may be. The distribution platform fee depends on the amount requested by every distribution platform, which may differ depending on the service provider.

Notwithstanding the former, specifically with regards to share classes V, in the unlikely event that the amount of the distribution platform fee of the share classes V is higher than the Performance Fee, the Subfund will compensate the missing amount through an additional expense borne by the Subfund itself, provided that this additional expense may not exceed 10 bps.

Management Company: The Management Company will be entitled to receive out of the assets of the Subfund an annual fee equal to a percentage of the Net Asset Value of the Subfund subject to a minimum per Subfund. Such fee will be calculated by reference to the Net Asset Value of the Subfundsubject to a rate of up to 0.05% p.a. with a minimum fee of EUR 15,000 per annum for the 1st year after launch and a minimum of EUR 30,000 per annum from the 2nd year onwards. The Management Company Fee is charged to the Subfunds on a pro rata basis on each Valuation Day and paid every six months during the month following the relevant semester. The Management Company will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties. Further fees may be payable to the Management Company in consideration of ancillary services rendered to the Fund and relating to the core services of the Management Company.

UCI Administrator: The UCI Administrator will be entitled to receive out of the assets of the Subfund an annual fee equal to a percentage of the Net Asset Value of the Subfund subject to a minimum per Subfund. Such fee will be calculated by reference to the Net Asset Value of the Subfund subject to a rate of up to 0.045% p.a. with a minimum fee of EUR 15,500 per annum for the 1st year after launch and a minimum of EUR 30,000 per annum from the 2nd year onwards. The UCI Administrator fee is accrued on each Valuation Day and shall be payable monthly in arrears. The UCI Administrator will also be entitled to the reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties. Further fees may be payable to the UCI Administrator in consideration of ancillary services rendered to the Fund and relating to the core services of the UCI Administrator.

Depositary: The Depositary will be entitled to receive out of the assets of the Subfund an annual fee equal to a percentage of the Net Asset Value of the Subfund subject to a minimum per Subfund. Such fee will be calculated by reference to the Net Asset Value of the Subfund subject to a rate of up to 0.05% p.a. with a minimum fee of EUR 15,000 per annum for the 1st year after launch and a minimum of EUR 20,000 per annum from the 2nd year onwards. The Depositary fee is accrued on each Valuation Day and shall be payable monthly in arrears. The Depositary will also be entitled to transaction fees charged on the basis of the investments made by each Subfund consistent with market practice in Luxembourg. Fees paid to the Depositary may vary depending on the nature of the investments of each Subfund and the countries and/or markets in which the investments are made. The Depositary will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties. Further fees may be payable to the Depositary in consideration of ancillary services rendered to the Fund and relating to the core services of the Depositary.

ESG data providers and audit fee: The Subfund may pay for the services rendered by the ESG service providers (mainly including ESG research and independent ESG audits) an annual amount not exceeding EUR 30.000 p.a.. Information in relation to the selected ESG providers can be found in the Subfund's ESG policy available on the portfolio manager's website at https://www.arcanopartners.com/en/web/guest/lovei-esg.

Research expenses: The Portfolio Manager may incur research costs in connection with the investment decision-making process. In accordance with MiFID II and the Commission Delegated Directive (EU) 2017/593, such costs

may be charged to the Subfund directly. The Portfolio Manager ensures that: (i) Research services are acquired in a manner that reasonably benefits the Subfund and its investors; (ii) The total estimated research costs are proportionate and regularly monitored; (iii) The amount of research cost charged to the Subfund is disclosed in the annual report. The effective amount charged to the Subfund may vary depending on trading activity and market conditions, the total annual research cost charged to the Subfund shall not exceed EUR 70.000 p.a.

Subscription tax (taxe d'abonnement)*:

Class of Shares	Subscription tax
CE-A	0.01%
CC-A	0.01%
CU-A	0.01%
CG-A	0.01%
CE-D	0.01%
CC-D	0.01%
CU-D	0.01%
CG-D	0.01%
RE-A	0.05%
RC-A	0.05%
RU-A	0.05%
RG-A	0.05%
RE-D	0.05%
RC-D	0.05%
RU-D	0.05%
RG-D	0.05%
VE-AP	0.01%
VC-AP	0.01%
VU-AP	0.01%
VG-AP	0.01%
VE-DP	0.01%
VEUH-AP	0.05%
VCUH-AP	0.05%
VUUH-AP	0.05%
VGUH-AP	0.05%
VEUH-DP	0.05%

SVE-AP	0.01%
SVC-AP	0.01%
SVU-AP	0.01%
SVG-AP	0.01%
SVE-DP	0.01%
AE-A	0.05%
AE-D	0.05%
E-A	0.01%
E-D	0.01%

* In case the Subfund invests in other Luxembourg UCITS or other UCIs, which in turn are subject to the annual subscription tax (*taxe d'abonnement*) provided for by the 2010 Law, no annual subscription tax (*taxe d'abonnement*) is due from the Subfund on the portion of assets invested therein.

Additional expenses: Additional fees for further services of the UCI Administrator, the Depositary and the Management Company and additional costs and expenses may be charged to the Subfund as reflected in Chapter 13 “Charges and Expenses” of Section II"General Provisions" below.

LUXEMBOURG SELECTION FUND – UBS Bond 2031

This section describes the characteristics of the Subfund LUXEMBOURG SELECTION FUND – UBS Bond 2031 and all of the information contained therein should be read in conjunction with the General Provisions of the Prospectus.

Investor profile and maturity of the Subfund

This Subfund is suitable for institutional investors seeking to invest primarily in a diversified portfolio of bonds and whose investment horizon generally corresponds to the investment horizon of the Subfund.

The Subfund will, following its launch that occurred on 10 December 2020 and the extension of its previous maturity date (31 December 2025), invest in bonds with a fixed maturity of up to seven (7) years. The Subfund may at a later stage also invest in bonds with a shorter maturity, in view of a contemplated end of maturity of all financial instruments in which the Subfund is invested at least five (5) Business Days before the maturity of the Subfund on 31 December 2031 (the "Subfund Maturity Date"). As such, the Subfund is suitable for investors who wish to invest mainly in a diversified portfolio of bonds issued in the developed markets and whose investment horizon extends to the Subfund Maturity Date.

If the liquidation of the Subfund at the end of the Subfund Maturity Date results in an adverse situation for the value of the portfolio due to prevailing market conditions, the Management Company may bring forward or postpone the liquidation and payment of the final maturity amount in the interests of the investors in accordance with the provisions in accordance with Chapter 4. "*Dissolution and merger of the fund and of its Subfunds*" of the Section II "General Provisions" of the Prospectus, and article 24 of the Articles of Incorporation.

Six (6) months before the Subfund Maturity Date, the Management Company shall assess whether the continuation of the Subfund beyond the Subfund Maturity Date for an unlimited time or the extension of the Subfund Maturity makes sense from an economical and investment perspective.

If the conclusion is that such continuation does not make sense from an economical perspective, the Subfund shall be liquidated on a date that shall be no later than six (6) months after the Subfund Maturity Date, in accordance with Chapter 4. "*Dissolution and merger of the fund and of its Subfunds*" of the Section II "General Provisions" of the Prospectus, and article 24 of the Articles of Incorporation.

Should the conclusion be that the continuation of the Subfund makes sense from an economical perspective, then this shall be understood to constitute a change of the Subfund's investment strategy.

In the latter case, the Board will inform the Subfund's investors of (i) the reasons for changing the investment policy, (ii) the effective date of the change of the investment policy, and (iii) of the options available to them (which would notably include the investors' right to redeem their shares free of charge during a one-month period).

Investors should be aware that the Net Asset Value of the shares at the Subfund Maturity Date or thereafter may be less than the Net Asset Value at the time of the original investment as a consequence of the market movements. While it is intended that the Subfund will hold bonds until maturity, the portfolio manager of the Subfund has the discretion to sell them prior to their maturity.

Risk profile

The Subfund is exposed to the risk of default on the payment of coupon or principal by issuers it holds in the underlying portfolio. Should any such default event occur, the value of the Subfund will be negatively impacted. During the Subfund's life, its Net Asset Value will be impacted by interest rate and credit spread movements affecting its underlying bond holdings. Typically, a bond's value is negatively impacted by rising interest rates and/or credit spread widening. Depending on the credit quality, the default risk is higher in the case of high yield bonds than with investment grade corporate and government bonds. The Subfund does not provide any guarantee on pay-outs of income and final Net Asset Value. There is no specific estimate of the Subfund's value

as of maturity. This value depends on repayments of the bonds purchased by the Subfund and the reinvestment of undistributed interest income. All investments are subject to market fluctuations.

Every fund has specific risks, which may increase considerably in unusual market conditions. This requires corresponding risk tolerance and capacity. The Subfund may hold up to 100% of its assets in liquid funds, money market instruments and money market funds up to twelve (12) months prior to the Subfund Maturity Date, given that the targeted bonds will not all mature exactly at the same time, and that, as a consequence, the Subfund will, during the mentioned limited periods, need to invest amounts resulting from already matured bonds for a short time period until the Subfund Maturity Date. There might also be specific risks related to high yield bonds. Depending on the credit quality, the default risk is higher in the case of high yield bonds than with investment grade corporate and government bonds.

Investment objective and policy

Objective

The investment objective of the Subfund is to achieve total return by investing primarily in a portfolio of EUR-denominated fixed income securities (including but not limited to bonds, notes, covered bonds or other similar fixed-income or floating-rate securities) issued by sovereigns, quasi-sovereigns and corporates in developed markets. The Subfund will in general take a buy-and-hold to maturity approach, investing in a diversified portfolio of fixed income securities (including but not limited to bonds). There can be no assurance that the Subfund will achieve its investment objective.

Policy

The Subfund will seek to achieve its investment objective by investing primarily in EUR-denominated fixed income securities issued by sovereigns, quasi-sovereigns and corporates in developed markets.

The Subfund invests primarily in investment-grade claims and debt securities that are issued by sovereigns, , quasi-sovereigns and corporates. In principle, at least 90% of the Subfund's investments must be rated between AAA and BBB- (Standard & Poor's) or have a similar rating from another recognized agency or – insofar as a new issue that does not yet have an official rating is concerned – a comparable internal UBS rating. Investments in bonds with a rating below BBB- (Standard & Poor's) or similar may not exceed 10% of the Subfund's assets.

The Subfund may invest up to 100% of its assets in Italian government bonds (BTPs), provided that any applicable UCITS risk spreading principle is complied with. By exception to the above 10%-limit, the Subfund may hold up to 100% of its assets in Italian government bonds with a rating below BBB- (Standard & Poor's) or similar as a result of a downgrade of the Italian government bonds held by the Subfund.

The Subfund may invest in aggregate up to 50% of its assets in corporate and covered bonds denominated in EUR from developed market issuers. Investments in covered bonds will not exceed 10% of the Subfund's net assets.

The portfolio manager will, in general, adopt a buy-and-hold to maturity approach but will actively monitor and review all the securities in the Subfund's portfolio on a regular basis and take appropriate action where necessary (including but not limited to re-investing proceeds from securities that have matured prior to the Subfund Maturity Date).

In constructing the Subfund's portfolio, the portfolio manager will conduct fundamental credit analysis of individual securities to determine if the credit quality of the securities in question is appropriate for a held-to-maturity mandate. A relative-value approach to country/sector allocation and security selection is also adopted in order to select the most suitable investments for the Subfund, rather than by attempting to predict the future direction of underlying bond yields.

The Subfund may hold temporarily (i.e., for no longer than twelve (12) months) up to 100% of its assets in money market instruments and money market funds, and/or in money market like instruments, such as treasury bills and notes, on an ancillary basis for portfolio rebalancing purposes. In normal circumstances, this threshold will be limited to up to 10% of the Subfund's assets until twelve (12) months before the Subfund Maturity Date, period during which it may hold up to 100% in money market like instruments again (as described above).

Apart from money market-like instruments, all the instruments used shall take account of the end of the Subfund Maturity Date in respect of their maturity and have no maturities occurring later than the end of the Subfund Maturity Date. At all time during which the Subfund will invest in money market instruments, the portfolio

manager of the Subfund will ensure that the Subfund will not fall within the scope of the Regulation (EU) 2017/1131 of 14 June 2017 on money market funds.

Sustainability-related disclosure

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities (TR Art. 7).

This Subfund complies with Article 6 of SFDR. As such it does not consider principal adverse impacts on sustainability factors due to its investment strategy and the nature of the underlying investments (SFDR Art. 7(2)).

“Sustainability Risk" means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investments made by each Subfund. Sustainability Risks are not systematically integrated due to the nature of the investment objective of the Subfund and they are also not a core part of the investment strategy. The Subfund does not promote particular Environmental, Social and Governance (ESG) characteristics or pursue a specific sustainability or impact objective. Sustainability Risks are not relevant due to the nature of the investment objective of the Subfund. Sustainability Risks are currently not expected to have a material impact on the returns of the Subfund.

Bonds

Bonds are subject to actual and perceived measures of creditworthiness. Bonds, and in particular high-yield bonds, may be impaired by negative headlines and an unfavourable perception on the part of investors; such perceptions may not be based on a fundamental analysis, and may have a negative effect on the value and liquidity of the bond.

The Subfund may invest up to 10% of its net assets in high-yield bonds. This 10%-limit does not apply to the holding of high yield bonds issued by the Italian government as further specified above.

Distressed securities

The Subfund will not seek to directly invest into distressed securities. However, it may not be excluded that securities which are invested by the Subfund may become distressed securities over time and, as a result, the Subfund may incidentally hold distressed securities.

Covered bonds

Covered bonds are debt obligations issued by credit institutions and secured by a ringfenced pool of assets which bondholders have direct recourse to as preferred creditors. Bondholders remain at the same time entitled to a claim against the issuing entity or an affiliated entity of the issuer as ordinary creditors for any residual amounts not fully settled with the liquidation of the cover assets, giving them effectively a double claim.

The Subfund may invest in covered bonds, provided that their underlying assets are UCITS eligible. The Subfund will invest in covered bonds whose underlying assets are asset-backed securities as further detailed below.

Asset Backed Securities / Mortgage Backed Securities

Up to 10% of the Subfund’s assets may be indirectly invested in asset-backed securities (ABS) / mortgage-backed securities (MBS) whether investment is grade or not. These will mainly comprise collateralised loan obligations but may also include, among others, asset-backed commercial paper, collateralised mortgage obligations, commercial mortgage-backed securities, credit-linked notes, real estate mortgage investment conduits, residential mortgage-backed securities and synthetic collateralised loan obligations. The underlying assets of the ABS and MBS may include loans, leases or receivables (such as credit card debt, automobile loans and student loans in the case of ABS and commercial and residential mortgages originating from a regulated and authorised financial institution in the case of MBS).

Use of Securities Financing Transaction and total return swaps

The Subfund will not enter into total return swaps nor make use of securities financing transactions, i.e. (i) repurchase transactions (ii) securities or commodities lending and securities or commodities borrowing (iii) buy-sell back transactions or sell-buy back transactions, and (iv) margin lending transactions.

Liquid assets

Subject to the conditions set out in Chapter 20 “Investment Restrictions” of Section II “General Provisions” under number 1 lit. B (d), the Subfund’s assets may hold cash on an ancillary basis to provide for redemptions or to meet other liquidity needs.

In addition, the Subfund may invest in commercial paper and other money market instruments, money market funds and monetary type of UCITS and other UCIs (within the limit set out by the 2010 Law), bonds including floating rate notes for treasury purposes or in case of unfavorable market conditions.

Other

Look through approach applies to the determination of concentration percentages (including but not limited to geographic, issuer, single position) in considering investments in investments with more than one underlying asset.

Benchmark

The Subfund is managed without reference to a benchmark. As such, there are no fixed geographical or sectorial weightings in the allocation of assets in the Subfund.

Investment and borrowing restrictions

The Subfund will not utilise leverage through borrowing cash for investment purposes but may borrow up to 10% of its Net Asset Value for the purposes of payment of its ongoing operational costs and/or redemption proceeds. Cash may be borrowed from banks and other financial institutions. The Subfund’s assets may be charged or pledged as security for any such borrowings. If any of the investment and borrowing restrictions set out above are breached, the Management Company and/or portfolio manager shall as a priority objective take all steps necessary within a reasonable period of time to remedy the situation, having due regard to the interests of investors.

General risk information

Risks associated with investments in debt securities and bonds

The risks associated with investments made in bonds and other similar transferable securities can be summarised as follows: interest rate risk, credit risk, liquidity risk and currency risk.

The value of debt securities may change significantly depending on economic and interest rate conditions as well as the credit worthiness of the issuer. Issuers of debt securities may fail to meet payment obligations or the credit rating of debt securities may be downgraded. These risks are typically increased for sub-investment grade debt securities which may also be subject to higher volatility and lower liquidity than investment grade debt securities.

Credit risk

As the Subfund may invest in fixed income instruments, it will be exposed to the creditworthiness of the issuers of the instruments and their ability to make principal and interest payments when due in accordance with the terms and conditions of the instruments. The creditworthiness or perceived creditworthiness of an issuer may affect the market value of fixed income instruments. Issuers with higher credit risk typically offer higher yields for this added risk, whereas issuers with lower credit risk typically offer lower yields. Generally, government debt is considered to be the safest in terms of credit risk, while corporate debt involves a higher credit risk. Related to that is the risk of downgrade by a rating agency. Rating agencies are private undertakings providing ratings for a variety of fixed income instruments based on the creditworthiness of their issuers. The agencies may change the rating of issuers or instruments from time to time due to financial, economic, political, or other factors, which, if the change represents a downgrade, can adversely impact the market value of the affected instruments.

Risks associated with investments in high-yield bonds

Investing in debt instruments involves interest-rate, sector, security and credit risk. Compared with investment-grade bonds, high-yield bonds generally attract a lower rating and usually offer higher yields in order to offset the lower credit rating or higher default risk associated with these securities. High-yield bonds involve a greater risk of capital erosion through default or in the case of an effective interest rate that is below the current rate of interest. Economic conditions and changes in the level of interest rates may have a considerable impact on the value of these bonds. In addition, high-yield bonds may be exposed to greater credit or default risk than

bonds with a high rating. These bonds tend to react more to developments affecting market and credit risk than securities with a higher rating. The value of high-yield bonds may be negatively affected by overall economic conditions, such as an economic downturn or a period of rising interest rates. High-yield bonds may be less liquid and more difficult to sell or value at a favourable point in time or price than bonds with a higher rating. In particular, high-yield bonds are often issued by smaller, less creditworthy and more indebted companies that are generally less able to pay capital and interest on schedule than financially sound companies.

Interest rate risk

The Subfund's investments in fixed income securities are subject to interest rate risk. Generally, the value of fixed income securities is expected to be inversely correlated with changes in interest rates. As interest rates rise, the market value of fixed income securities tends to decrease. Long-term fixed income securities in general are subject to higher sensitivity to interest rate changes than short-term fixed income securities. When interest rates are falling, some fixed income securities provide that the issuer may repay them earlier than the maturity date, and if this occurs, the Subfund may have to reinvest these repayments at lower interest rates.

Risks associated with structured products

Structured products, such as certificates, credit-linked notes, equity-linked notes or other similar products involve an issuer structuring the product whose value is intended to replicate, to track, to peg or to be linked in any other way to another security, a basket of securities, an index or to a direct or a synthetic position. To be eligible, the structured products must be sufficiently liquid and issued by first-class financial institutions (or by issuers that offer investor protection comparable to that provided by first-class financial institutions). Structured products must qualify as securities pursuant to Art. 41 (1) of the 2010 Law and must be valued regularly and transparently on the basis of independent sources. If the source for valuation is not independent or done by the issuer itself, the Fund or an agent duly appointed by the Fund shall verify the valuation provided.

Different types of risk may apply to structured products since the term encompasses a broad scope of different structuring possibilities. Given that structured products are often unsecured and are only backed by the credit of the issuer, they are subject to credit risk of the issuer. In addition, the structured products may be highly customised. Accordingly, particular attention shall be paid to whether the envisaged structured product is eligible for an investment and suits the Fund's investment objective and investment policy appropriately.

Risks associated with investments in Asset-Backed/Mortgage-Backed Securities (ABS/MBS)

Asset-backed securities (ABS) are securities issued by special purpose vehicles (SPV) and are backed by a pool of assets, such as corporate loans, auto, student, home equity and other loans, credit card receivables or similar that provide funds for interest payments to the ABS investors and for the repayment of the invested principal. In case of mortgage-backed securities (MBS), the securities are backed by a pool of mortgages. The SPV is established with the sole purpose to issue and administer the ABS/MBS and is fully independent from the entity granted the underlying receivables ("off-balance sheet"). One of the main purposes of ABS/MBS is to reallocate credit and prepayment risks among investors which is achieved by creating different tranches within the securities that have a senior-subordinated structure as regards the credit and pre-payment risks. The attention of the investors is drawn to the fact that the structure of the ABS/MBS and the pools backing them are often intransparent and the Subfund may expose a greater credit and prepayment risks (extension or contraction risks) depending on which tranche of ABS/MBS is purchased by the Subfund.

Liquidity risk

The Subfund may invest in securities that subsequently prove difficult to sell due to reduced liquidity. This may have a negative effect on their market price and consequently on the Subfund's Net Asset Value. The reduced liquidity of these securities may be due to unusual or extraordinary economic or market events such as a deterioration in the credit rating of an issuer or the lack of an efficient market.

In extreme market situations, there may be few willing buyers and it may not be easy to sell the investments at the chosen time; in addition, the Subfund may have to agree to a lower price in order to sell the investments, or they may not be able to sell the investments at all. Trading in certain securities or other instruments may be suspended or restricted by the relevant exchange or by a governmental or regulatory body, which may cause the Subfund to incur a loss. The inability to sell a portfolio position may have a disadvantageous effect on the value of these subfunds or prevent them from being able to exploit other investment opportunities. In order to meet redemption requests, the Subfund may be forced to sell investments at unfavourable times and/or on unfavourable terms.

Risks associated with investments in emerging market countries

Investing in emerging markets may carry a higher risk than investing in developed markets.

There may be a higher than usual risk of political, economic, social and religious instability and adverse changes in government regulations and laws in less developed or emerging markets, which could affect the investments in those countries. The assets of the Subfund invested in such markets, as well as the income derived from the Subfund, may also be effected unfavourably by fluctuations in currency rates and exchange control and tax regulations and consequently the Net Asset Value of the Subfund may be subject to significant volatility. Also, there might be restrictions on the repatriation of the capital invested.

Some of these markets may not be subject to accounting, auditing and financial reporting standards and practices comparable to those of more developed countries and the securities markets of such markets may be subject to unexpected closure. In addition, there may be less government supervision, legal regulation and less well defined tax laws and procedures than in countries with more developed securities markets.

Moreover, settlement systems in emerging markets may be less well organised than in developed markets. Thus, there may be a risk that settlement may be delayed and that cash or securities of the concerned Subfunds may be in jeopardy because of failures or of defects in the systems. In particular, market practice may require that payment shall be made prior to receipt of the security which is being purchased or that delivery of a security must be made before payment is received. In such cases, default by a broker or bank through whom the relevant transaction is effected might result in a loss being suffered by the Subfunds investing in emerging market securities.

Limits concerning Global Exposure

The Global Risk Exposure calculation method in accordance with applicable laws and regulations is prepared based on the commitment approach. The risk management procedure shall also be applied within the scope of collateral management (see Chapter 20, Investment Restrictions – Collateral Policy and Management of the Prospectus) and the techniques and instruments for the efficient management of the portfolio (see Chapter 20, Investment Restrictions - Financial techniques and instruments of the Prospectus) as set forth in the CSSF Circular 14/592.

Leverage

Leverage is defined pursuant to the applicable ESMA guidelines and CSSF Circular 11/512 as the total of the nominal values of the financial derivative instruments used by the Subfund. According to the definition, leverage may result in artificially increased leverage amounts, as some financial derivative instruments that can be used for hedging purposes may be included in the calculation. Consequently, this information does not necessarily reflect the precise actual leverage risk that the investor is exposed to.

The expected maximum leverage is expressed in the table below as a ratio between the total of the nominal value and the Net Asset Value of the Subfund. Greater leverage amounts may be attained for the Subfund, under certain circumstances.

Active Subfund	Expected Risk Profile	Expected maximum level of leverage (absolute level)	Expected Reference Portfolio (Benchmark)
Luxembourg Selection Fund – UBS Bond 2031	Commitment Approach	n.a.	n.a.

Portfolio management

UBS Asset Management (Europe) S.A., domiciled at 33A avenue J.F. Kennedy, L-1855 Luxembourg, has been designated as the Management Company of the Fund.

UBS Asset Management (Europe) S.A. delegated the management of the assets of the Subfund to UBS Asset Management (UK) Ltd., with registered office at 5 Broadgate, London EC2M 2QS, United-Kingdom. UBS Asset Management (UK) Ltd., a subsidiary of UBS Asset Management AG incorporated in the United-Kingdom, is regulated by the Financial Conduct Authority.

The portfolio management entities of UBS Asset Management may transfer their mandates fully or partially, to associated portfolio managers within UBS Asset Management. Responsibility in each case remains with the aforementioned Portfolio Manager assigned by the Fund.

The Portfolio Manager shall report regularly to the Board of Directors of UBS Asset Management (Europe) S.A. on their asset allocation key, the evolution of the assets, the adequate liquidity management of the Subfund any risk of potential breach of the investment policy and on the transactions executed for the account of the Subfund.

Repackaging of the Subfund's units

Darta Saving Life Assurance dac, Maple House, Temple Road, Blackrock, Co. Dublin, Ireland, an entity of the Allianz group (the "Assurance Company") is an investor in the Subfund, whose shares may be repackaged and become part of unit-linked insurance products distributed in Italy to the Assurance Company's clients.

Investing in LUXEMBOURG SELECTION FUND – UBS Bond 2031

General information

- Institutional Share Classes:

  Shares of "Class I" issued in the Accounting Currency.
  Shares of "Class I2" issued in the Accounting Currency.

- Accounting Currency: EUR

  The Subfund's accounting currency is the currency in which the Net Asset Value of shares in the Subfund is calculated. Investments will be made in EUR.

- Dividend policy: This Subfund pursues a policy of accumulation.

- Valuation Day: the Net Asset Value per share is determined on each Business Day.

- Swing pricing: Shares are generally issued and redeemed based on a single price: the Net Asset Value. To reduce the effects of dilution, the Net Asset Value per share is nevertheless adjusted on valuation days as described below; this takes place irrespective of whether the Subfund is in a net subscription or net redemption position on the relevant valuation day. If no trading is taking place in any Subfund or class of a Subfund on a particular valuation day, the unadjusted Net Asset Value per share is applied. The circumstances in which such a dilution adjustment is made are determined at the discretion of the Board. The requirement to carry out a dilution adjustment generally depends on the scale of subscriptions or redemptions of shares in the relevant Subfund. The Board may carry out a dilution adjustment if, in its view, the existing shareholders (in the case of subscription) or remaining shareholders (in the case of redemptions) could be put at a disadvantage. The dilution adjustment may take place if:

  (a) a Subfund records a steady fall (i.e. a net outflow due to redemptions);

  (b) a Subfund records a considerable volume of net subscriptions relative to its size;

  (c) a Subfund shows a net subscription or net redemption position on a particular valuation day; or

  (d) in all other cases in which the Board believes a dilution adjustment is necessary in the interests of the shareholders.

  When a valuation adjustment is made, a value is added to or deducted from the Net Asset Value per share depending on whether the Subfund is in a net subscription or net redemption position; the extent of the valuation adjustment shall, in the opinion of the Board, adequately cover the fees and charges as well as the spreads of buy and sell prices. In particular, the Net Asset Value of the respective Subfund will be adjusted (upwards or downward) by an amount that (i) reflects the estimated tax expenses, (ii) the trading costs that may be incurred by the Subfund, and (iii) the estimated bid-ask spread for the assets in which the Subfund invests. As some equity markets and countries may show different fee structures on the buyer and seller side, the adjustment for net inflows and outflows may vary. The adjustments are generally limited to a maximum of 2% of the prevailing Net Asset Value per share at the time. The Board may decide to temporarily apply a dilution adjustment of more than 2% of the prevailing Net Asset Value per share at the time in respect of any Subfund and/or Valuation Day in exceptional circumstances (e.g. high market volatility and/or liquidity, exceptional market conditions, market disruption, etc.), provided the Board can

justify that this is representative of the prevailing market conditions and that it is in the best interest of the shareholders. This dilution adjustment will be calculated in accordance with the method determined by the Board. Shareholders will be informed via the usual communication channels when the temporary measures are introduced and when they end.

The Net Asset Value of each class of the Subfund is calculated separately. However, dilution adjustments affect the Net Asset Value of each class to the same degree in percentage terms. The dilution adjustment is made at subfund level and relates to capital activity, but not to the specific circumstances of each individual investor transaction.

Subscriptions

- Subscription orders registered with the UCI Administrator by 15:00 CET ("cut-off time") on a business day ("Order Date") will be processed on the basis of the Net Asset Value calculated for that day after the cut-off time ("Valuation Day").
- Subscription fee: no subscription fees.

Redemptions

- Redemption orders registered with the UCI Administrator by 15:00 CET ("cut-off time") on a business day ("Order Date") will be processed on the basis of the Net Asset Value calculated for that day after the cut-off time ("Valuation Day"). Shares may be redeemed at any time up to five (5) Business Days before the end of the Subfund Maturity Date pursuant to the procedure described in Chapter 3. "Investing in Luxembourg Selection Fund" of Section II "General Provisions" of the Prospectus.
- Redemption fee: no redemption fees.
- Compulsory redemption in case of liquidation of the Subfund on the Subfund Maturity Date: In case of liquidation of the Subfund on the Subfund Maturity Date, the Board will compulsorily redeem all outstanding Shares as if investors had submitted a redemption request. Upon such compulsory redemption, each investor whose Shares are being redeemed will be entitled to receive the redemption price, less any redemption fee, if any, and other fees to be imposed, in accordance with the Section "Redemption of shares" of the general part of the Prospectus. From the day on which such compulsory redemption is effected, the relevant Shareholder shall have no other rights except the right to receive the redemption price, less any redemption fee, if any, and other fees to be imposed and the right to receive any dividends (if any) declared but not yet paid.

Past performance

The past performance of this Subfund is shown on the website https://www.fundinfo.com/.

Portfolio turnover

The portfolio turnover rate is included in the annual report. It is calculated using the following formula:

Portfolio turnover rate = [(Total 1 – Total 2)/M]*100

where

Total 1= total of securities transactions during the relevant period = X+Y

Where X = purchases of securities and Y = sale of securities

Total 2 = total of transactions in Shares of the Subfund during the relevant period = S+T

Where S = subscriptions of Shares of the Subfund and T = redemptions of Shares of the Subfund

M = average monthly assets of the Subfund

Fees & Expenses

- **Management Fee**: The Management Company will be entitled to receive out of the assets of the Subfund an annual fee equal to a percentage of the Net Asset Value of the Subfund subject to a minimum per Subfund. Such fee will be calculated by reference to the Net Asset Value of the Subfund subject to a rate of up to 0.085 % p.a.. This fee is accrued on each Valuation Day and shall be payable monthly in arrears. The Management Fee includes the UCI Administrator fee. The UCI Administrator will also be entitled to the

reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties. Further fees may be payable to the UCI Administrator in consideration of ancillary services rendered to the Fund and relating to the core services of the UCI Administrator.

- **Portfolio Management Fee**: UBS Asset Management (UK) Ltd., London, as portfolio manager is entitled to a Portfolio Management Fee as further detailed in the portfolio management agreement entered into with the Management Company. The Portfolio Management Fee will amount to 0.20% p.a., calculated based on the assets of the Subfund, calculated and accrued at each Valuation Day and payable on a monthly basis during the following month directly out of the assets of the Subfund. The portfolio manager of the Subfund will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties in the management of the Subfund. No performance fee will be paid to the portfolio manager of the Subfund.
- **Distributor Fee:** N/A.
- **Depositary Fee**: the Depositary will be entitled to receive out of the assets of the Subfund an annual fee equal to a percentage of the Net Asset Value of the Subfund subject to a minimum per Subfund. Such fee will be calculated by reference to the Net Asset Value of the Subfund subject to a rate of up to 0.075% p.a. with a minimum fee of EUR 20,000 per annum. The Depositary fee is accrued on each Valuation Day and shall be payable monthly in arrears. The Depositary will also be entitled to transaction fees charged on the basis of the investments made by each Subfund consistent with market practice in Luxembourg. Fees paid to the Depositary may vary depending on the nature of the investments of each Subfund and the countries and/or markets in which the investments are made. The Depositary will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties. Further fees may be payable to the Depositary in consideration of ancillary services rendered to the Fund and relating to the core services of the Depositary.
- **Subscription tax (taxe d'abonnement)***:

Class of Shares	Subscription tax
Class I	0.01%
Class I2	0.01%

* In case the Subfund invests in other Luxembourg UCITS or other UCIs, which in turn are subject to the annual subscription tax (*taxe d'abonnement*) provided for by the 2010 Law, no annual subscription tax (*taxe d'abonnement*) is due from the Subfund on the portion of assets invested therein.

- **Additional fees**: Additional fees for further services of the UCI Administrator, the Depositary and the Management Company and additional costs and expenses may be charged to the Subfund as reflected in Chapter 13 "Charges and Expenses" of Section II"General Provisions" below.

LUXEMBOURG SELECTION FUND – Thema Equities Fund

This section describes the characteristics of the Subfund LUXEMBOURG SELECTION FUND - Thema Equities Fund and all of the information contained therein should be read in conjunction with the General Provisions of the Prospectus.

Investor profile

The Subfund is suitable for retail, high net worth individuals and institutional investors with a conservative approach and sufficient knowledge and experience. The investor must have experience with volatile products.

The Subfund is suitable for investors with an investment horizon of investment of 10 years and more.

The investor must be able to accept significant temporary losses. However, there can be no assurance that the investors recover the assets originally invested to the Subfund as the value of the Subfund may either increase or decrease.

Investment objective

The objective of the Subfund is to preserve shareholders' wealth and to achieve long-term capital growth subject to moderate volatility with:

1. a volatility: below relevant equity markets over the investment horizon; and

2. an investment horizon: 10+ years.

There is no guarantee that the Subfund's investment objective will be achieved.

Investment strategy and policy

Strategy

The Subfund's investment strategy can be characterized as long-term, value-oriented and opportunistic. The Subfund will invest in highly liquid assets for the long term with emphasis on industries with real rather than intangible assets. While exposures and run comparisons will be monitored, there will not be at any time strict adherence to commonly used benchmarks. Economic and market risks will be closely monitored.

Strategy will focus on portfolio diversification and risk minimization. Risk will be assessed on individual investments as well as on a portfolio level.

The Subfund may use financial derivative instruments for hedging purposes.

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities (Art. 7 Taxonomy Regulation). This Subfund complies with Article 6 of SFDR. As such it does not consider principal adverse impacts on sustainability factors due to its investment strategy and the nature of the underlying investments (Art. 7(2) SFDR).

"Sustainability Risk" means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investments made by each Subfund. Sustainability Risks are not systematically integrated due to the nature of the investment objective of the Subfund and they are also not a core part of the investment strategy. The Subfund does not promote particular Environmental, Social and Governance (ESG) characteristics or pursue a specific sustainability or impact objective. Sustainability Risks are not relevant due to the nature of the investment objective of the Subfund. Sustainability Risks are currently not expected to have a material impact on the returns of the Subfund.

Policy

The Subfund will invest more than 50% and up to 100% of its net assets in listed equities.

The Subfund will mainly invest in well-established European large capitalization companies (market capitalisation above $10 billion), with a recognizable brand name, solid market share and reputable management.

The Subfund may also to a limited extent be allowed to invest opportunistically in less liquid mid and small-cap equities (market capitalisation below $10 billion) up to 20% of its net assets.

Although European equities will constitute the main investments of the Subfund, up to 30% of its net assets may be allocated to other developed markets while not more than 20% of its net assets may be allocated to emerging markets.

The Subfund's direct equity investments will focus on (a) companies with a solid real asset base in industries such as energy, materials, utilities, industrials, etc., (b) financial companies such as banks and insurance companies and (c) healthcare companies. Investments in companies with high intangibles relative to their long-term assets, predominantly IT patents and brand names, will generally be avoided. Specifically, the Subfund may invest up to 30% of its net assets in each of the energy sector, materials sector, health care sector and financials sector while up to 25% of its net assets in each of all other equity sectors.

In order to supplement its direct equity investment activities, the Subfund may further invest a portion of its assets (up to 25% of its net assets) in long-only equity funds (e.g. UCITS and other UCIs) with assets under management in excess of €500 million.

The Subfund may also invest in fixed income (less than 25% of its net assets). Fixed income may include investments in bonds and bond funds (e.g. UCITS and other UCIs), with bond funds not exceeding 10% of the Subfund's net assets (such allocation being part of the overall fixed income limit).The Subfund's bond investments shall focus on developed market corporates as well as emerging markets bonds. Investments in emerging market high yield bonds (up to 10% of the Subfund's net assets) shall be limited to instruments in which the Government, including state-owned entities, has an ownership stake of more than 50%.

The Subfund will normally invest in low duration bonds (up to 3 years' maturities) as a mean to mitigate credit and interest rate risk, and bonds will generally be kept until maturity.The Subfund will aim to invest in bonds denominated in the Subfund's base currency i.e., Euro, unless yields available are judged not to be competitive by the Portfolio Manager. In such case, as well as taking into consideration currency prospects, the Portfolio Manager may opt to invest in non-EUR denominated bonds excluding emerging markets local currency bonds, for currency diversification and / or added yield.

The Portfolio Manager may also opt to invest in longer duration fixed income in a high interest rate environment.

The maximum aggregate management fee that may be charged to the Subfund and the target funds in which it invests shall not exceed 3% per annum of the relevant net assets.

Subject to the conditions set out in Chapter 20 "Investment Restrictions" of Section II "General Provisions" under number 1 lit. B (d), the Subfund's assets may hold liquid assets on an ancillary basis to provide for redemptions or to meet other liquidity needs.

In addition, the Subfund may invest in commercial paper and other money market instruments, money market funds that meet the criteria of Article 41(1) or the 2010 Law and monetary type of UCITS and other UCIs (within the limit set out by the 2010 Law), for treasury purposes or in case of unfavourable market conditions which shall be viewed as alternatives to holding cash.

The Subfund will not invest in ABS, MBS and convertible bonds (or contingent convertible bonds).

Benchmark

In accordance with Chapter 15 "Benchmark" of Section II "General Provisions" this Subfund is actively managed and references the 3M Euribor + 5% p.a. for performance comparison only and not for the explicit or implicit definition of the portfolio's composition.

Use of Securities Financing Transaction and total return swaps

The Subfund will not enter into total return swaps nor make use of securities financing transactions, i.e. (i) repurchase transactions (ii) securities or commodities lending and securities or commodities borrowing (iii) buy-sell back transactions or sell-buy back transactions, and (iv) margin lending transactions.

General risk information

Investors should understand that any investment involves risk and there will be neither a guarantee against loss resulting from an investment in the Subfund nor a commitment that the Subfund's investment objective will be achieved. As with any investment, the value of an investment in the Subfund may fall as well as rise, depending

on a multitude of factors that may affect the value of the asset portfolio of the Subfund, including general economic conditions, regulatory changes, market factors and currency exchange rates. In addition, investment decisions will not always be profitable or may not always turn out to have been correct.

The capital invested may fluctuate up or down, and investors may not recover the entire value of the capital initially invested.

Risks associated with the investment in units of UCITS and/or other UCIs and ETFs

By investing in collective investment vehicles indirectly through the Subfund, the investor will bear not only his proportionate share of the management fee of the Subfund, but also indirectly, the management and administration expenses of the underlying collective investment vehicles. In the case of investment in closed-ended investment vehicles, shares may at times be acquired only at market prices representing premiums to their net asset values. Shares of such collective investment vehicles will be valued at their last available stock market value. Closed-ended investment vehicles which are not subject in their country of origin to permanent supervision by a supervisory authority set up by law in order to ensure the protection of investors may expose the Subfund investing in them to additional risks than if they were investing in collective investment vehicles established in other jurisdictions more protective of the investors (for instance, less frequent opportunities for disposal, delayed payment or non-receipt of settlement monies, or less protective judicial structures).

The Subfund may invest in shares of collective investment schemes including exchange-traded funds, closed-ended funds and UCITS – collectively, underlying funds. These funds may be advised or sub-advised by the Portfolio Manager, an affiliate manager or by an unaffiliated manager. The ability of the Subfund to invest in shares of an underlying fund or funds to achieve its investment objective may be directly related to the ability of the underlying funds to meet their investment objectives. The Subfund will be exposed to the risks to which the underlying funds are exposed. These risks may include liquidity risk where the ability of the Subfund to meet the liquidity requirements of its investment is directly linked to the ability of the underlying funds to meet their liquidity requirements.

Risks associated with the investments in equities

The risks associated with investments made in equities and other similar transferable securities can be summarised as follows: sharp fluctuations in market price, negative information on issuers or markets and subordination of equities to bonds issued by the same enterprise.

Potential investors should also consider fluctuations in exchange rates, the possibility of controls on foreign exchange and other restrictions.

Risks associated with investments in debt securities and bonds

The risks associated with investments made in bonds and other similar transferable securities can be summarised as follows: interest rate risk, credit risk, liquidity risk and currency risk.

The value of debt securities may change significantly depending on economic and interest rate conditions as well as the credit worthiness of the issuer. Issuers of debt securities may fail to meet payment obligations or the credit rating of debt securities may be downgraded. These risks are typically increased for sub-investment grade debt securities which may also be subject to higher volatility and lower liquidity than investment grade debt securities.

Risks associated with the use of financial derivative instruments

While the prudent use of derivatives may be beneficial, derivatives are also subject to different risks that, in certain cases, may be greater than the risks associated with more traditional investments. These include: market risk, which is associated with all types of investment; management risk, as the use of derivatives requires understanding not just of the underlying but also of the derivative itself; credit risk, which is the result of the default risk, if the counterparty to the derivative fails to respect the terms of the derivatives contract.

The credit risk for derivatives traded on a regulated market is generally lower than for OTC derivatives, because the clearing agents, which assume the function of issuer or counterparty in relation to each derivative traded over the counter, assume a performance guarantee. This guarantee is provided via the margin deposit requirements for purposes of reducing global credit risk. In the case of derivatives traded over-the-counter, there is no comparable clearing agent. As a result, the rating of each counterparty must be analysed in order to evaluate the potential credit risk.

Liquidity risk exists when a particular instrument is difficult to purchase or sell and it might not be possible to conclude the transaction or liquidate a position at an advantageous price.

The other risks associated with using derivatives include the valuation risk or the impossibility of perfectly correlating derivatives with the underlying assets and indices. A poor valuation may result in supplementary cash margin deposit requirements, which means a loss for the Subfund.

Risks associated with investments in emerging market countries

Investing in emerging markets may carry a higher risk than investing in developed markets.

There may be a higher than usual risk of political, economic, social and religious instability and adverse changes in government regulations and laws in less developed or emerging markets, which could affect the investments in those countries. The assets of the Subfund invested in such markets, as well as the income derived from the Subfund, may also be effected unfavourably by fluctuations in currency rates and exchange control and tax regulations and consequently the Net Asset Value of the Subfund may be subject to significant volatility. Also, there might be restrictions on the repatriation of the capital invested.

Some of these markets may not be subject to accounting, auditing and financial reporting standards and practices comparable to those of more developed countries and the securities markets of such markets may be subject to unexpected closure. In addition, there may be less government supervision, legal regulation and less well defined tax laws and procedures than in countries with more developed securities markets.

Moreover, settlement systems in emerging markets may be less well organised than in developed markets. Thus, there may be a risk that settlement may be delayed and that cash or securities of the concerned Subfunds may be in jeopardy because of failures or of defects in the systems. In particular, market practice may require that payment shall be made prior to receipt of the security which is being purchased or that delivery of a security must be made before payment is received. In such cases, default by a broker or bank through whom the relevant transaction is effected might result in a loss being suffered by the Subfunds investing in emerging market securities.

Liquidity risk

The Subfund is exposed to the liquidity risk of the equities held in the portfolio. This means that some underlying securities may subsequently prove difficult to sell due to reduced liquidity. This may have a negative effect on their market price and consequently on the Subfund's Net Asset Value. The reduced liquidity of these securities may be due to unusual or extraordinary economic or market events such as a deterioration in the credit rating of an issuer or the lack of an efficient market.

In extreme market situations, there may be few willing buyers and it may not be easy to sell the investments at the chosen time; in addition, the Subfund may have to agree to a lower price in order to sell the investments, or they may not be able to sell the investments at all. Trading in certain securities or other instruments may be suspended or restricted by the relevant exchange or by a governmental or regulatory body, which may cause the Subfund to incur a loss. The inability to sell a portfolio position may have a disadvantageous effect on the value of the Subfund or prevent them from being able to exploit other investment opportunities. In order to meet redemption requests, the Subfund may be forced to sell investments at unfavourable times and/or on unfavourable terms.

Limits concerning Global Exposure and leverage

The method used to calculate overall exposure of the Subfund is the commitment approach.

Leverage is defined pursuant to the applicable ESMA guidelines and CSSF Circular 11/512 as the total of the nominal values of the financial derivative instruments used by the Subfund. According to the definition, leverage may result in artificially increased leverage amounts, as some financial derivative instruments that can be used for hedging purposes may be included in the calculation. Consequently, this information does not necessarily reflect the precise actual leverage risk that the investor is exposed to.

The expected maximum leverage is expressed in the table below as a ratio between the total of the nominal value and the Net Asset Value of the Subfund. Greater leverage amounts may be attained for the Subfund, under certain circumstances.

Active Subfund	Expected Risk Profile	Expected maximum level of leverage (absolute level)	Expected Reference Portfolio (Benchmark)[1]
Luxembourg Selection Fund – Thema Equities Fund	Commitment Approach	[N/A]	[N/A]

[1] In accordance with CSSF Circular 11/512, reference portfolio must be disclosed for Subfunds for which the Global Risk Exposure is calculated using the Relative Value at Risk Approach

Portfolio asset management

UBS Asset Management (Europe) S.A., domiciled at 33A avenue J.F. Kennedy, L-1855 Luxembourg, has been designated as the Management Company of the Fund.

UBS Asset Management (Europe) S.A. has delegated the management of the assets of this Subfund to Easternmed Asset Management Services Ltd, a private company limited by shares, incorporated under the laws of the Republic of Cyprus under Registration No. HE342398 and having its registered office at 11 Kyriakou Matsi, Nikis Center, 8th floor, P.C. 1082 Nicosia, Cyprus (the "**Portfolio Manager**").

The Portfolio Manager can use the services of service providers (such as data service providers) to support the portfolio manager in carrying out its duties (provided that these services do not form part of the portfolio management function). All charges are borne directly by the Portfolio Manager and not by the Subfund.

Investing in LUXEMBOURG SELECTION FUND – Thema Equities Fund

General information

Management Fee: The Subfund's share Classes are subject to a "Management Fee" calculated daily on the average total net assets of the respective class during the month concerned, as provided for in the fees and expenses table below. This fee does also comprise the remuneration for UCI Administrator, Management Company and portfolio management.

Depositary fee: the Depositary is authorised to receive a fee for exercising this function of up to 0.03% per year, calculated based on the assets of the Subfund, calculated and accrued at each Valuation Day and payable on a monthly basis during the following month directly out of the assets of the Subfund. In addition Depositary receives a fixed service fee of EUR 15'000 p.a. per account.

Additional fees for further services of the UCI Administrator, the Depositary and the Management Company and additional costs and expenses may be charged to the Subfund as reflected in Chapter 13 "Charges and Expenses" of Section II"General Provisions" below. In addition, the Subfund is charged a platform fee of EUR 15'000 p.a..

Class of Shares	**Class I**	**Class A**	**Class B**
Reference currency	EUR	EUR	EUR
Minimum initial investment and minimum holding	€ 4,000,000.-	€ 4,000,000.-	€100,000.-
Minimum subsequent investment	€ 1,000,000.-	€ 1,000,000.-	€ 100,000.-
Distribution policy	capitalization	capitalization	capitalization

- Class I is available to institutional investors.
- Class A is available to high-net-worth individuals.
- Class B is available to all types of investors.

Fees and expenses

The fees detailed in the table below shall be calculated as a percentage of the applicable net assets.

Class of Shares	**Class I**	**Class A**	**Class B**
Management Fee*	Up to 0.30%	Up to 0.50%	Up to 1.00%

Depositary fee	Up to 0.03%	Up to 0.03%	Up to 0.03%
Subscription Fee	0.00%	0.00%	Up to 1.00%
Redemption Fee	0.00%	0.00%	Up to 1.00%
Subscription Tax (*taxe d'abonnement*)**	0.01%	0.05%	0.05%
Distribution Fee	0.00%	0.00%	0.00%
Conversion Fee	0.00%	0.00%	0.00%
Performance Fee	N/A	N/A	N/A

*The Management Fee will include the Management Company fees, the UCI Administrator fees and the investment management fees.

** In case the Subfund invests in other Luxembourg UCITS or other UCIs, which in turn are subject to the annual subscription tax (*taxe d'abonnement*) provided for by the 2010 Law, no annual subscription tax (*taxe d'abonnement*) is due from the Subfund on the portion of assets invested therein.

Frequency of the Net Asset Value calculation and Valuation Day

The Net Asset Value per share will be determined on each Business Day (the "**Valuation Day**").

The Net Asset Value per share will be calculated on the first Business Day following the Valuation Day.

Subscriptions

Shares will be issued at the Net Asset Value per share determined as at the relevant Valuation Day.

Applications must be received by the UCI Administrator no later than 14:00 CET Luxembourg time on each Business Day. Any applications received after the applicable deadline will be processed in respect of the next Valuation Day.

Payment for subscribed shares has to be made no later than two (2) Business Days after the relevant Valuation Day.

Redemptions

Shares will be redeemed at the Net Asset Value per share determined as at the relevant Valuation Day.

Applications must be received by the UCI Administrator no later than 14:00 CET. Luxembourg time on each Business Day. Any applications received after the applicable deadline will be processed in respect of the next Valuation Day.

Payment for redeemed shares has to be made no later than three (3) Business Days after the relevant Valuation Day.

Conversions

Shares of the Subfund may not be converted into shares of any other Subfund of the Fund.

Conversions from one class of shares of the Subfund to another class of shares of the Subfund are allowed, subject to compliance with applicable requirements of this Subfund annex.

SECTION II: GENERAL PROVISIONS

Management and Administration

Registered office		33A, Avenue J.F. Kennedy, L-1855 Luxembourg
Board of Directors of the Fund		
	Chairman	Madhu Ramachandran UBS Europe SE, Luxembourg Branch Luxembourg, Grand Duchy of Luxembourg
	Directors	Peter Richter UBS Europe SE, Luxembourg Branch Luxembourg, Grand Duchy of Luxembourg
		Manuela Abreu Independent Director Sandweiler, Grand Duchy of Luxembourg
Management Company		UBS Asset Management (Europe) S.A. 33A avenue J.F. Kennedy L-1855 Luxembourg Grand Duchy of Luxembourg
Board of Directors of the Management Company		
	Chairman	Manuel Roller Head of Fund Management, UBS Asset Management Switzerland AG Zurich, Switzerland
	Directors	Francesca Prym CEO, UBS Asset Management (Europe) S.A. Luxembourg, Grand Duchy of Luxembourg
		Eugène Del Cioppo CEO, UBS Fund Management (Switzerland) AG Basel, Switzerland
		Ann-Charlotte Lawyer Independent Non-Executive Director Luxembourg, Grand Duchy of Luxembourg
		Francesco Grana Head of Global WM and Wholesale client coverage UBS Asset Management Switzerland AG Zurich, Switzerland
		Giovanni Papini Non-Executive Director Arrezzo, Italy
Conducting officers of the Management Company		Andrea Papazzoni UBS Asset Management (Europe) S.A

	Luxembourg, Grand Duchy of Luxembourg Nina Egelhof UBS Asset Management (Europe) S.A Luxembourg, Grand Duchy of Luxembourg Marcus Ulm UBS Asset Management (Europe) S.A Luxembourg, Grand Duchy of Luxembourg Anna Paola Ionna UBS Asset Management (Europe) S.A Luxembourg, Grand Duchy of Luxembourg Lisiane Asnouni-Favini UBS Asset Management (Europe) S.A Luxembourg, Grand Duchy of Luxembourg Monika Zlopasa UBS Asset Management (Europe) S.A Luxembourg, Grand Duchy of Luxembourg
Portfolio managers and advisers	The name of the respective portfolio managers and advisers are disclosed for each Subfund under Section I.
Depositary and principal paying agent	UBS Europe SE, Luxembourg Branch 33A, avenue J.F. Kennedy L-1855 Luxembourg
UCI Administrator	Northern Trust Global Services SE 10 rue du Château d'Eau L-3364 Leudelange
Réviseur d'entreprises	PricewaterhouseCoopers Assurance, Société coopérative 2, rue Gerhard Mercator B.P. 1443 L-1014 Luxembourg

1. THE FUND

Structure of the Fund

The Fund is a *société d'investissement à capital variable* (SICAV) with multiple Subfunds established in accordance with the provisions of the 2010 Law and the Luxembourg Law of 10 August 1915 on commercial companies, each as amended (the "1915 Law"). The Fund is subject in particular to the provisions of Part I of the 2010 Law, specifically for Collective Investment in Transferable Securities as defined in the European Directive 2009/65/EC of the European Parliament and of the Council of July 13, 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities ("UCITS") (the "Directive 2009/65/EC").

The Fund is characterised by a structure with multiple Subfunds divided into several separate portfolios of assets called "Subfunds", within which different classes of shares may be issued. The assets of different classes in the same Subfund will be invested jointly pursuant to the investment policy of the compartment, but in which a specific fee structure, specific minimum investment amounts, a specific distribution policy, a specific accounting currency, special hedging or other features may be applied separately to each class.

The total net assets of the various Subfunds constitutes the total net assets of the Fund, which always corresponds to the capital of the Fund and consists of fully paid up and non-nominal shares (the "Shares").

At general meetings, shareholders have the right to one vote per share held, irrespective of the difference in value of Shares of the respective Subfunds. The Shares of a particular Subfund are entitled to one vote per share held when voting at meetings affecting that Subfund. The rights attached to shares are those contained in the 1915 Law, provided that they are not derogated by the 2010 Law.

The fund constitutes a single legal entity. It is specified, however, that in relations between shareholders, each Subfund is considered a separate entity constituting a separate pool of assets with its own objectives and represented by one or more separate classes. In addition, vis-à-vis third parties, and particularly vis-à-vis the creditors of the Fund, each Subfund shall be exclusively responsible for the commitments attributed to it.

The duration and the assets of the Fund are not restricted.

Legal Aspects

The Fund was established on 9 October 2003 under the 1915 Law in the legal form of a société anonyme with the status of an investment company with variable capital under Part I of the 2010 Law. The Fund is registered under number B 96.268 in the commercial register of Luxembourg.

Following an extraordinary general meeting of the shareholders held on 29 December 2011, the articles of incorporation of the Fund (the "Articles of Incorporation") were amended in order to have the Fund regulated by Part I of the 2010 Law (the "Amendments to the Articles of Incorporation"). The Articles of Incorporation have been deposited with the Registrar of the Luxembourg District Court. The Amendments to the Articles of Incorporation were published in the Memorial on 30 January 2012.

The Fund draws the investor's attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Fund (notably the right to participate in general shareholders' meetings), if the investor is registered himself and in his own name in the shareholders' register of the Fund. In cases where an investor invests in the Fund through an intermediary investing into the Fund in his own name but on behalf of the investor, (i) it may not always be possible for the investor to exercise certain shareholder rights , such as the right to participate in general meetings of shareholders, directly against the Fund or and (ii) the investor's right to be indemnified compensated in case of significant Net Asset Value calculation errors and/or other errors at the level of the Fund (including any Subfund) may be affected. Investors are advised to seek advice in relation to their rights.

The Fund's financial year ends on the last day of April. The annual general meeting is held every year on second Wednesday of October at 11:00 a.m. at the registered office of the Fund or any other address indicated in the notice of the meeting. If such day is not a business day in Luxembourg, the annual general meeting will be held on the next business day.

The Board reserves the right at any time to launch new Subfunds and/or other classes of shares, whose investment policy, features and terms of offer will be communicated in due course by an update of this

Prospectus. In compliance with the regulations laid down in "Dissolution and merger of the Fund and its Subfunds", the Board reserves the right to terminate or to merge certain Subfunds.

Variations in the Fund's capital may take place without further notice or consultation and without the need for publication or registration in the commercial register. The minimum required capital totals EUR 1,250,000. This minimum amount must be achieved within a period of six months following registration of the Fund on the official list of undertakings for collective investment.

2. INVESTMENT OBJECTIVES AND POLICY

The Fund's objective is to offer investors the opportunity to invest in all types of securities through professionally managed Subfunds, each with its own objective and investment policies described in detail in Section I, in order to provide optimal capital appreciation while ensuring the security of capital and liquidity.

The Fund implements a risk management method that allows it at all times to monitor and measure the risk associated with positions and the contribution of the positions to the overall risk profile of the portfolio of each compartment. It will also use a method that will allow it to accurately and independently value financial derivative instruments traded over-the-counter.

The Fund will ensure the overall risk linked to financial derivative instruments does not exceed the total net value of its portfolio. Risks will be calculated taking account of the current value of the underlying assets, of the counterparty risk, the foreseeable changes in the markets and the time available for liquidating the positions.

3. INVESTING IN LUXEMBOURG SELECTION FUND

Net Asset Value

Unless otherwise described under Section I, the Net Asset Value per share of the individual Subfunds is determined on each Business Day by the UCI Administrator (hereinafter a "Valuation Day").

"Business Day" In this context means the customary banking days (i.e. all days on which banks are open during normal office hours) in Luxembourg, except for 24 and 31 December, individual, non-statutory days of restin Luxembourg and days on which the stock exchanges in the main countries in which the respective Subfund invests are closed, and/or 50% or more of the shares of a Subfund cannot be adequately valued.

“Non-statutory days of rest” are days on which banks and financial institutions are closed.

The net asset value of each Subfund is equal to the total assets of that Subfund less its liabilities (the “Net Asset Value”). The Net Asset Value of each Subfund is expressed in the currency of that Subfund as described in detail in Section I, and is determined on each Valuation Day by dividing the total net assets of the compartment by the number of shares then in circulation. The Net Asset Value per share of each Subfund is determined using the last known price (i.e. the closing price, or if that price does not reflect a reasonable market value for the Board, the last price known at the time of valuation) each Business Day, unless otherwise indicated in Section I.

For Subfunds for which different classes of shares have been issued, the Net Asset Value per share is calculated for each share class. To this effect, the Net Asset Value of the Subfund attributable to the corresponding class is divided by the total number of shares in issue of that class.

Accrued income upon issue of a share class is to be applied, in the accounts of the Fund, to the Subfund corresponding to that share class, provided that, where several classes of shares are outstanding in this Subfund, the corresponding amount increases the proportion of net assets of this Subfund attributable to the class of shares to be issued.

When the assets or liabilities of the Fund cannot be attributed to a particular Subfund, such assets or liabilities are attributed to all Subfunds in proportion to the Net Asset Value of the corresponding share classes or as otherwise determined in good faith by the Board.

The total net assets of the Fund are expressed in CHF and correspond to the difference between the total assets and total liabilities of the Fund. For the purpose of this calculation, the net assets of each Subfund, if they are not denominated in CHF, are converted into CHF and added to the others.

Without prejudice to the regulations of each Subfund, the value of the assets held by a Subfund is valued as follows:

(a) based on the net acquisition price and calculating returns on a constant basis, the value of money market instruments with a residual maturity of less than one year is adjusted to the redemption price of these instruments. In the event of material changes in market conditions, the valuation basis is adjusted to reflect the new market yields;

(b) debt securities with a residual maturity of more than one year and other securities are valued at the closing price, if they are listed on an official stock exchange. If a security is listed on several exchanges, the last known price on the primary market is the determinant;

(c) debt securities with a residual maturity of more than one year and other securities, if they are not listed on an official stock exchange, but traded on another regulated market, which is recognised, open to the public and operating regularly, are valued at the last available price on this market;

(d) shares of UCITS authorized according to Directive 2009/65/CE and/or other assimilated UCIs will be valued at the last known Net Asset Value at the Valuation day;

(e) time deposits with an original maturity exceeding 30 days can be valued at their respective rate of return, provided the corresponding agreement between the credit institution holding the time deposits and the Fund stipulates that these time deposits may be called at any time and that, if called for repayment, their cash value corresponds to this rate of return;

(f) any cash in hand or on deposit, notes payable on demand, bills and accounts receivable, prepaid expenses, cash dividends, interests declared or accrued as aforesaid and not yet received shall be valued at their full nominal value, unless in any case the same is unlikely to be paid or received in full, in which case the Board may value these assets with a discount he may consider appropriate to reflect the true value thereof;

(g) the value of swaps is calculated using a method based on the net present value of future cash flows, recognised by the Board and verified by the Fund's auditor;

(h) securities and other investments listed on a stock exchange are valued at the last known prices. If the same security or investment is listed on several stock exchanges, the closing price on the stock exchange that represents the primary market for this security will be used.

In the scenario where securities and other investments are traded on a stock exchange with low volume but are traded among market makers on a secondary market using price determination methods that are in line with market practice, the Fund may use the prices of this secondary market as the basis for valuing such securities and investments. Securities and other investments that are not listed on a stock exchange, but which are traded on another regulated market which is recognised, open to the public and operating regularly, are valued at the last known price on this market.

Issue and conversion of shares

Unless otherwise indicated in Section I, the Board is authorised without limitation to distribute and issue shares of each Subfund. The Board is also authorised to fix a minimum subscription, redemption and conversion amount, as well as a minimum holding for each Subfund.

Subscriptions can be made for an amount or for a number of shares; conversions and redemptions can be made for an amount or for a number of shares. The initial and subsequent minimum subscription and investment amounts, if applicable, are indicated in Section I for each Subfund.

Shares are issued in the form of registered shares. Fractions of shares are recognised to three decimal places.

Investors are informed that the board of directors of the Management Company, acting on behalf of the Fund (the "Board of Directors"), is authorised to take all appropriate measures to prevent practices known as "market timing" in relation to investments in the Fund.

The Board of Directors will also ensure that the "cut-off time" applicable to any request for subscription, conversion and redemption of units be strictly respected, and therefore is authorised to take all appropriate measures to guard against the practice known as "late trading".

For claims vis-à-vis distributors, the Board of Directors will ensure in advance that the cut-off-time is duly respected by the distributors.

The Board of Directors is authorised to reject any requests for subscription and conversion in case of doubt or if it has knowledge of the existence of such practices.

In addition, the Board of Directors is authorised to take any further measures it deems appropriate to prevent the above-mentioned practices, without prejudice, however, to the provisions under Luxembourg law. The Board of Directors is further authorised to close any existing class of shares for further subscriptions with prior notice to the investors.

Initial subscription

The initial subscription period, the subscription fees and the price of shares of each Subfund and/or class(es) of shares are described in detail in Section I.

Subsequent subscription

After the closing of the initial offering period, shares will be issued at a price corresponding to the Net Asset Value per share, plus any subscription fee to be determined for each Subfund by reference to the Net Asset Value per share (and as indicated in Section I). Any taxes, duties and other charges incurred in the various countries in which Fund shares are sold will also be taken into account.

Subscription procedures

All requests for subscriptions, redemptions and conversions must be addressed to the distributors and/or sales agents, as described for each Subfund in Section I, or may be presented directly to the Fund.

The distributor and/or sales agents may, with the prior approval of the Fund, appoint additional distributors/sales agents based in a Member State of the Financial Action Task Force (FATF).

Duly completed and signed subscription requests received by the Fund no later than 4 p.m. on the Business Day in Luxembourg preceding a Valuation Day shall be settled at the issue price calculated on that Valuation Day. Subscription requests received after that time will take effect on the following Valuation Day.

Subscription requests must be submitted for payment in the reference currency as defined for each Subfund in Section I. The issue price is calculated in the relevant reference currency as defined for each Subfund in Section I.

Payment must be received by the Depositary of the Fund at the latest two Business Days in Luxembourg after the Valuation Day.

The Fund may, at its discretion, accept subscriptions made in the form of payments in kind of securities, in part or in whole. However, the securities must be in accordance with the respective Subfund's investment policy and restrictions. In addition, these securities will be audited by the Fund's appointed auditor. The related fees are borne by the investor.

Distributors and sales agents of Fund units must respect the provisions of the Luxembourg law on the prevention of money laundering as further described under Chapter 18 "Fight against money laundering and terrorist financing", and particularly the law of 19 February 1973 on the sale of medicinal substances and the fight against drug addiction and the laws of 5 April 1993 on the financial sector, and of 12 November 2004 on the fight against money laundering and against the financing of terrorism, as well as any subsequent regulation issued by the Luxembourg government or supervisory authorities. Obligations were imposed on all financial sector professionals for the purpose of preventing the use of undertakings for collective investment in transferable securities for the purpose of money laundering.

Any investor wishing to subscribe or redeem shares of the Fund must, among other things, establish his identity vis-à-vis the distributor and/or sales agent who receives his subscription or redemption order as further described under Chapter 18 "Fight against money laundering and terrorist financing". The distributor and/or sales agent will require the following identification of such investors:

The distributors and/or sales agents **physically met with** the investors:

- for individuals, a certified photocopy of passport/identity card (certified by the distributor and/or sales agent) and the identification of beneficial owners, i.e. the final shareholders.

- for corporations or other legal persons, a copy of the Articles of Incorporation and an extract from the commercial register (both certified by the distributor and/or sales agent), a list of authorised signatures, a copy of the latest published annual accounts, the full identity of the beneficial owners, i.e. the final shareholders.

The distributors and/or sales agents **having not physically met with** the investors:

- for individuals, a certified photocopy of passport/identity card (certified by one of the following authorities: embassy, consulate, notary, police or police officer) and the identification of beneficial owners, i.e. the final shareholders
- for corporations or other legal persons, a copy of the Articles of Incorporation and an extract from the commercial register (both certified by one of the following authorities: embassy, consulate, notary, police or police officer), a list of authorised signatures, a copy of the latest published annual accounts, the full identity of the beneficial owners, i.e. the final shareholders.

The distributors must ensure that the sales agents strictly observe the above identification procedure. The Fund may at any time request assurance for compliance with the above requirements from the distributors/sales agents.

In addition, the distributors and sales agents must also respect all regulations regarding the prevention of money laundering in force in their respective countries.

Without prejudice to the above, the Fund reserves the right to (a) refuse any request for subscription, (b) issue new shares only if in the interest of the existing shareholders and (c) redeem outstanding shares held by investors who are not authorised to either buy or hold shares of the Fund.

The shares will be transferred to the investors concerned without delay upon receipt of payment of the full purchase price. They may be added to the shareholders' assets through the securities account of his choice.

The Fund may, in the course of its sales activities and at its discretion, terminate the issue of shares, refuse redemption requests and suspend or limit the sale of shares for specific periods or permanently to individuals or legal persons in particular countries or areas. In addition, the Fund may at any time redeem shares held by persons who are not authorised to purchase or hold Fund shares.

Conversion of shares

Unless otherwise stipulated in Section I for each Subfund, the shareholders of a Subfund may convert part or all of their shares of one class into shares of the same or of another class (if there are no restrictions to this Section I) in another Subfund up to the countervalue of the shares presented with a view to conversion, provided that the issue of shares by this Subfund has not been suspended as described below. The Board is authorised to set a minimum conversion level for each Subfund, as set forth in Section I, if applicable. For further information regarding the conversion procedure and fees, please refer to the description of each Subfund in Section I.

The same procedures apply to the submission of conversion requests as apply to the issue and redemption of shares. The Fund calculates the number of shares to be allotted after conversion using the following formula:

$A = [(B \times C) \times F] / (D + E)$

A = number of the shares of the new Subfund or the new class to be issued

B = number of shares of the existing Subfund or class

C = Net Asset Value per share of the existing Subfund or class less any taxes, duties or other charges

D = Net Asset Value per share of the new Subfund or class, plus any taxes, duties or other charges

E = conversion fee, if any (as further described for each Subfund in Section I)

F = exchange rate of the reference currencies of the two Subfunds or classes

The shareholder may request such a conversion by indicating the number of shares and the Subfund to be converted into. If share certificates have been delivered to the shareholder, all share certificates to be converted, including any coupons not yet due, must be delivered to the Fund. Otherwise, the conversion cannot be executed.

In addition, if on a Valuation Day conversion requests received by the Fund exceed 10% of the shares in circulation of a specific compartment, the Board may decide that all or part of the requests for conversion be deferred for a period and under conditions to be determined by the Board , with regard to the interests of the shareholders. On the Valuation Day following this period, these conversion requests will be given priority and settled ahead of applications received after this period.

Redemption of shares

Requests for redemption must be received by the Fund by 4.00 p.m. on the Business Day in Luxembourg preceding a given Valuation Day. They shall be settled at the redemption price determined on that Valuation Day and submitted for payment in the reference currency as defined for each Subfund under Section I. All redemption requests received by the Fund after the deadline mentioned above will be settled at the redemption price calculated on the next Valuation Day. If share certificates have been delivered to the shareholders, they should be attached to the redemption request (including any coupons not yet due).

The redemption price is based on the Net Asset Value per share. Any taxes, duties and other charges incurred in the various countries in which Fund shares are sold will be taken into account. Since provision must be made for an adequate supply of liquidity in the Fund's assets, under normal circumstances payment for Fund shares is effected within 2 Business Days after the calculation of the redemption price, unless legal provisions, such as foreign exchange controls or restrictions on capital movements, or other circumstances beyond the control of the Fund, make it impossible to transfer the redemption amount to the country in which the redemption application was submitted.

On payment of the redemption price, the corresponding Fund shares cease to be valid.

Redemption gate

The Management Company or Board of Directors may decide to activate redemption gates. The use of redemption gates causes a temporary and partial restriction of the right of investors to redeem their shares, so that investors can only redeem a certain portion of their shares.

When activated, those redemption gates will apply uniformly to all investors. The purpose of a redemption gate is to avoid being forced to realise assets at an unfavourable price.

The redemption gate will have an activation threshold, and will be activated once the threshold has been exceeded. The activation threshold is based on the total net redemption requests of the Fund received for a given dealing date, and is expressed as a proportion to the Net Asset Value of the Fund.

The activation threshold will be triggered when net redemption requests on a dealing date exceed 10 % of the Net Asset Value.

The activation threshold is set at the level of the Fund and applies equally to all investors of the Fund.

Where the Management Company or Board of Directors decides to activate a redemption gate, it will execute on a *pro rata* basis the redemption requests from all investors for a given dealing date for an amount that corresponds to at least the level of the activation threshold. Redemption requests which have been deferred by the Management Company or Board of Directors, will be processed on the next following Valuation Day, in accordance with this paragraph and in priority to any other redemption requests which have been received. Such redemption requests will be redeemed at the Net Asset Value per Share prevailing as at the Valuation Day on which they are redeemed.

The Management Company or Board of Directors will calibrate the activation threshold in order to ensure that it operates effectively, taking into account:

- the Net Asset Value calculation frequency;
- the investment objective of the Fund;
- the liquidity of the underlying assets;
- the current market conditions;

- the expected cash flows.

Redemptions in kind

Investors may, independently from any measures undertaken by the Management Company or the Board of Directors in the context of liquidity management, at their own initiative place an order for a redemption in kind, or agree to a redemption in kind offered by the Management Company or the Board of Directors. Where the request for a redemption in kind has been made by an investor, the decision to satisfy or not satisfy such request will be taken by way of considering the best interests of the entirety of investors, as well as, in the event the investor requesting a redemption in kind qualifies as retail investor, the financial sophistication level of that redeeming investor. Where, in view of the aforementioned elements, paying the redeeming investor out in kind does not appear to be appropriate, the investor will be paid out in cash.

The Management Company or Board of Directors may also activate redemption in kind as a liquidity management tool to meet redemptions requested by professional investors:

- to prevent the sale of sizable blocks of securities in response to redemption requests, where such sale would be likely to result in significant transaction costs and market price impacts to its investors;
- in other circumstances as determined by the Management Company or Board of Directors.

A redemption in kind will correspond to the transfer of assets held by the Fund to redeeming investors instead of cash to meet redemption requests. The transfer of assets to investors may be direct, or indirect via intermediaries.

When using redemption in kind at any given time, the Management Company or Board of Directors will take into account the interest of other investors of the Fund and the principle of fair treatment.

Any redemption in kind will be valued independently in a special report issued by the auditor or any other independent auditor (*réviseur d'entreprises agréé*). Any costs incurred in connection with a redemption in kind, including the costs of issuing a valuation report, will be borne by the redeeming investor or by such other third party as determined by Management Company or Board of Directors or in any other way which the Board of Directors considers fair to all investors of the Fund.

The redemption price of Fund shares may be above or below the amount paid by the shareholder at the time of subscription, depending on whether the Net Asset Value has risen or fallen.

Suspension of the calculation of Net Asset Value and of the issue, conversion, redemption and/or repurchase of shares

The Fund may temporarily suspend calculation of the Net Asset Value and hence the issue, conversion, redemption and/or repurchase of shares for one or more Subfunds:

a) during any period when any of the stock exchanges or other markets on which the valuation of a significant and substantial part (at least 50%) of any of the investments of the Fund is based, or any of the foreign-exchange markets in whose currency the Net Asset Value any of the investments of the Fund or a significant portion of them is denominated, are closed – except on customary bank holidays – or during which trading and dealing on any such market is suspended or restricted, provided that such restriction or suspension affects the valuation of the investments of the Fund quoted thereon;

b) if political, economic, military or other circumstances beyond the control, responsibility or influence of the Fund make it impossible to access the Fund's assets under normal conditions without seriously harming the interests of the shareholders;

c) during any breakdown in the means of communication or computation normally employed in determining the price or value of any of the investments of the Fund or value on any stock exchange or other market in respect of the assets of the Fund;

d) when for any other reason, the prices of a considerable part of the Fund portfolio (at least 50%) cannot promptly or accurately be ascertained;

e) during any period when the Fund is unable to repatriate funds for the purpose of making payments on the redemption of Shares of the Fund, or during which any transfer of funds involved in the realization or acquisition of investments or payments due on redemption of Shares cannot, in the opinion of the Board, be effected at normal rates of exchange;

f) upon the publication of a notice convening a general meeting of shareholders for the purpose of the liquidation of the Fund;

g) in case of a feeder Subfund, when the master UCITS temporarily suspends, on its own initiative or at the request of its competent authorities, the redemption, the reimbursement or the subscription of its units; in such a case the suspension of the calculation of the Net Asset Value at the level of the feeder Subfund will be for a duration identical to the duration of the suspension of the calculation of the Net Asset Value at the level of the master UCITS.

Any such suspension in excess of five Valuation Days shall be published by the Fund and may be notified to shareholders having made an application for subscription, conversion, redemption and/or repurchase of shares for which the calculation of the Net Asset Value has been suspended.

4. DISSOLUTION AND MERGER OF THE FUND AND OF ITS SUBFUNDS

Dissolution of the Fund

The Fund may be wound up at any time by a decision of the general meeting of shareholders, pursuant to the conditions set forth by the Luxembourg 1915 Law.

If the amount of the Fund's assets falls below two thirds of the prescribed minimum capital, the Board shall propose the dissolution of the Fund to the meeting of shareholders. The meeting of shareholders shall decide by a simple majority of the shares represented at the meeting, without any quorum requirements.

If the amount of the Fund's capital falls below one quarter of the prescribed minimum capital, the Board shall propose la dissolution of the Fund to the meeting of shareholders, which shall take the decision without any quorum requirement, and the dissolution may be declared by shareholders holding one quarter of the shares represented at the meeting.

The meeting must be convened in such a way that it is held within 40 days of the day on which it was ascertained that the net assets had fallen below two thirds or, as the case may be, one quarter of the prescribed minimum capital.

Liquidation is carried out by one or more liquidators who may be physical or legal persons and who are appointed with the approval of the supervisory authority by the meeting of shareholders, which also determines their powers and remuneration.

The net proceeds from the liquidation of the Subfunds are paid out by the liquidators to the shareholders of those Subfunds in proportion to the Net Asset Value per share.

If the Fund is liquidated voluntarily or on account of a court decision, this liquidation must be carried out in accordance with the provisions of the 2010 Law. This 2010 Law specifies the measures to be taken to allow the shareholders to participate in the distribution of the proceeds of liquidation and it provides that any amounts unclaimed by the shareholders or which cannot be distributed to the shareholders at the completion of liquidation (which could last up to nine months) are immediately deposited at the "Caisse de Consignation" in Luxembourg.

Dissolution of a Subfund

In the case of dissolution of a Subfund, the Board may offer to the shareholders of such Subfund the redemption of their shares for cash at the Net Asset Value per share (including all estimated expenses and costs relating to the liquidation) determined on the Valuation Day as described in the section "Redemption of shares".

In the event that for any reason the value of the assets in a Subfund or of any class(es) of shares has decreased to an amount determined by the Board from time to time to be the minimum level for the Subfund or class(es) of shares to be administered in an economically efficient manner, or if a change in the economic or political

situation relating to the Subfund concerned would have material adverse consequences on the investments of that Subfund, the Board may decide to compulsorily redeem all the shares of the relevant class(es) issued in the Subfund at the Net Asset Value per share (taking into account actual realisation prices of investments and realisation expenses), calculated on the Valuation Day at which such decision shall take effect. The Fund shall inform the shareholders of the Subfund or of the class(es) concerned before the compulsory redemption enters into force. A notice to this effect will indicate the reasons and the procedure of the redemption. Holders of registered shares will be notified in writing.

Unless it is otherwise decided in the interest of the shareholders or to maintain equal treatment between them, the shareholders of the Subfund or of the class(es) concerned may continue to request the redemption or conversion of their shares, free of charge, before the compulsory redemption coming into force.

Notwithstanding the powers conferred on the Board by the first paragraph below, the general meeting of shareholders of any or all class(es) of shares issued in a Subfund may take the decision to redeem all the shares issued in such class(es) of the Subfund and refund to the shareholders the Net Asset Value of their shares (taking into account actual realisation prices of investments and realisation expenses) calculated on the Valuation Day at which such decision shall take effect. There shall be no quorum requirements for such general meeting of shareholders, which shall decide by resolution taken by simple majority of those present or represented.

Any liquidation proceeds which cannot be distributed to the shareholders at the completion of the liquidation (which could last up to nine months) are immediately deposited at the "Caisse de Consignation" in Luxembourg. All the shares redeemed in this manner will be cancelled.

Division of a Subfund

Under the same circumstances as provided in the previous chapter "Dissolution of a Subfund", the Board may decide to divide a Subfund into two or more Subfunds and/or share classes. Such decision will be duly published.

During the month following the publication of such a decision, shareholders are authorised to redeem all or a part of their shares at their Net Asset Value - free of charge - in accordance with the guidelines outlined in the article 8 of the Articles. Shares not presented for redemption will be exchanged on the basis of the Net Asset Value of the shares of the Subfund calculated for the day on which this decision will take effect.

Mergers of the Fund or of Subfunds with another UCITS or other Subfunds thereof; mergers of one or more Subfunds within the Fund; division of Subfunds

"Merger" means an operation whereby:

a) one or more UCITS or Subfunds thereof, the "merging UCITS/ Subfund", on being dissolved without going into liquidation, transfer all of their assets and liabilities to another existing UCITS or a Subfund thereof, the "receiving UCITS", in exchange for the issue to their shareholders of shares of the receiving UCITS and, if applicable, a cash payment not exceeding 10% of the Net Asset Value of those shares;

b) two or more UCITS or Subfunds thereof, the "merging UCITS/ Subfund", on being dissolved without going into liquidation, transfer all of their assets and liabilities to a UCITS which they form or a Subfund thereof, the "receiving UCITS/ Subfund", in exchange for the issue to their shareholders of shares of the receiving UCITS and, if applicable, a cash payment not exceeding 10% of the Net Asset Value of those shares;

c) one or more UCITS or Subfunds thereof, the "merging UCITS/ Subfund", which continue to exist until the liabilities have been discharged, transfer their net assets to another Subfund of the same UCITS, to a UCITS which they form or to another existing UCITS or a Subfund thereof, the "receiving UCITS/ Subfund".

Mergers can be performed in accordance with the form, modalities and information requirements provided for by the 2010 Law; the legal consequences of mergers are governed by and described in the 2010 Law.

Under the same circumstances as provided in the previous Section, the Board may decide to reorganise a Subfund and/or share class by means of a merger with another existing Subfund and/or share class within the Fund or with another UCITS established in Luxembourg or in another Member-State or to another Subfund and/or share class within such other UCITS (the "new fund/Subfund") and to re-designate the shares of the relevant Subfund or share class concerned as shares of another Subfund and/or share class (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to

shareholders). Such decision will be published in the same manner as described in the previous Section (and, in addition, the publication will contain information in relation to the new fund or Subfund). During a period of thirty days following the publication of such a decision, shareholders may request redemption or conversion of their Shares free of charge.

Under the same circumstances as provided in the previous Section, the Board may decide to reorganise a Subfund and/or share class by means of a division into two or more Subfunds and/or share classes. Such decision will be published in the same manner as described herein (and, in addition, the publication will contain information about the two or more new Subfund).

During a period of thirty days following the publication of such a decision, shareholders may request redemption or conversion of their Shares free of charge.

The shareholders of both, the merging and receiving Subfund have the right to request, without any charge other than those retained by the Subfund to meet disinvestment costs, the repurchase or redemption of their shares or, where possible, to convert them into shares of another Subfund of the Fund with similar investment policy or shareholders may also convert their shares into another UCITS managed by the Management Company or by any other company with which the Management Company is linked by common management or control, or by a substantial direct or indirect holding. This right shall become effective from the moment that the shareholders of the merging and those of the receiving Subfund have been informed of the proposed merger and shall cease to exist five working days before the date for calculating the exchange ratio.

The Board may temporarily suspend the subscription, repurchase or redemption of shares, provided that any such suspension is justified for the protection of the shareholders.

If a Subfund of the Fund is the receiving Subfund, the entry into effect of the merger shall be made public through all appropriate means by the Fund and shall be notified to the CSSF and, where appropriate, to the competent authorities of the home Member States of the European Union of the other UCITS involved in the merger.

Under the same circumstances as provided in the previous Section, the general meeting of shareholders of the Fund may decide with no quorum requirement and simple majority to merge the whole Fund with another UCITS established in Luxembourg or in another Member State of the European Union or with any Subfund thereof.

A merger which has taken in accordance with the provisions of the 2010 Law cannot be declared null and void.

5. DIVIDEND POLICY

The dividend policy of each Subfund and/or classes of shares is described in detail in Section I.

The general meeting of shareholders of the various Subfunds shall determine, on the proposal of the Board and after closing the annual accounts for each Subfund, whether and to what extent distributions are to be paid out of investment income and realised gains in the Net Asset Value after deduction of all fees and expenses. Distributions may not cause the net assets of the Fund to fall below the minimum Net Asset Value of the Fund provided for by the 2010 Law.

Entitlements to distributions and allocations not claimed within five years of expiry shall be forfeited and the corresponding assets returned to the respective Subfund. If the Subfund in question has already been liquidated, the distributions and allocations will accrue to the other Subfunds of the same Fund in proportion to their respective net assets. At the proposal of the Board, the general meeting of shareholders of a specific Subfund may decide to issue bonus shares as part of the distribution of net investment income and capital gains.

An income equalisation amount is calculated so that the distribution corresponds to the actual income entitlement.

6. MANAGEMENT COMPANY

The Fund has appointed the Management Company as its management company in accordance with the provisions of the 2010 Law pursuant to the Management Company Agreement.

UBS Asset Management (Europe) S.A. has been incorporated in Luxembourg on 1 July 2010 in the legal form of a public limited company (société anonyme) for unlimited duration.

It is registered with the R.C.S. Luxemburg under number B154210. Its registered office is in 33A, avenue J.F. Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg.

The articles of incorporation of the Management Company have been published by reference on 16 August 2010 in the Mémorial C.

The consolidated version of the articles of incorporation may be consulted at the Register of Trade and Companies (Registre du commerce et des sociétés) in Luxembourg. The corporate object of the Management Company is, inter alia, the management of Luxembourg undertakings for collective investment as well as the issue and redemption of shares of these products. At the date of this sales prospectus, in addition to the Fund, the Management Company also manages other undertakings for collective investment. An up-to-date list of all UCITS currently managed by the Management Company is available on the following webpage:https://www.ubs.com/global/en/assetmanagement/capabilities/white-labelling/fund-management-company-services/fml-public-distribution.html;

The share capital of the Management Company amounts to 13,742,000 EUR and is fully paid-in.

The Management Company is authorised and regulated by the CSSF in Luxembourg under Luxembourg law. The Management Company is an affiliated company of UBS AG. Its main business activity is to provide collective portfolio management services to the Fund and other funds and perform the functions of a UCITS management company in accordance with Luxembourg law.

The relationship between the Fund and the Management Company is subject to the terms of the Management Company Agreement. Under the terms of the Management Company Agreement, the Management Company is responsible for the investment management and administration of the Fund as well as the marketing of the Shares, subject to the overall supervision of the Board of Directors. The Management Company is in charge of the day-to-day business activities of the Fund. The Management Company has authority to act on behalf of the Fund within its function.

For the purpose of a more efficient conduct of its business, the Management Company may delegate to third parties the power to carry out some of its functions on its behalf, in accordance with applicable laws and regulations of Luxembourg. The delegated functions shall remain under the supervision and responsibility of the Management Company and the delegation shall not prevent the Management Company from acting, or the Fund from being managed, in the best interests of the investors. The delegation to third parties is subject to the prior approval of the CSSF.

In conducting its activities, the Management Company shall act honestly and fairly, with due skill, care and diligence, in the best interests of the Fund, its investors, and the integrity of the market. In accordance with applicable laws and regulations, the Management Company has adopted and maintains sound internal governance, administrative and accounting procedures. It maintains effective, permanent and independent compliance and internal audit functions. The Management Company is organised in such a way as to minimise the risk of the Fund's interests being prejudiced by conflicts of interest between the Management Company and/or its clients.

The Management Company Agreement has no fixed duration and each party may, in principle, terminate the agreement on not less than 3 (three) calendar months' prior written notice. The Management Company Agreement may also be terminated on shorter notice in certain circumstances, for instance where one party commits a material breach of its obligations. The Management Company Agreement contains provisions exempting the Management Company from liability and indemnifying the Management Company in certain circumstances. However, the liability of the Management Company towards the Fund will not be affected by any delegation of functions by the Management Company.

7. DEPOSITARY

The Fund has appointed UBS Europe SE, Luxembourg Branch as its depositary (the “Depositary”) within the meaning of the 2010 Law and Commission Delegated Regulation (EU) 2016/438, as amended, supplementing the UCITS Directive (“**UCITS Level II Regulation**”), pursuant to the Depositary and Paying Agent Agreement dated 18 July 2018.

The Fund has also appointed the Depositary as its paying agent (the “Paying Agent”).

The Depositary is a Luxembourg established branch of UBS Europe SE, a European Company (*Societas Europaea*), having its registered office in Frankfurt am Main, Germany, registered with the German Trade Register under number HRB 107046. UBS Europe SE, Luxembourg Branch has its address at 33A, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Company Register under number B 209.123.

Depositary duties

The relationship between the Fund, the Management Company and the Depositary is subject to the terms of the Depositary and Paying Agent Agreement. Pursuant to the Depositary and Paying Agent Agreement, the Depositary has been appointed for the safe-keeping of financial instruments that can be held in custody, for the record keeping and verification of ownership of other assets of the Fund as well as to ensure for the effective and proper monitoring of the Fund's cash flows in accordance with the provisions of the 2010 Law and the Depositary and Paying Agent Agreement. Assets held in custody by the Depositary shall not be reused by the Depositary, or any third party to which the custody function has been delegated, for their own account, unless such reuse is expressly allowed by the 2010 Law.

In addition, the Depositary shall also ensure that:

(i) the sale, issue, repurchase, redemption and cancellation of shares of the Fund are carried out in accordance with Luxembourg law, the Prospectus and the Articles of Incorporation,

(ii) the value of the shares is calculated in accordance with Luxembourg law, the Prospectus and the Articles of Incorporation,

(iii) the instructions of the Management Company or the Fund are carried out, unless they conflict with applicable Luxembourg law, the Prospectus and/or the Articles of Incorporation,

(iv) in transactions involving the Fund's assets any consideration is remitted to the Fund within the usual time limits, and

(v) the Fund's income is applied in accordance with Luxembourg law, the Prospectus and the Articles of Incorporation.

The Depositary shall assume its duties and responsibilities in accordance with the provisions of the 2010 Law. The Depositary must act honestly, fairly, professionally, independently and solely in the interest of the Fund and its shareholders.

Delegation and conflict of interests

In compliance with the provisions of the Depositary and Paying Agent Agreement and the 2010 Law, the Depositary may, subject to certain conditions and in order to effectively conduct its duties, delegate part or all of its safe-keeping duties in relation to financial instruments that can be held in custody, duly entrusted to the Depositary for custody purposes, and/or all or part of its duties regarding the record keeping and verification of ownership of other assets of the Fund to one or more sub-custodian(s) (including any affiliates of UBS AG), as they are appointed by the Depositary from time to time.

Prior to the appointment of any sub-custodian and sub-delegate and on an ongoing basis based on applicable laws and regulations as well as its conflict of interests policy, the Depositary shall assess potential conflicts of interests that may arise from the delegation of safekeeping functions.

The Depositary is part of the UBS Group, a worldwide, full-service private banking, investment banking, asset management and financial services organization which is a major participant in the global financial markets. As such, potential conflicts of interest from the delegation of its safe-keeping functions could arise as the Depositary and its affiliates are active in various business activities and may have differing direct or indirect interests. Investors may obtain additional information free of charge by addressing their request in writing to the Depositary. Irrespective of whether a given sub-custodian or sub-delegate is part of the UBS Group or not, the Depositary shall exercise the same level of due skill, care and diligence both in relation to the selection and appointment as well as in the on-going monitoring of the relevant sub-custodian or sub-delegate. Furthermore, the conditions of any appointment of a sub-custodian or sub-delegate that is member of the UBS Group shall be negotiated at arm's length in order to ensure the interests of the Fund and its shareholders. Should a conflict of interest occur and in case such conflict of interest cannot be mitigated, such conflict of interest as well as the decisions taken will be disclosed to shareholders of the Fund. An up-to-date description of any safe-keeping

functions delegated by the Depositary and an up-to-date list of these delegates and sub-delegate(s) can be found on the following webpage: https://www.ubs.com/global/en/legalinfo2/luxembourg.html.

Where the law of a third country requires that financial instruments are held in custody by a local entity and no local entity satisfies the delegation requirements of Article 34bis, paragraph 3, lit. b) i) of the 2010 Law, the Depositary may delegate its functions to such local entity to the extent required by the law of that third country for as long as there are no local entities satisfying the aforementioned requirements. In order to ensure that its tasks are only delegated to sub-custodians providing an adequate standard of protection, the Depositary has to exercise all due skill, care and diligence as required by the 2010 Law in the selection and the appointment of any sub-custodian to whom it intends to delegate parts of its tasks and has to continue to exercise all due skill, care and diligence in the periodic review and ongoing monitoring of any sub-custodian to which it has delegated parts of its tasks as well as of any arrangements of the sub-custodian in respect of the matters delegated to it. In particular, any delegation is only possible when the sub-custodian at all times during the performance of the tasks delegated to it segregates the assets of the Fund from the Depositary's own assets and from assets belonging to the sub-custodian in accordance with the 2010 Law.

Liability

The Depositary is liable to the Fund and its shareholders for the loss of a financial instrument held in custody within the meaning of article 35 (1) of the 2010 Law and article 12 of the UCITS Level II Regulation(the "**Fund Custodial Assets**") by the Depositary and/or a sub-custodian (the "**Loss of a Fund Custodial Asset**").

In case of Loss of a Fund Custodial Asset, the Depositary has to return a financial instrument of an identical type or the corresponding amount to the Fund without undue delay. In accordance with the provisions of the 2010 Law, the Depositary shall not be liable for the Loss of a Fund Custodial Asset, if such Loss of a Fund Custodial Asset has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

Without prejudice to the special liability of the Depositary in case of a Loss of a Fund Custodial Asset, the Depositary will be liable for any loss or damage suffered by the Fund resulting directly from the Depositary's gross negligence or wilful misconduct in the execution of the services under the Depositary and Paying Agent Agreement, except in respect of the Depositary's duties under the 2010 Law for which the Depositary will be liable for any loss or damage suffered by the Fund resulting directly from the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the 2010 Law.

The Depositary's liability shall not be affected by any delegation, unless otherwise stipulated in the 2010 Law and/or the Depositary and Paying Agent Agreement.

Termination

The Fund and the Depositary may terminate the Depositary and Paying Agent Agreement at any time by giving three (3) months' prior notice by registered letter. The Depositary and Paying Agent Agreement may also be terminated on shorter notice in certain circumstances, for instance where one party commits a material breach of its obligations. In case no new depositary is appointed before the expiry of the notice period, the CSSF shall remove the Fund from the list provided for in Article 130(1) of the 2010 Law. After its dismissal, the Depositary shall take all necessary steps to ensure good preservation of the interests of the Fund investors, including the obligation to maintain or open all the accounts necessary for the safekeeping of the different assets of the Fund until the closure of liquidation of the Fund..

Fees

The Depositary is entitled to receive a remuneration for its services as agreed in the Depositary and Paying Agent Agreement. In addition, the Depositary is entitled to be reimbursed by the Fund for its reasonable out-of-pocket expenses and disbursements, including, but not limited to, taxes, duties, charges and broker fees, whether existing now or imposed in the future and which are paid by the Depositary or for which the Depositary may be held liable and for the charges of any correspondents.

Depositary's independence from the Fund

The Depositary is not involved, directly or indirectly, with the business affairs, organization or management of the Fund and is not responsible for the content of this document and thus accepts no responsibility for the accuracy of any information contained herein or the validity of the structure and investments of the Fund. The Depositary has no decision-making discretion nor any advice duty relating to the Fund's investments and is

prohibited from meddling in the management of the Fund's investments. The Depositary does not have any investment decision-making role in relation to the Fund.

Domiciliary and Corporate Services Agent

The Fund has appointed UBS Europe SE, Luxembourg Branch as its corporate secretary and domiciliation agent (the "Domiciliary and Corporate Services Agent"), pursuant to a corporate secretary and domiciliation agent agreement effective 1 April 2021. In such capacity, UBS Europe SE, Luxembourg Branch is entrusted with the domiciliation of the Fund and shall, in particular, allow the Fund to establish its registered office at the registered office of UBS Europe SE, Luxembourg Branch and provide facilities in the course of the day-to-day administration of the Fund including the preparation of the board and general meetings. The Domiciliary and Corporate Services Agent is entitled to charge commission in line with the scale of fees customarily applied at the financial center of Luxembourg.

8. UCI ADMINISTRATOR

Northern Trust Global Services SE, 10 rue du Château d'Eau, L-3364 Leudelange, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies Register under number B 129 936 is acting as the UCI administrator. In this capacity, the UCI administrator of the Fund is responsible for the general administrative duties involved in managing the Fund and prescribed by Luxembourg law. These administrative services mainly include calculation of the Net Asset Value per share, maintain the accounting records of the Fund and reporting. It also carries out the other tasks of central administration in accordance with applicable law in Luxembourg. It is responsible in particular for processing share subscriptions, redemptions and conversions, as well as for transferring the relevant monies, and register these transactions in the register of Shareholders. In addition, as registrar and transfer agent of the Fund, the UCI Administrator is also responsible for collecting the required information and performing verifications on investors to comply with applicable anti-money laundering rules and regulations. Furthermore, the Central Administrative Agent provides client communication services being responsible for the production and dispatch of documents intended for investors.

The UCI Administrator is entitled to charge a fee in line with the customary fees at the financial centre of Luxembourg.

9. PORTFOLIO MANAGERS/ INVESTMENT ADVISORS

The Fund is managed by the Management Company, which is responsible for the management and administration of the Fund, of its Subfunds, and, if applicable, of the share classes of those Subfunds. The Management Company is responsible for monitoring the investment policy and restrictions of the Subfunds of the Fund.

Within the framework of these functions, the Management Company may be assisted by portfolio managers and investment advisers, for each Subfund, according to their respective objective and investment policy, on the basis of delegation agreements.

The Management Company may appoint different portfolio managers in the framework of the portfolio management of the Subfunds. Portfolio Management comprises the active management of the Subfund's assets and the ongoing monitoring and adjusting of investments. The portfolio managers may delegate part or all of their duties to sub-portfolio managers as further specified in the Subfunds' supplements. The mandate is executed under the supervision and the responsibility of the Board.

The portfolio manager may, subject to the terms and conditions of the portfolio management agreement, be authorised to appoint investment advisors with regard to investment recommendations, for instance, relating to the asset allocation among the authorised investment instruments.

The names and designations of the delegates of the Management Company, as well as the fees to which they are entitled, are described in detail in Section I. Unless provided for otherwise, this fee is expressed as a percentage of the Net Asset Value and is payable quarterly.

10. ADVISORY COMMITTEE

The Management Company may establish an advisory committee (the "Advisory Committee") in relation to one or several Subfunds.

The Advisory Committee may express its views on the general investment strategy and investment policy to be implemented by the Management Company within the limits of the investment objective of the relevant Subfund. The Advisory Committee may furthermore be consulted in relation to all or part of the investment decisions to be taken by the Management Company or the delegate portfolio managers. The Management Company may submit every investment decision, or any other decision in regards to the general investment strategy and investment policy of the Subfund to be taken, to the Advisory Committee for approval.

The Advisory Committee of the relevant Subfund shall be composed of a number of members as determined by the Management Company.

The Management Company will ensure that, based on the individual curriculum vitae, each of the Advisory Committee's members possesses sufficient know how with reference to the investments to be carried out by the relevant Subfund.

The members of the Advisory Committee shall be appointed by the Management Company. The Shareholders of the respective Subfund may suggest one or more persons to be appointed as members of the Advisory Committee. The Advisory Committee's members shall accept their appointment in writing and may resign at any time.

The Advisory Committee shall elect a chairman from among its members. The Advisory Committee's members shall hold their office for a period of three (3) years from their appointment; such term may be renewed.

Should a member of the Advisory Committee cease to hold its office for any reason, the Management Company shall appoint a new Advisory Committee member; the Shareholders of the respective Subfund may suggest one or more persons to be appointed as member of the Advisory Committee. The rules applicable to the appointment of Advisory Committee members apply by way of analogy to the appointment of such new members.

The Management Company may replace any member of the Advisory Committee at any time.

Representatives of the Management Company and of the portfolio manager(s) may participate in meetings of the Advisory Committee without being granted any voting power.

Unless it is called by the Management Company or otherwise indicated in the Subfund section of the relevant Subfund, convening notices for a meeting of the Advisory Committee will be sent at least fifteen (15) days prior to the meeting by the chairman to discuss the general activity of the relevant Subfund.

Advisory Committee's meetings shall be validly held if the majority of the Advisory Committee's members in office is present or represented. Relevant resolutions shall be adopted with the favourable vote of the majority of attendees. In case of an even number of attendees, the chairman shall have the casting vote.

Resolutions of the Advisory Committee may also be adopted by way of circular documents if no meeting is called. In this case, the relevant document shall clearly set out the subject matter of the resolution and the date and signature of the relevant members of the Advisory Committee.

The Management Company shall convene the Advisory Committee meeting for the following reasons:

(a) to seek the non-binding advice of the Advisory Committee in relation to: (i) strategic, macroeconomic and market issues; (ii) the overall investment strategy and the drafting and/or revision of the respective Subfund's investment policy and investment restrictions; (iii) significant investment decisions in investments which present a conflict of interests with the Management Company, the Portfolio Manager(s) and/or any of the Shareholders; (iv) the appointment of a new Portfolio Manager and/or the replacement of the existing Portfolio Managers, or the sub-delegation of the assets of the Subfund amongst the relevant Portfolio Manager(s); (v) the supervision of the compliance of the Portfolio Managers with the investment guidelines applicable to each Subfund; (vi) the supervision of the compliance of any other entity involved in the day-by-day activities of the Subfund (inter alia, the Management Company, the Board of the Fund, the UCI Administrator, the Depositary and principal paying agent, etc) with the rules applicable to the relevant Subfund, as set out under this Prospectus as well as with any laws and regulation applicable to each of them; (vii) the decision about the potential distribution of a dividend to the Shareholders and (viii) any significant modification to be adopted on the overall structure of the Subfund

which might have an impact on the Subfund's performance or functioning and/or on the interests of the Shareholders.

(b) to request a consent to subscribe for shares in an affiliated fund;

(c) to inform and seek advice from the members of the Advisory Committee about the recent performance of the relevant Subfund, the asset allocation, the level of leverage and the compliance with the investment restrictions set forth in this Prospectus, and

(d) to inform, in due time in advance (to the extent that this would be legally possible), about events which might have a significant impact on the Subfund's performance or functioning.

In this respect, the Advisory Committee shall have the right to request periodic detailed reports and information from the Management Company and/or from the Portfolio Manager(s) about the asset allocation and the risk profile assumed by the relevant Subfund.

In compliance with the terms and conditions set forth in this Prospectus, the members of the Advisory Committee shall be entitled to request the reimbursement, at the respective Subfund's expense, of all documented out-of-pocket expenses reasonably incurred in connection with their office.

Terms and conditions of the remuneration of the Advisory Committee's members shall be resolved by the Management Company prior to their appointment.

11. TAXATION

Taxation of the Fund

In accordance with the legislation in force and current practice in the Grand Duchy of Luxembourg, the Fund is not liable to any withholding, income, capital gains or wealth tax. The Fund is, however, liable in Luxembourg to a tax of 0.05% per annum ("taxe d'abonnement") on the Net Asset Value; this tax is payable quarterly on the basis of the value of the net assets of the Fund at the end of the each quarter. If any Subfund or any class of a Subfund is reserved to institutional investors, the *taxe d'abonnement* may be reduced to 0.01% p.a. on the net assets of that specific Subfund or class.

Under certain conditions, reduced rates ranging from 0.04% to 0.01% may also be available for the portion of the net assets of Subfunds that are invested in sustainable economic activities (as defined in Article 3 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088).

In accordance with the Article 175 c) of the 2010 Law, no subscription tax (*taxe d'abonnement*) is due by a Subfund or any class of a Subfund reserved to institutions for occupational retirement pension or similar investment vehicles, set up on one or more employers' initiative for the benefit of their employees and companies of one or more employers investing funds they hold, to provide retirement benefits to their employees and investors in the framework of a PEPP.

Taxation of shareholders

It is brought to shareholders' attention that the Law of 21 June 2005 transposed into Luxembourg law the European Council Directive 2003/48/EC on taxation of savings income in the form of interest payments (the "Savings Directive").

This resulted in the introduction, beginning 1 July 2005, of a withholding tax on savings income in the form of interest payments made in Luxembourg to beneficial owners who are individuals and who are tax residents of another Member State of the European Union.

Dividends distributed by a Subfund of the Fund will be subject to the Savings Directive if more than 15% of its assets are invested in debt claims as defined in the Directive. The income realised by the shareholders will be subject to withholding tax if more than 25% of the assets of the Subfund are invested in debt securities.

Provided that the Subfund concerned is not subject to the Savings Directive or when the shareholders are not subject to it, the shareholders are not subject to any withholding, capital gains, income, gift, wealth, inheritance or other tax in Luxembourg except for investors domiciled, resident or having a permanent establishment in Luxembourg and except for certain former residents of Luxembourg owning more than 10% of the shares in the

Fund. The above summary of the tax implications is not exhaustive. It is based on the law and regulation currently in force in the Grand Duchy of Luxembourg, which are subject to change. Potential shareholders are advised to inform themselves about the laws and regulations in force and, where appropriate, seek advice on the subscription, redemption, possession and sale of shares at their place of residence.

In March 2014, the European Council adopted a new directive amending and broadening the scope of the Savings Directive in various respects, including extending the Savings Directive to non-UCITS and non-UCITS equivalent funds. However, on 10 November 2015 the Savings Directive (as amended in March 2014) was repealed by the European Council with effect from 1 January 2016 following the new automatic exchange of information regime, referred to below, to be implemented under the CRS Directive.

12. AUTOMATIC EXCHANGE OF INFORMATION

DAC6 – Disclosure requirements for reportable cross-border tax arrangements

On 25 June 2018, Council Directive (EU) 2018/822 ("DAC6") entered into force introducing rules regarding the mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements ("RCBAs"). DAC6 is intended to provide the tax authorities of EU member states with comprehensive and relevant information about potentially aggressive tax-planning arrangements with the aim that this information will enable the authorities to react promptly against harmful tax practices and close loopholes by enacting legislation or by undertaking adequate risk assessments and carrying out tax audits.

The DAC6 obligations apply from 1 July 2020, but may require reporting of arrangements implemented between 25 June 2018 and 30 June 2020. The DAC6 generally requires EU intermediaries to report to their local tax authorities information about RCBAs, including details of the arrangement as well as identification information about the involved intermediaries and relevant taxpayers, i.e. the persons to whom the RCBA is made available. Subsequently, the local tax authorities exchange the information with the tax authorities of other EU member states. As such, the Fund may be legally required to file information that is within its knowledge, possession or control on any RCBA to the respective tax authorities. This legislation is capable of applying to arrangements that do not necessarily constitute aggressive tax planning.

FATCA and the Common Reporting Standard

As an investment entity established in Luxembourg, the Fund is required by automatic exchange of information regimes, such as those described below (and others as may be introduced from time to time), to collect certain information about each investor and their tax status and to share that information with the Luxembourg tax authorities, who may then exchange it with tax authorities in the jurisdictions in which the investor is tax resident.

Pursuant to the U.S. Foreign Account Tax Compliance Act and associated legislation ("FATCA"), the Fund is required to comply with extensive due diligence and reporting requirements designed to inform the U.S. Department of the Treasury of financial accounts of "Specified U.S. Persons", as defined by the Intergovernmental Agreement ("IGA") concluded between Luxembourg and the U.S. Failure to comply with these requirements may subject the Fund to U.S. withholding taxes on certain U.S. sourced income and, effective 1 January 2019, gross proceeds. Pursuant to the IGA, the Fund will be deemed compliant and not subject to withholding tax if it identifies and reports financial accounts held by Specified U.S. Persons directly to the Luxembourg tax authorities, who will then provide it to the U.S. Internal Revenue Service.

Drawing extensively on the intergovernmental approach to implementing FATCA, the OECD developed the Common Reporting Standard ("CRS") to address the issue of offshore tax evasion on a global basis. Pursuant to the CRS, financial institutions based in participating CRS jurisdictions (such as the Fund) must report to their local tax authorities personal and account information of investors and, where appropriate, controlling persons resident in other participating CRS jurisdictions which have an agreement in place with the financial institution's jurisdiction to exchange information. Tax authorities in participating CRS jurisdictions will exchange such information on an annual basis. The first information exchanges were expected to begin in 2017. Luxembourg has enacted legislation to implement the CRS. As a result, the Fund will be required to comply with the CRS due diligence and reporting requirements adopted by Luxembourg.

Prospective investors will be required to provide to the Fund information about themselves and their tax status prior to investment in order to enable the Fund to satisfy its obligations under FATCA and the CRS, and to update

that information on a continuing basis. Prospective investors should note the Fund's obligation to disclose such information to the Luxembourg tax authorities. Each investor acknowledges that the Fund may take such action as it considers necessary in relation to such investor's holding in the Fund to ensure that any withholding tax suffered by the Fund and any other related costs, interest, penalties and other losses and liabilities arising from such investor's failure to provide the requested information to the Fund is economically borne by such investor. This may include subjecting an investor to liability for any resulting U.S. withholding taxes or penalties arising under FATCA or the CRS and/or the compulsory redemption or liquidation of such investor's interest in the Fund.

Detailed guidance as to the mechanics and scope of FATCA and the CRS is continuing to develop. There can be no assurance as to the timing or impact of any such guidance on future operations of the Fund. Prospective investors should consult their own tax advisor with regard to FATCA and the CRS and the potential consequences of such automatic exchange of information regimes.

"Specified U.S. Person" for FATCA purposes

The term "Specified U.S. Person" means a U.S. citizen or resident individual, a partnership or corporation organised in the U.S. or under the laws of the U.S or any State thereof, a trust if i) a court within the U.S would have authority under applicable law to render orders or judgments concerning substantially all issues regarding administration of the trust, and ii) one or more Specified U.S. Persons have the authority to control all substantial decisions of the trust, or an estate of a descendent that is a citizen or resident of the U.S. This section shall be interpreted in accordance with the U.S. Internal Revenue Code.

13. CHARGES AND EXPENSES

Costs in connection with the launch of a new Subfund which include expenses for preparing and printing the sales prospectus, notary fees (if any), launch fees paid to administrative and exchange authorities in Luxembourg and/or abroad, and/or other fees in relation to the establishment, promotion and launch of the Subfund are written off over a period not to exceed five (5) years on the assets of the Subfund, in an annual amount determined by the Board on an equitable basis.

In addition, the Depositary and the UCI Administrator will receive from the Fund a fee based, in principle, on the average net assets of the Fund, in accordance with customary practice in the Luxembourg financial market as described in Section I.

The Portfolio Manager and/or investment advisor of each Subfund will receive a fee as described in detail in Section I.

The Management Company will receive a fee as described in detail in Section I.

The distributor (if any) will receive a fee as described in detail in Section I. The Fund shall also bear all ordinary operating costs and expenses incurred in the operation of the Fund or any Subfund or share class ("Operating and Administrative Expenses") including, inter alia:

a) the expenses purchasing and selling securities;

b) all taxes which may be payable on the Fund´s assets or income and especially "taxe d´abonnement" and regulatory authority fees;

c) the costs of exchange listings;

d) the costs which may be incurred for extraordinary steps or measures, in particular expert opinions or lawsuits which might be necessary for the protection of the Fund´s assets;

e) the fees for the auditors, all legal advisors, notary fees;

f) costs incurred indirectly in connection with the offer, advertising and sale of shares, the cost of translating any documents intended for foreign regulatory authorities;

g) the cost of printing the Prospectus and the share certificates, expenses related to the preparation, deposition and publications of agreements and other documents concerning the Fund (including fees for the notification of and registration with all authorities);

h) the cost of preparing, translating, printing and distributing the periodical publications and all other documents which are required by the relevant legislation and regulations;

i) the expenses for preparing and printing PRIIP KIDs or the the KIID (where relevant),

j) the cost of preparing and distributing notifications to the Shareholders;

k) the cost in relation to the applicable due diligence procedures on delegates;

l) the cost for the provision of services relating to the appointment of the Responsable du contrôle du respect des obligations (RC) in view of the Fund's anti-money laundering obligations; and

m) other operational costs in relation to the day-to-day management of the Fund, a Subfund or share class.

All expenses are taken into account in the determination of the Net Asset Value per Share of each class/Subfund. Operating and Administrative Expenses are allocated among the Subfunds, the categories and the classes of Shares pro rata to their respective net assets (or in a fair and reasonable manner as determined by the Fund).

14. SHAREHOLDER INFORMATION AND COMPLAINTS HANDLING

The audited annual report will be made available to shareholders free of charge at the registered office of the Fund within four months of the end of the financial year. The annual report includes reports on the Fund in general and on each Subfund, as set forth in the CSSF Circular 14/592. It shall also contain details on the underlying assets focused on by the respective Subfund through the use of financial derivative instruments, the counterparties to these derivative transactions, as well as the collateral (and its scope) provided in favour of the Subfund by its counterparties, in order to reduce credit risk.

Un-audited semi-annual reports of the Subfunds will be made available at the same places as the annual reports within two months of the end of the period to which they refer.

Other information on the Fund, as well as on the Net Asset Value, the issue, conversion and redemption prices of the Fund's shares may be obtained on any Business Day at the registered office of the Fund and from the Depositary. If necessary, any information relating to a suspension or resumption of the calculation of the Net Asset Value, the issue or redemption price will be published on the Management Company's website https://www.ubs.com/ame-funds and, if applicable, in the appropriate media in the different distribution countries.

Copies of the Articles may be obtained at the registered office of the Fund. Material provisions of the agreements referred to in this Prospectus may be inspected during usual business hours on any Luxembourg Business Day at the registered office of the Fund.

In addition, the Articles, the Prospectus as well as the latest annual and semi-annual reports are available free of charge from the Depositary. The issue and redemption prices as well as any documents mentioned above may also be obtained there.

Starting as of 1 January 2023 and in accordance with the Regulation (EU) No 1286/2014 (the "PRIIPs Regulation"), a PRIIPs KID is published for each share class where such share class is available to retail investors in the EEA. A retail investor within the meaning of the preceding paragraph means any person who is a retail client as defined in article 4(1), point (11), of the Directive 2014/65/EU (MiFID 2).

A PRIIPs KID is made available to retail investors and professional investors, where shares are made available, offered or sold in the EEA and certain other States (where required), in good time prior to their subscription in the relevant Subfund.

The link where the PRIIPs KID can be found, is available on the website https://www.ubs.com/ame-funds. Furthermore, the key information documents will be supplied to shareholders on request and free of charge.

For the share classes of certain Subfunds offered in certain other States, a UCITS KIID will continue to be made available where required by the applicable local legal and regulatory requirements of those States.

Prospective shareholders must consult the PRIIPs KID (or KIID, where relevant) for the relevant class and Subfund in which they intend to invest.

Shareholder information, in particular any notice to the shareholders, will be published on the Management Company´s website https://www.ubs.com/ame-investornotifications. Notices to the shareholders shall additionally be published in Luxembourg in the "Luxemburger Wort", if it is mandatory required under the provisions of the Luxembourg Law of 1915 or other applicable laws and regulations required. If shares are

offered outside the Grand Duchy of Luxembourg, and if there is a legal requirement to do so, notices to the shareholders will also be published in the appropriate media.

Any shareholder having a complaint to make about the operations of the Fund may file a complaint by writing to the Management Company. Details on the complaints handling procedure may be obtained from the Management Company upon request and on https://www.ubs.com/ame-regulatorydisclosures.

15. BENCHMARK

Management of Subfund and Benchmark

Unless otherwise stated in the Subfunds' supplements under section I, the Subfunds are actively managed without reference to any benchmark.

Use of Benchmarks

Unless otherwise disclosed in this Prospectus, the indices used as benchmarks by the Subfunds (as "use" is defined in Regulation (EU) 2016/1011 (the "Benchmark Regulation")) are, as at the date of this Prospectus, provided by benchmark administrators who are making use of the transitional arrangements afforded under the Benchmark Regulation and accordingly do not appear on the register of administrators and benchmarks maintained by ESMA pursuant to Article 36 of the Benchmark Regulation. Updated information whether the benchmark is provided by an administrator included in the ESMA register of EU benchmark administrators and third country benchmarks is available from https://www.esma.europa.eu/benchmarks-register. The Management Company maintains a written plan setting out the actions that will be taken in the event that a benchmark materially changes or ceases to be provided (the "Contingency Plan"), as required by Article 28 (2) of the Benchmark Regulation. Shareholders may access the Contingency Plan free of charge upon request at the registered office of the Management Company.

16. REMUNERATION POLICY

The Board of Directors of the Management Company has adopted a remuneration policy, the objectives of which are to ensure that the remuneration is in line with the applicable regulations, and more specifically with the provisions defined under (i) the UCITS Directive 2014/91/EU, the ESMA final report on sound remuneration policies under the UCITS Directive and AIFMD published on 31 March 2016, (ii) the Alternative Investment Fund Managers (AIFM) Directive 2011/61/EU, transposed into the Luxembourg AIFM Law dated from 12 July 2013, as amended from time to time, the ESMA guidelines on sound remuneration policies under the AIFM published on 11 February 2013 and (iii) the CSSF Circular 10/437 on Guidelines concerning the remuneration policies in the financial sector issued on 1 February 2010; and to comply with the UBS AG Remuneration policy framework. Such remuneration policy is reviewed at least annually.

The policy promotes a sound and effective risk management environment, is in line with the interests of the investor and discourages risk-taking which is inconsistent with the risk profiles rules or instruments of incorporation of such Collective Investment in Transferable Securities (UCITS)/Alternative Investment Funds (AIFs).

The policy furthermore fosters compliance with the Management Company's and the UCITS'/AIFs' strategies, objectives, values and interests including measures to avoid conflict of interests.

This approach furthermore focuses amongst others on:

- The assessment of performance which is set in a multi-year framework appropriate to the holding periods recommended to the investors of the Subfunds in order to ensure that the assessment process is based on the longer-term performance of the Fund and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period.
- The remuneration of all staff members which is appropriately balanced between fixed and variable elements. The fixed component of the remuneration represents a sufficient high proportion of the total remuneration and allows a fully flexible bonus strategy, including the possibility to pay no variable remuneration component. The fixed remuneration is determined by taking into consideration the role

of the individual employee, including responsibility and job complexity, performance and local market conditions. It is also to be noted that the company may, on its own discretion, offer fringe benefits to some employees which are an integral component of the fixed remuneration.

Any relevant disclosures shall be made in the annual reports of the Management Company in accordance with the provisions of the UCITS Directive 2014/91/EU.

Investors can find more details about the up-to-date remuneration policy of the Management Company, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee (if any), are available on https://www.ubs.com/ame-regulatorydisclosures.

A paper copy of such document is available free of charge from the Management Company upon request.

17. CONFLICTS OF INTEREST

The Board, the Management Company, the Portfolio Manager, the Depositary, the UCI Administrator and the other service providers of the Fund, and/or their respective affiliates, members, employees or any person connected with them may be subject to various conflicts of interest in their relationships with the Fund.

The Management Company, the Fund, the Portfolio Manager, the UCI Administrator and the Depositary have adopted and implemented a conflicts of interest policy and have made appropriate organisational and administrative arrangements to identify and manage conflicts of interests so as to minimise the risk of the Fund's interests being prejudiced, and if they cannot be avoided, ensure that the Fund's investors are treated fairly.

The Management Company, the Depositary, the Portfolio Manager, the securities lending agent, the securities lending service provider and certain distributors are part of the UBS Group (the "Affiliated Person").

The Affiliated Person is a worldwide, full-service private banking, investment banking, asset management and financial services organization and a major participant in the global financial markets. As such, the Affiliated Person is active in various business activities and may have other direct or indirect interests in the financial markets in which the Fund invests.

The Affiliated Person including its subsidiaries and branches may act as counterparty and in respect of financial derivative contracts entered into by the Fund. A potential conflict may further arise as the Depositary is related to a legal entity of the Affiliated Person, which provides other products or services to the Fund.

In the conduct of its business, the Affiliated Person's policy is to identify, manage and where necessary prohibit any action or transaction that may pose a conflict between the interests of the Affiliated Persons' various business activities and the Fund or its investors. The Affiliated Person strives to manage any conflicts in a manner consistent with the highest standards of integrity and fair dealing. For this purpose, the Affiliated Person has implemented procedures that shall ensure that any business activities involving a conflict which may harm the interests of the Fund or its investors, are carried out with an appropriate level of independence and that any conflicts are resolved fairly. Investors may obtain additional information on the Management Company and/or Fund's policy related to conflict of interests free of charge by addressing their request in writing to the Management Company.

Notwithstanding its due care and best effort, there is a risk that the organizational or administrative arrangements made by the Management Company for the management of conflicts of interest are not sufficient to ensure with reasonable confidence, that risks of damage to the interests of the Fund or its shareholders will be prevented. In such case these non-mitigated conflicts of interest as well as the decisions taken will be reported to investors on the following website of the Management Company: https://www.ubs.com/ame-regulatorydisclosures.

Respective information will also be available free of charge at the registered office of the Management Company.

In addition, it has to be taken into account that the Management Company and the Depositary are members of the same group. Thus, both have put in place policies and procedures ensuring that they (i) identify all conflicts of interests arising from that link and (ii) take all reasonable steps to avoid those conflicts of interest.

Where a conflict of interest arising out of the group link between the Management Company and the Depositary cannot be avoided, the Management Company or the Depositary will manage, monitor and disclose that conflict of interest in order to prevent adverse effects on the interests of the Fund and of the shareholders.

A description of the safekeeping functions delegated by the Depositary, the list of delegates and sub-delegates of the Depositary can be found on the following webpage:

https://www.ubs.com/global/en/legalinfo2/luxembourg.html and up-to-date information in relation thereto will be made available to investors upon request.

18. FIGHT AGAINST MONEY LAUNDERING AND TERRORIST FINANCING

Pursuant to the applicable provisions of Luxembourg laws and regulations in relation to the fight against money laundering and terrorist financing ("AML/CFT"), obligations have been imposed on the Fund as well as on other professionals of the financial sector to prevent the use of funds for money laundering and financing of terrorism purposes.

The Fund and the Management Company will ensure their compliance with the applicable provisions of the relevant Luxembourg laws and regulations, including but not limited to the Luxembourg Law of 12 November 2004 on the fight against money laundering and terrorist financing as amended (the "2004 AML/CFT Law"), the Grand-Ducal Regulation of 1 February 2010 providing detail on certain provisions of the 2004 AML/CFT Law (the "2010 AML/CFT Regulation"), CSSF Regulation N°12-02 of 14 December 2012 on the fight against money laundering and terrorist financing ("CSSF Regulation 12-02") and relevant CSSF Circulars in the field of AML/CFT, including but not limited to CSSF Circular 18/698 on the authorization and organization of investment fund managers incorporated under Luxembourg law (the "CSSF Circular 18/698" and the above collectively referred to as the "AML/CTF Rules").

In accordance with the AML/CTF Rules, the Fund and the Management Company are required to apply due diligence measures on the investors (including on their ultimate beneficial owner(s)), their delegates and the assets of the Fund in accordance with their respective policies and procedures put in place from time to time.

Among others, the AML/CTF Rules require a detailed verification of a prospective investor's identity. In this context, the Fund and the Management Company, or the UCI Administrator or any distributor, nominee or any other type of intermediary (as the case may be), acting under the responsibility and supervision of the Fund and the Fund will require prospective investors to provide them with any information, confirmation and documentation deemed necessary in their reasonable judgment, applying a risk-based approach, to proceed such identification.

The Fund and the Management Company reserve the right to request such information as is necessary to verify the identity of a prospective or current investor. In the event of delay or failure by a prospective investor to produce any information required for verification purposes, the Fund and the Management Company are entitled to refuse the application and will not be liable for any interest, costs or compensation. Similarly, when Shares are issued, they cannot be redeemed or converted until full details of registration and anti-money laundering documents have been completed.

The Fund and the Management Company moreover reserve the right to reject an application, for any reason, in whole or in part in which event the application monies (if any) or any balance thereof will, to the extent permissible, be returned without unnecessary delay to the prospective investor by transfer to the prospective investor's designated account or by post at the prospective investor's risk, provided the identity of the prospective investor can be properly verified pursuant to the AML/CTF Rules. In such event, the Fund and the Management Company will not be liable for any interest, costs or compensation.

In addition, the Fund and the Management Company, or the UCI Administrator or any distributor, nominee or any other type of intermediary (as the case may be), acting under the responsibility and supervision of the Fund and the Management Company, may request investors to provide additional or updated identification documents from time to time pursuant to on-going client due diligence requirements under the AML/CTF Rules, and investors shall be required and accept to comply with such requests.

Failure to provide proper information, confirmation or documentation may, among others, result in (i) the rejection of subscriptions, (ii) the withholding of redemption proceeds by the Fund or (iii) the withholding of

outstanding dividend payments. Moreover, prospective or current investors who fail to comply with the above requirements may be subject to additional administrative or criminal sanctions under applicable laws, including but not limited to the laws of the Grand Duchy of Luxembourg. None of the Fund, the Management Company, the UCI Administrator or any distributor, nominee or any other type of intermediary (as the case may be) has any liability to an investor for delays or failure to process subscriptions, redemptions or dividend payments as a result of the investor providing no or only incomplete documentation. The Fund and the Management Company moreover reserve all rights and remedies available under applicable law to ensure their compliance with the AML/CTF Rules.

Pursuant to the Luxembourg Law of 13 January 2019 on the register of beneficial owners (the "RBO Law"), the Fund is required to collect and make available certain information on its beneficial owner(s) (as defined in the AML/CTF Rules). Such information includes, among others, first and last name, nationality, country of residence, personal or professional address, national identification number and information on the nature and the scope of the beneficial ownership interest held by each beneficial owner in the Fund. The Fund is further required, among others, (i) to make such information available upon request to certain Luxembourg national authorities (including the *Commission de Surveillance du Secteur Financier*, the *Commissariat aux Assurances*, the *Cellule de Renseignement Financier*, Luxembourg tax and other national authorities as defined in the RBO Law) and upon motivated request of other professionals of the financial sector subject to the AML/CTF Rules, and (ii) to register such information in a publicly available central register of beneficial owners (the "RBO").

That being said, the Fund or a beneficial owner may however, on a case by case basis and in accordance with the provisions of the RBO Law, formulate a motivated request with the administrator of the RBO to limit the access to the information relating to them, e.g. in cases where such access could cause a disproportionate risk to the beneficial owner, a risk of fraud, kidnapping, blackmail, extortion, harassment or intimidation towards the beneficial owner, or where the beneficial owner is a minor or otherwise incapacitated. The decision to restrict access to the RBO does, however, not apply to the Luxembourg national authorities, nor to credit instructions, financial institutions, bailiffs and notaries acting in their capacity as public officers, which can thus always consult the RBO.

In light of the above RBO Law requirements, any persons willing to invest in the Fund and any beneficial owner(s) of such persons (i) are required to provide, and agree to provide, the Fund and the case being the Management Company, the UCI Administrator or their distributor, nominee or any other type of intermediary (as the case may be), with the necessary information in order to allow the Fund to comply with its obligations in terms of beneficial owner identification, registration and publication under the RBO Law (regardless of applicable rules regarding professional secrecy, banking secrecy, confidentiality or other similar rules or arrangements), and (ii) accept that such information will be made available among others to Luxembourg national authorities and other professionals of the financial sector as well as to the public, with certain limitations, through the RBO.

Under the RBO Law, criminal sanctions may be imposed on the Fund in case of its failure to comply with the obligations to collect and make available the required information, but also on any beneficial owner(s) that fail to make all relevant necessary information available to the Fund.

19. DATA PROTECTION

In accordance with the applicable Luxembourg data protection law and, as of 25 May 2018, the Regulation n°2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data ("Data Protection Law"), the Fund, as data controller, collects, stores and processes, by electronic or other means, the data supplied by investors for the purpose of fulfilling the services required by the investors and complying with its legal and regulatory obligations. The data processed includes in particular the name, contact details (including postal or email address), banking details, invested amount and holdings in the Fund of investors ("Personal Data"). The investor may at his/her discretion refuse to communicate Personal Data to the Fund. In this case, however, the Fund may reject a request for Shares. Each investor has a right to access his/her Personal Data and may ask for Personal Data to be rectified where it is inaccurate or incomplete by writing to the Fund at its registered office.

Personal Data supplied by investors is processed in order to subscribe for Shares in the Fund, for the legitimate interests of the Fund and to comply with the legal obligations imposed on the Fund. In particular, the Personal Data supplied by investors is processed for the purposes of processing subscriptions, redemptions and

conversions of Shares and payments of dividends to investors, account administration, client relationship management, performing controls on excessive trading and market timing practices, tax identification as may be required under Luxembourg or foreign laws and regulations (including laws and regulations relating to FATCA or CRS) and compliance with applicable AML/CFT rules. Data supplied by shareholders is also processed for the purpose of maintaining the register of shareholders of the Fund. In addition, Personal Data may be processed for the purposes of marketing. Each investor has the right to object to the use of its Personal Data for marketing purposes by writing to the Fund.

The Personal Data may also be processed by the Fund's data processors (the "Processors") which, in the context of the above mentioned purposes, refer to the Management Company, the Depositary, the UCI Administrator, the portfolio managers, the distributors and the auditor. The Processors may be located either inside or outside the European Union and, in particular, in the United States of America, Norway and Switzerland. Any transfer of Personal Data to the Processors located in the United States of America, Norway and Switzerland relies on adequacy decisions of the EU Commission pursuant to which the United States of America, Norway and Switzerland are considered to offer an adequate level of protection for Personal Data. The Fund may also transfer Personal Data to third- parties such as governmental or regulatory agencies, including tax authorities, in or outside the European Union, in accordance with applicable laws and regulations. In particular, such Personal Data may be disclosed to the Luxembourg tax authorities, which in turn may acting as data controller, disclose the same to foreign tax authorities.

In accordance with the conditions laid down by the Data Protection Law, the investors acknowledge their right to:

- access their Personal Data;
- correct their Personal Data where it is inaccurate or incomplete;
- object to the processing of their Personal Data;
- ask for erasure of their Personal Data;
- ask for Personal Data portability.

The investors may exercise the above rights by writing to the Fund at its registered office.

The investors also acknowledge the existence of their right to lodge a complaint with the National Commission for Data Protection ("CNPD") at the following address: 15, Boulevard du Jazz, L-4370 Belvaux, Grand Duchy of Luxembourg.

Personal Data will not be retained for a period longer than necessary for the purpose of the data processing, subject to applicable legal minimum retention periods.

Information about outsourcing and potential processing of investors' data by the Depositary may be found at https://www.ubs.com/lu/en/wealth-management/about-us/europe-se.html.

20. INVESTMENT RESTRICTIONS

Investment restrictions

For the purpose of this paragraph, the definition of "Member State" shall have the meaning set forth in Article 1 (13) of the 2010 Law.

The Fund's investments shall be subject to the following restrictions:

(1) Investment instruments

(A) In line with the investment policy of each Subfund, the assets of each Subfund may consist of:

(a) transferable securities and money market instruments admitted to or dealt in on a regulated market, as defined in Article 4 point 1 (14) of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004;

(b) transferable securities and money market instruments traded on another market of a Member State that operates regularly and is recognised and open to the public;

(c) transferable securities and money market instruments admitted to official listing on a stock exchange in a non-Member State of the European Union (the "EU") or dealt in on another regulated market in a non-Member State of the EU which operates regularly and is recognised and open to the public, provided that the choice of the stock exchange or the market are situated in Europe, America, Asia, Africa, Australasian or Oceania;

(d) recently issued transferable securities and money market instruments, provided that:

- the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or to another regulated market which operates regularly and is recognised and open to the public, provided that the choice of the stock exchange or the market is effectuated on a regulated market as described under paragraphs a) and c) here above;
- such admission is secured within one year of issue.

(e) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than twelve months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in a non-Member State, provided that it is subject to prudential rules considered by the *Commission de Surveillance du Secteur Financier* (the "CSSF") as equivalent to those laid down in Community law;

(f) financial derivative instruments, including similar instruments allowing cash settlements, that are traded on regulated markets of the kind specified in points a), b) and c) above, and/ over-the-counter financial derivative instruments, provided that:

- the use of financial derivative instruments is in accordance with the investment purpose and investment policy of the respective Subfund, and is suited towards achieving these;
- the underlying consists of instruments covered by Article 41 (1) of the 2010 Law, financial indices, interest rates, foreign exchange rates or currencies, in which the Fund may invest according to its investment objectives as stated in the Funds' instruments of association;
- the Subfunds ensure, through adequate diversification of the underlying assets, that the diversification requirements applicable to them and listed in the section entitled "Risk diversification" are adhered to;
- the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF and have been specifically approved by the Board;
- the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair market value at the Funds' initiative; and
- the respective counterparty is not granted discretion regarding the composition of the portfolio managed by the respective Subfund (e.g. in the case of a total return swap or a financial derivative instrument with similar characteristics) or the underlying of the respective OTC derivative.

(g) money market instruments other than those dealt in on a regulated market and referred to in Article 1 of the 2010 Law, if the issue or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that they are:

- issued or guaranteed by a central, regional or local administration, by a central bank of a Member State, by the European Central Bank, by the EU or by the European Investment Bank, by a non-Member State, or, in the case of a federal state, by one of the members composing the federation, or by an international public organisation to which one or more Member States belong; or
- issued by an undertaking whose securities are dealt in on regulated markets referred to in points a), b) or c) above; or

- issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF authority to be at least as stringent as those laid down by Community law, or
- issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount at least to ten million euros (EUR 10,000,000.-) and which presents and publishes its annual accounts in accordance with Fourth Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefits from a banking liquidity line;

(h) units of UCITS authorised under Directive 2009/65/EEC and/or other UCIs within the meaning of the Article 1(2), points a) and b) of Directive 2009/65/CE, whether or not established in a Member State or not, provided that:

- these other UCIs are approved in conformity with legislation stipulating that the entities are subject to supervision that the CSSF considers to be equivalent to that intended by Community legislation and that the cooperation between the authorities is adequately guaranteed;
- the level of protection guaranteed to shareholders of these other UCIs is equivalent to that intended for shareholders of a UCITS and, in particular, that the rules relating to the division of assets, borrowings, loans, short sales of transferable securities and money market instruments is equivalent to the requirements of Directive 2009/65/CE;
- the business of the other UCI is reported in semi-annual and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period;
- the proportion of assets of the UCITS or of these other UCIs whose acquisition is planned, which in conformity with their formation documents can be wholly invested in units of other UCITS or other UCIs, does not exceed 10%.

(B) However, each Subfund may:

(a) invest no more than 10% of its net assets in transferable securities and money market instruments other than those referred to in point (A) above; or

(b) invest no more than 10% of its net assets in debt instruments which are treated, because of their characteristics, as equivalent to transferable securities and money market instruments, and which are, inter alia, transferable, liquid and have a value which can be accurately determined on each Valuation Day;

The total of investments referred to (a) and (b) may not under any circumstances exceed 10% of each Subfund's net assets.

The Fund and/or each Subfund:

(a) may acquire securities and real estate necessary for the exercise of its activity;

(b) may not acquire either precious metals or certificates representing them;

(c) is authorised to invest up to 10% of the net assets of each Subfund in the following structured products:

- structured products that have a precious metal as their underlying and that satisfy the requirements of Article 2 of Council Directive 2007/16/EC on transferable securities
- structured products that have a commodity or a commodities index as their underlying and that satisfy the requirements of Article 2 of Council Directive 2007/16/EC on transferable securities.

(d) may hold ancillary liquid assets within a limit of 20% of its net assets. The above mentioned 20% limit may 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 the investors, for instance in highly serious circumstances. 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 2010 Law are not considered to be included in the ancillary liquid assets under Article 41 (2) b) of the 2010 Law. 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 2010 Law or for a period of time strictly necessary in case of unfavourable market conditions. The Fund and/or each Subfund may not invest more than 20% of its Net Asset Value in bank deposits at sight made with a same body. Margin accounts do neither qualify as bank deposits under Article 41 (1) f) of the 2010 Law nor as ancillary liquid assets under Article 41 (2) b) of the 2010 Law.

(2) Risk diversification

(A) In accordance with the principle of risk diversification, each Compartment is not permitted to invest more than 10% of its assets in transferable securities or money market instruments issued by a single issuer. The counterparty risk of the Fund in an OTC derivative transaction may not exceed 10% of its assets when the counterparty is a credit institution referred to in paragraph (1) (A) f), or 5% of its assets in the other cases.

In addition, the total value of the transferable securities and money market instruments held by a Subfund in the issuing bodies in each of which it invests more than 5% of its assets must not exceed 40% of the value of its assets. This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

Notwithstanding the individual limits laid down in the first paragraph of (A), the Fund shall not combine, where this would lead to investing more than 20% of its assets in a single entity, any of the following

- investments in transferable securities or money market instruments issued by that single entity,
- deposits made with that single entity, or
- risks arising from OTC derivative transactions undertaken with that single entity.

(B) The following exceptions are possible:

(a) The aforementioned limit of 10% can be raised to a maximum of 25% for various debt securities 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 debt securities that were issued before 8 July 2022 by credit institutions whose registered office is situated in a Member State and is subject by law to special public supervision for the purpose of protecting the holders of such debt securities. In particular, the amounts originating from the issue of the bonds issued before 8 July 2022 must be invested, in accordance with the 2010 Law, in assets that adequately cover, for the entire duration of the validity of the bonds, the resulting liabilities and that benefit from preferential right in the payment of interest incurred in the event of default by the issuer. If the Fund invests more than 5% of its assets in these bonds issued by a single issuer, the total value of these investments may not exceed 80% of the assets of the corresponding Subfund.

(b) The aforementioned limit of 10% can be raised to a maximum of 35% for transferable securities or money market instruments issued or guaranteed by a Member State, by its local authorities, by a non-EU Member State or by public international bodies of which one or more Member States are members.

The transferable securities referred to in exceptions (a) and (b) shall not be taken into account for the purpose of applying the limit of 40% laid down above in the second paragraph of point (A).

The limits stated under (A) and (B), above, may not be aggregated and, accordingly, investments in transferable securities issued by a single issuer effected in accordance with (A) and (B), may not, in any case, exceed a total of 35% of the Subfund's assets.

Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in accordance with recognised international accounting rules, are regarded as a single entity for the purpose of calculating the limits contained in this point 2).

The Fund may invest cumulatively up to 20% of its assets in the transferable securities or money market instruments of a single group.

(C) In derogation of the provisions of points (A) and (B) above, where the Subfund has invested in accordance with the principle of risk spreading in transferable securities issued or guaranteed by a Member State, by its local authorities, by a Member State of the Organisation for Economic Cooperation and Development or by public international bodies of which one or more Member States of the European Union are members, the Subfund is authorised to invest up to 100% of its assets in such securities, provided that the Subfund holds securities from at least six different issues and securities from one issue do not account for more than 30% of its total assets.

(D) Each Subfund may also subscribe for, acquire and/or hold shares issued or to be issued by one or more other Subfunds of the Fund subject to additional requirements which may be specified in Chapter 1, if:

(i) the target Subfund does not, in turn, invest in the Subfund invested in this target Subfund; and

(ii) no more than 10% of the assets of the target Subfunds whose acquisition is contemplated may be invested in aggregate in shares of other Subfunds of the Fund; and

(iii) voting rights, if any, attaching to the relevant securities are suspended for as long as they are held by the Subfund concerned; and

(iv) in any event, for as long as these securities are held by the relevant Subfund, their value will not be taken into consideration for the purposes of verifying the minimum threshold of the net assets imposed by the UCI Law; and

(v) there is no duplication of management/subscription or redemption fees between those at the level of the Subfund having invested in the target Subfund, and this target Subfund.

(3) Specific Rules for Master / Feeder structures

(A) A feeder Subfund is a Subfund of the Fund, which has been approved to invest, by way of derogation from Article 2 (2), first indent of the 2010 Law, at least 85% of its assets in units of another UCITS or Subfund thereof (hereafter referred to as the "master UCITS").

(B) A feeder Subfund may hold up to 15% of its assets in one or more of the following:

a) ancillary liquid assets in accordance with point (1) last paragraph above;

b) financial derivative instruments, which may be used only for hedging purposes, in accordance with point (1) paragraph (g) above and Article 42 (2) and (3) of the 2010 Law;

c) movable and immovable property which is essential for the direct pursuit of its business.

(C) For the purposes of compliance with Article 42 (3) of the 2010 Law, the feeder Subfund shall calculate its global exposure related to financial derivative instruments by combining its own direct exposure under point (3) (B) b) above, with:

a) either the master UCITS' actual exposure to financial derivative instruments in proportion to the feeder Subfund’s investment into the master UCITS;

b) or the master UCITS' potential maximum global exposure to financial derivative instruments provided for in the master UCITS management regulations or instruments of incorporation in proportion to the feeder Subfund's investment into the master UCITS.

(D) A master UCITS is a UCITS, or a Subfund thereof, which:

a) has, among its shareholders, at least one feeder UCITS;

b) is not itself a feeder UCITS; and

c) does not hold units of a feeder UCITS.

(E) If a master UCITS has at least two feeder UCITS as shareholders, Article 2 (2), first indent and Article 3, second indent of the 2010 Law shall not apply.

(4) Investment limits

(A) The Fund may acquire the units of UCITS and/or other UCIs referred to in points (1) A) h) above provided that no more than 20% of its assets are invested in a single UCITS or other UCI.

For the purpose of this investment limit, each compartment of a UCI with multiple compartments, within the meaning of Article 181 of the 2010 Law, shall be considered to be a separate issuer, provided that the principle of segregation of liabilities of the different compartments is ensured in relation to third parties.

a) Investments made in units of UCIs other than UCITS may not exceed, in aggregate, 30% of the assets of a UCITS.

b) When a UCITS invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the same management company or by any other company to which the Management Company is linked by common management or control or by a direct or indirect holding of more than 10% of the capital or voting rights, that management company or other company may not charge either a portfolio management or subscription or redemption fees on account of the investment by the UCITS in the units of other UCITS and/or other UCIs.

(B) The Fund may not acquire shares carrying voting rights which would enable it to exercise significant influence over the management of the issuer.

(C) The Fund may not acquire more than 10% of the non-voting shares of the same issuer, more than 10% of the bonds issued by the same issuer or more than 10% of money market instruments issued by the same issuer or more than 25% of the units of UCITS and/or other UCI. The limits laid down in the second, third and fourth indents may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments or the net amount of the securities in issue cannot be calculated. The limits under (B) and (C) may be waived for:

a) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities,

b) transferable securities and money market instruments issued or guaranteed by a non-Member State of the EU,

c) transferable securities and money market instruments issued by public international bodies of which one or more EU Member States are members,

d) shares held by the Fund in the capital of a company incorporated in a non EU Member State and investing its assets primarily in securities of issuers having their registered office in that State, if under the legislation of that State such a holding represents the only way in which the Fund can invest in the securities of the issuers of that State. This derogation only applies if the company has an investment policy complying with the points 2(A) and (B) and 3(A) to (B) mentioned above. If the limits stated in points 2(A), 2(B) and 3(A) mentioned above are exceeded, the limit under (G) shall apply mutatis mutandis,

e) Shares held by the Fund in the capital of a subsidiary carrying on the business of management, advice or marketing in the country where the subsidiary is established, in regard to the repurchase of units at the request of unitholders exclusively on its or their behalf.

(D) Each Subfund may not borrow more than 10% of its total net assets, and then only from banks and as a temporary measure. However, each Subfund may acquire foreign currency by means of a back-to-back loan. Each Subfund may not purchase securities while borrowings are outstanding in relation to it, except to fulfil prior commitments and/or exercise subscription rights. However, each Subfund can borrow up to 10% of its net assets to make possible the acquisition of real estate essential for the direct pursuit of its business. In this case, these borrowings and those referred to above (temporary borrowings) may not in any case in total exceed 15% of the Subfunds' net assets.

(E) The Fund may not grant credits or act as guarantor on behalf of third parties. This restriction does not prevent the Management Company from purchasing securities that are not fully paid up, nor to lend securities as described below. This restriction does not apply to margin calls on options transactions and other similar transactions made in conformity with established market practices.

(F) Each Subfund may not purchase any transferable securities or money market securities as hedges (unless the Subfund may obtain such short-term credit as may be necessary for the hedging of purchases and sales of transferable securities or money market securities) or make short sales of securities or maintain a short position. Deposits on other accounts in connection with options, forwards or OTC contracts, are, however, permitted within the limits provided for below.

The Board is authorised to introduce further investment limits at any time in the interests of the shareholders, provided these are necessary to ensure compliance with the laws and regulations of those countries in which the Fund's shares are offered and sold.

(G) If any of the above limits are exceeded for reasons beyond the control of the Fund and/or each Subfund or as a result of the exercise of subscription rights, the Fund and/or each Subfund may adopt, as a priority objective, sales transactions in order to rectify that situation, taking due account of the interests of the shareholders.

Financial techniques and instruments

Under the conditions and within the limits laid down by the CSSF, the Fund is also authorised to employ techniques and instruments relating to transferable securities and money market instruments provided that such techniques (the "techniques") and instruments are used for the purpose of efficient portfolio management. If these operations concern the use of financial derivative instruments, these conditions and limits shall conform to the provisions laid down by the 2010 Law. The use of these techniques and instruments must be in accordance with the best interests of the investors.

In no case may these operations result in the Fund departing from its investment objectives. Equally, the use of these techniques may not cause the risk level of the Subfund in question to increase significantly with regard to its original risk level (i.e. without the use of these techniques).

The risks inherent to the use of these techniques are essentially comparable to the risks associated with the use of financial derivative instruments (in particular, counterparty risk). For this reason, reference is made here to the information contained in the above section entitled "Risks connected with the use of financial derivative instruments". The Fund ensures that it or its appointed service providers will monitor and manage the risks incurred through the use of these techniques, particularly counterparty risk, as part of the risk management procedure. The monitoring of potential conflicts of interest arising from transactions with companies associated with the Fund is primarily carried out through reviewing contracts and corresponding processes on a regular basis.

The Fund also ensures that, at any time, it can cancel any contract entered into within the framework of the use of the techniques and instruments for the efficient management of the portfolio and that the securities and/or liquid funds to the respective counterparty can be reclaimed by the Fund. In addition, the liquid funds should include the interest incurred up to the time of being reclaimed.

Furthermore, the Fund ensures that, despite the use of these techniques and instruments, the investors' redemption applications can be processed at any time.

Securities financing transactions and total return swaps

A. General Information

Within the framework of the use of techniques and instruments for the efficient management of the portfolio the Fund may also make use of securities financing transactions, i.e. (i) repurchase transactions (ii) securities lending (iii) buy-sell back transactions or sell-buy back transactions (iv) margin lending transactions and total return swaps pursuant to the regulations, applicable laws, and CSSF circulars issued from time to time, in particular, but not limited to the Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 in accordance with its investment objective and policy and the conditions set out in this section.

The counterparties to the securities financing transactions and total return swaps will be selected among financial institutions from OECD member states subject to prudential supervision (such as credit institutions or investment firms) and specialised in the relevant type of transaction, being of good reputation and having a minimum rating of BBB. The identity of the counterparties will be disclosed in the annual report or semi-annual report.

The provisions of the section entitled "Collateral Management" as set out below shall apply accordingly to the management of collateral that was left to the Fund within the scope of securities financing transactions and total return swaps.

Each of the Subfunds may incur costs and fees in connection with efficient portfolio management techniques. In particular, a Subfund may pay fees to agents and other intermediaries, which may be affiliated with the

Depositary, the Portfolio Manager or the Management Company in consideration for the functions and risks they assume. The amount of these fees may be fixed or variable. Information on direct and indirect operational costs and fees incurred by each Subfund in this respect, as well as the identity of the entities to which such costs and fees are paid and any affiliation they may have with the Depositary, the Portfolio Manager or the Management Company, if applicable, may be available in the annual report and, to the extent relevant and practicable, in each Supplement. All revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs and fees, will be returned to the respective Subfund.

B. Total return swaps

A total return swap is an agreement in which one party (total return payer) transfers the total economic performance of a reference obligation to the other party (total return receiver). Total economic performance includes income from interest and fees, gains or losses from market movements, and credit losses.

C. Securities lending

Securities lending transactions consist in transactions whereby a lender transfers securities or instruments to a borrower, subject to a commitment that the borrower will return equivalent securities or instruments on a future date or when requested to do so by the lender, such transaction being considered as securities or lending for the party transferring the securities or instruments and being considered as securities borrowing for the counterparty to which they are transferred.

The Fund may lend the securities it holds in portfolio either directly or through a standard securities-lending scheme organised by an authorised securities clearing house from an OECD member state or through a lending system organised by a leading financial institution from an OECD member state subject to prudential supervision regulations considered by the CSSF to be equivalent to those set forth in Community law and specialising in operations of this nature and be of good reputation and have a minimum rating of BBB.

The Fund may only enter into securities lending transactions provided that it is entitled at any time, under the terms of the agreement, to request the return of the securities lent or to terminate the agreement.

Furthermore, the Fund has drawn up internal framework agreements regarding securities lending. These framework agreements contain, among other things, the relevant definitions, the description of the principles and standards of the contractual management of the securities lending transaction, the quality of the collateral, the approved counterparties, the risk management, the fees to be paid to third parties and fees to be received by the Fund, as well as the information to be published in the annual and semi-annual reports.

During a lending/borrowing transaction, the Fund must, as a rule, receive a guarantee, the value of which at the time the lending contract is entered into must be at least equal to 90% of the total value (including interest, dividends and any other rights) of the securities lent. The guarantee furnished must conform to financial guarantees as defined by supervision regulations and in particular Circular 08/356 of the CSSF.

D. Securities financing transactions- repurchase agreements and buy-sell back or sell-buy back transactions

The Fund may, for any Subfund, also engage in repurchase agreements or reverse repurchase agreements on an ancillary basis. These agreements involve the sale/purchase of transferable securities where agreements have been reached to buy back/sell back the sold/bought securities at a (higher) price and within a set time.

Repurchase agreements consist of transactions governed by an agreement whereby a party sells securities or instruments to counterparty subject to a commitment to repurchase them, or substituted securities or instruments of the same description, from the counterparty at a specified price on a future date specified, or to be specified, by the transferor. Such transactions are commonly referred to as repurchase agreements for the party selling the securities or instruments, and reverse repurchase agreements for the party selling the securities or instruments, and reverse repurchase agreements for the counterparty buying them.

Buy-sell back transactions consist of transactions, not being governed by a repurchase agreement or a reverse repurchase agreement as described above, whereby a party buys or sells securities or instruments to a counterparty, agreeing, respectively, to sell to or buy back from that counterparty securities or instruments of the same description at a specified price on a future date. Such transactions are commonly referred to as buy-sell back transactions for the party buying the securities or instruments, and sell-buy back transactions for the counterparty selling them.

All repurchase agreements and buy-sell back or sell-buy back transactions are subject to the following conditions:

- the Fund may not purchase or sell securities under a repurchase agreement unless the counterparty is a first-class financial institution from OECD member states specialising in this kind of transaction being of good reputation and having a minimum rating of BBB;
- as long as the repurchase agreement is valid, the Fund may not sell the securities bought before the right to repurchase the securities has been exercised or the repurchase period has expired;
- securities that serve as the underlying of financial derivative instruments, that are lent or that have been taken under terms of reverse repurchase agreements may not be sold under the terms of repurchase agreements; and
- the Fund must be able, at any time, to terminate the agreement or recall the full amount of cash in a reverse repurchase agreement buy-sell back transaction (on either an accrued basis or a mark-to-market basis) or any securities or instruments subject to a repurchase agreement buy-sell back transaction. Fixed-term transactions that do not exceed seven days should be considered as arrangements on terms that allow cash or assets to be recalled at any time.

E. Risk diversification securities financing transactions and total return swaps

Securities financing transactions and total return swaps involve certain risks and there can be no assurance that the objective sought to be obtained from the use of such techniques will be achieved.

The principal risk when engaging in securities financing transactions and total return swaps is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuses to honour its obligations to return securities or cash to the Subfund as required by the terms of the transaction. Counterparty risk is generally mitigated by the transfer or pledge of collateral in favour of the Subfund. However, there are certain risks associated with collateral management, including difficulties in selling collateral and/or losses incurred upon realization of collateral, as described below.

Securities financing transactions and total return swaps also entail liquidity risks due, inter alia, to locking cash or securities positions in transactions of excessive size or duration relative to the liquidity profile of the Subfund or delays in recovering cash or securities paid to the counterparty. These circumstances may delay or restrict the ability of the Fund to meet redemption requests. The Subfund may also incur operational risks such as, inter alia, non-settlement or delay in settlement of instructions, failure or delays in satisfying delivery obligations under sales of securities, and legal risks related to the documentation used in respect of such transactions.

Currency hedging on share class level

Unless otherwise specified in Section I, for share classes whose reference currencies are not identical to the currency of account of the respective Subfund, the fluctuation risk of the price for those share classes in the reference currency of the relevant share class is hedged against the reference currency of the relevant Subfund. Provision is made for the amount of the hedging to be between 95% and 105% of the Net Asset Value of the share class in foreign currency. Changes in the market value of the portfolio, as well as in subscriptions and redemptions of share classes in foreign currencies, can result in the hedging temporarily surpassing the aforementioned range. The Fund and the Portfolio Manager will then take all the necessary steps to bring the hedging back within the aforementioned limits. Given that there is no segregation of liabilities between share classes, there is a risk that, under certain circumstances, currency hedging transactions in relation to share classes which are hedged could result in liabilities which might affect the Net Asset Value of the other share classes of the same Subfund.

Collateral Policy and Management

General

In the context of OTC derivative transactions and efficient portfolio management techniques, the Fund may receive collateral with a view to reduce its counterparty risk. This section sets out the collateral policy applied by the Fund in such case. All assets received by the Fund in the context of efficient portfolio management techniques shall be considered as collateral for the purpose of this section.

If the Fund enters into OTC derivative transactions, it may be exposed to risks related to the creditworthiness of the OTC counterparties: when the Fund enters into futures contracts or options or uses other derivative

techniques it is subject to the risk that an OTC counterparty may not meet (or cannot meet) its obligations under a specific or multiple contracts. Counterparty risk can be reduced by depositing a security (collateral) (see above).

Eligible Collateral

Collateral received by the Fund may be used to reduce its counterparty risk exposure if it complies with the criteria set out in applicable laws, regulations and CSSF-Circulars issued from time to time notably in terms of liquidity, valuation, issuer credit quality, correlation, risks linked to the management of collateral and enforceability. In particular, collateral should comply with the following conditions:

(i) Any collateral received other than cash should be of high quality, highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation;

(ii) It should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place;

(iii) It should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;

(iv) It should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure of 20% of the respective Subfund's Net Asset Value to any single issuer on an aggregate basis, taking into account all collateral received.

(v) It should be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty.

Subject to the abovementioned conditions, collateral received by the Fund may consist of:

(i) Cash and cash equivalents, including short-term bank certificates and money market instruments;

(ii) Bonds issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or worldwide scope;

(iii) Shares or units issued by money market UCIs calculating a daily Net Asset Value and being assigned a rating of AAA or its equivalent;

(iv) Shares or units issued by UCITS investing mainly in bonds/shares mentioned in lit. (e) and (f) of Section II – Chapter 20 (1), "Investment Restrictions", below;

(v) Bonds issued or guaranteed by first class issuers offering adequate liquidity;

(vi) Shares admitted to or dealt in on a regulated market of a Member State of the EU or on a stock exchange of a Member State of the OECD, on the condition that these shares are included in a main index.

The Fund will only accept such financial instruments as collateral that would allow it (after objective and appropriate valuation) to liquidate these within an appropriate time period. The Fund, or a service provider appointed by the Fund, must assess the collateral's value at least once a day. The collateral's value must be higher than the value of the position of the respective OTC counterparty. However, this value may fluctuate between two consecutive valuations. After each valuation, however, it is ensured (where appropriate, by requesting additional collateral) that the collateral is increased by the desired amount to meet the value of the respective OTC counterparty's position (mark-to-market). In order to adequately take into account the risks related to the collateral in question, the Fund determines whether the value of the collateral to be requested should be increased, or whether this value should be depreciated by an appropriate, conservatively measured amount (haircut). The larger the collateral's value may fluctuate, the higher the markdown. The markdown is highest for equities. Securities deposited as collateral may not have been issued by the corresponding OTC counterparty or have a high correlation with this OTC counterparty. For this reason, shares from the finance sector are not accepted as collateral. Securities received by the Fund as collateral with title transfer are held by the Depositary in favour of the Fund and may not be sold, invested or pledged by the Fund.

The Fund shall ensure that the collateral transferred to it is adequately diversified, particularly regarding geographic dispersal, diversification across different markets and diversification of the concentration risk. The

latter is considered to be sufficiently diversified if securities and money market instruments held as collateral and issued by a single issuer do not exceed 20% of the Fund's net assets.

Collateral that is deposited in the form of cash may be invested by the Fund. Re-investments may only be made in: sight deposits or deposits at notice in accordance with Section II - point 16 (1) "Investment Instruments"; high-quality government bonds; repurchase transactions within the meaning of Section "Special techniques and instruments relating to transferable securities and money market instruments", provided that the counterparty to this transaction is a credit institute within the meaning of point Section II point 16 (1) "Investment Instruments" and the Fund has the right to cancel the transaction at any time and to request the back transfer of the amount invested (incl. accrued interest); short-term money-market instruments within the meaning of CESR Guidelines 10-049 regarding the definition of European money-market instruments. The restrictions listed in the previous paragraph also apply to the diversification of the concentration risk.

If the Fund owes a security pursuant to an applicable agreement, such security shall be held in custody by the Depositary in favour of the Fund. Bankruptcy and insolvency events or other credit events with the Depositary or within its sub-custodian/correspondent bank network may result in the rights of the Fund in connection with the security to be delayed or restricted in other ways. If the Fund is owed a security pursuant to an applicable agreement, then any such security is to be transferred to the OTC counterparty as agreed between the Fund and the OTC counterparty. Bankruptcy and insolvency events or other credit events with the OTC counterparty, the Depositary or within its sub-custodian/correspondent bank network may result in the rights or recognition of the Fund in connection with the security to be delayed, restricted or even eliminated, which would go so far as to force the Fund to fulfil its obligations in the framework of the OTC transaction, in spite of any security that had previously been made available to cover any such obligation. The Board of the Fund shall decide on an internal framework agreement that determines the details of the above-mentioned requirements and values, particularly regarding the types of collateral accepted the amounts to be added to and subtracted from the respective collateral, as well as the investment policy for liquid funds that are deposited as collateral. This framework agreement is reviewed and adapted where appropriate by the Board on a regular basis.

By way of derogation from the above paragraph, the Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country or a public international body to which one or more Member States belong. In this case the Fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the net assets of the Fund. The Fund has decided to make use of the aforementioned derogation and to accept collateral for more than 20% of the Net Asset Value of the respective Subfund in form of transferable securities and money market instruments issued or guaranteed by a Member State or by their local public authorities or by supranational institutions to which one or more Member States belong.

Level of Collateral

The Fund will determine the required level of collateral for OTC derivatives transactions and efficient portfolio management techniques by reference to the applicable counterparty risk limits set out in this Prospectus and taking into account the nature and characteristics of transactions, the creditworthiness and identity of counterparties and prevailing market conditions.

Haircut Policy

Collateral will be valued, on a daily basis, using available market prices and taking into account appropriate discounts which will be determined by the Fund for each asset class based on its haircut policy. The policy takes into account a variety of factors, depending on the nature of the collateral received, such as the issuer's credit standing, the maturity, currency, price volatility of the assets and, where applicable, the outcome of liquidity stress tests carried out by the Fund under normal and exceptional liquidity conditions. No haircut will generally be applied to cash collateral.

According to the Fund's haircut policy the following discounts will be made:

1. Eligible assets/ haircuts which apply to collateral for securities lending transactions are the following:

Asset classes eligible for collateral	Haircut (% deducted from the market value)
Government bonds	

Securities issued or guaranteed by a G10 member states	2%
Corporate bonds Fixed or variable income securities with an actual long term rating of at least A2 (Moody's) or A (S&P)	5%
Equities Austria - ATX Belgium - BEL20 Canada - SPTSX60 Denmark - C20 Europe (EURO STOXX 50) - SX5E Finland (OMX Helsinki 25) - HEX25 France (CAC 40) - CAC Germany - DAX Japan (NIKKEI 225) – NKY Luxembourg - LUXX Netherlands – AEX New Zealand - NZX Top 10 Norway - OBX Stock Sweden (OMX Stockolm 30) - OMX Switzerland (Swiss Market, SPI Swiss Performance) - SPI/SMI United Kingdom (FTSE 100) - UKX United States (Dow Jones, S&P 500)	15%

2. Eligible Assets/haircuts applicable to collateral for OTC are the following:

Asset classes eligible for collateral	**Minimum Haircut (% deducted from the market value)**
Cash	0%
Shares	15%
Bonds, notes and Money market paper	From 2% to 10% depending on the maturity
Investment fund units	5%

Reinvestment of Collateral

The collateral received is not reinvested.

Annex 1 - Template pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: LUXEMBOURG SELECTION FUND – Active Solar (the "**Subfund**")

Legal entity identifier: 549300I1XRXKLB8G4A66

Sustainable investment objective

Does this financial product have a sustainable investment objective?

☒ Yes	☐ No
☒ It will make a minimum of **sustainable investments with an environmental objective:** 80 %	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments
☒ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** ___%	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



What is the sustainable investment objective of this financial product?

The Subfund has a sustainable investment objective to contribute to the stabilisation of greenhouse gas concentrations through the avoidance and/or reduction of greenhouse gas

emissions. In particular, the Subfund's primary environmental objective in the framework of the Taxonomy Regulation is Climate Change Mitigation.

The Sub-Fund's approach is based on the premise that solar energy is one of the least polluting sources of energy. Electricity generated by solar installations reduces the greenhouse gas emissions by replacing more polluting energy sources. By investing in companies throughout the solar value chain, the Subfund actively contributes to the sustainable investment objective of stabilising greenhouse gas concentrations.

The Subfund ensures the continued pursuit of its environmental objective through the following approach:

- Investing in leading companies in the solar sector based on a rigorous fundamental analysis;
- Identifying top performers across all segments of the solar photovoltaics ("Solar PV") value chain;
- Investing in companies whose activities support the installation of Solar PV systems and the efficient storage and distribution of solar energy;
- Enabling the generation of very-low carbon electricity through new Solar PV installations;
- Replacing polluting energy sources (coal or gas) with clean electricity, either by displacing existing sources or meeting growing energy demand sustainably.

In addition, most of the companies in the Subfund's portfolio have inherently low direct carbon emissions.

No specific index has been designated as a reference benchmark to meet the sustainable investment objective.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

To measure the attainment of the sustainable investment objective, the Portfolio Manager assesses the percentage of revenues generated by target companies from the below relevant activities for the Solar PV sector:

1. Electricity generation using solar photovoltaic technology;
2. Manufacture of renewable energy technologies;
3. Storage of electricity;
4. Transmission and distribution of electricity; and
5. Installation, maintenance and repair of energy efficient equipment.

The Portfolio Manager then calculates the percentage of revenues derived from these activities as a weighted average based on portfolio allocation. For example, if a target company generates 80% of its revenues from the "electricity generation using photovoltaic technology" and represents 5% of the Subfund's portfolio, 4% (80% multiplied by 5%) of the Subfund's portfolio is considered as Taxonomy-aligned).

Furthermore, the Portfolio Manager applies a proprietary ESG Risk assessment to all the target companies based on the following sustainability indicators:

a) Environmental indicators: Sustainability of supply chain / Energy usage/ Water usage/ Direct GHG emissions/ Global carbon footprint/ Waste management.

b) Social indicators: Responsible employer/ Health and safety/ Impact on communities.

c) Governance indicators: Governance structure/ Board of directors/ Risk management/ Code of ethics.

This assessment results in an overall ESG score for each target company. The score is incorporated into the overall risk return analysis, which ultimately determines the company's allocation and weight within the portfolio.

- ***How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?***

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

To assess whether the Subfund's investments do no significant harm, the Portfolio Manager applies the indicators for adverse impacts on sustainability factors. These indicators are calculated based on the disclosures of the portfolio companies.

In addition, the Portfolio Manager screens the target companies against sanctions lists, negative news, and controversies.

- *How have the indicators for adverse impacts on sustainability factors been taken into account?*

The Portfolio Manager reports on PAI in accordance with "ANNEX I" to the Commission Delegated Regulation (EU) 2022/1288 supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council regarding regulatory technical standards and adverse sustainability impacts.

Specifically, the Portfolio Manager assesses fourteen (14) indicators across categories. Each indicator is associated with a specific metric. The metric for each company is then weighted based on portfolio allocation, forming the basis of the PAI assessment. Particularly negative results of the PAI assessment may lead to exclusion.

The fourteen (14) indicators considered by the Portfolio Manager are: (1) "GHG" emissions including scope 1, 2 and 3 and Total GHG emissions, (2) Carbon footprint, (3) GHG intensity of investee companies, (4) Exposure to companies active in the fossil fuel sector, (5) Share of non-renewable energy consumption and production, (6) Energy consumption intensity per high impact climate sector, (7) Activities negatively affecting biodiversity- & sensitive areas, (8) Emissions to water, (9) Hazardous waste and radioactive waste ratio, (10) Violations of UN Global Compact principles and Organisation for Economic cooperation and Development (OECD) Guidelines for Multinational Enterprises, (11) Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises, (12) Unadjusted gender pay gap, (13) Board gender diversity, and (14) Exposure to controversial weapons (anti - personnel mines, cluster munitions, chemical weapons, and biological weapons).

The additional indicators considered are as follows: GHG intensity, Investee countries subject to social violations, exposure to fossil fuels through real estate assets and exposure to energy-inefficient real estate assets.

At present, in the context of the EU Paris-aligned Benchmark exclusion criteria (Article 12(1)(a) to (g) of CDR (EU) 2020/1818) the PAI indicators 4, 10 and 14 are considered by means of exclusions from the investment universe.

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

The Portfolio Manager ensures that sustainable investments are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

- **Alignment with OECD Guidelines for Multinational Enterprises**

The companies of the portfolio must align with these OECD guidelines:

a. Firms should respect human rights in every country in which they operate.
b. Companies should also respect environmental and labour standards and have appropriate due diligence processes in place to ensure this happens.
c. Guidelines include paying decent wages, combating bribe solicitation and extortion, and the promotion of sustainable consumption.

- **Alignment with UN Guiding Principles on Business and Human Rights**

The UN Guiding Principles on Business and Human Rights state explicitly that the responsibility of business enterprises to respect human rights applies to all enterprises regardless of their size, sector, operational context, ownership, and structure.

The Portfolio Manager monitors the commitment of the underlying companies to the OECD Principles and UN Guidelines and review the allocation of the portfolio accordingly in case the ESG scores are negatively impacted.
Non-compliance with international norms and standards triggers an investigation, monitoring, and potential exclusion if it significantly impacts the company's ESG score.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes, as per list of mandatory Principal Adverse Impact factors and some additional ones mentioned above, the Portfolio Manager assesses and considers the adverse impacts of companies the Subfund invests in during the internal ESG scoring process.

At present, in the context of the EU Paris-aligned Benchmark exclusion criteria (Article 12(1)(a) to (g) of CDR (EU) 2020/1818) the PAI indicators 4, 10 and 14 are considered by means of exclusions from the investment universe.

More information on the principal adverse impacts on sustainability factors will be made available in the periodic report in accordance with Article 11(2) of the SFDR.

☐ No

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Subfund's strategy is to invest in leading companies in the solar sector, selected through a rigorous fundamental analysis while excluding those with material ESG risk, as assessed against the indicators outlined below. This strategy is not restricted to a specific technology or market, but instead seeks to identify leaders across various segments and stages of the value chain. The objective is to identify investment opportunities that align with sustainability principles and do not significantly harm as defined by Regulations (EU) 2019/2088 and (EU) 2020/852.

The Portfolio Manager employs a proprietary ESG Risk assessment, integrating multiple ESG data sources from both internal and reputable external providers to identify companies with significant ESG risks. A comprehensive internal ESG scoring is conducted before any investment decision is made.

The Portfolio Manager applies its fundamental analysis to all the companies witin the Subfund's investment universe, integrating a sustainability risk assessment based on the following indicators.

a) Environmental indicators:
   - Sustainability of supply chain;
   - Energy usage;
   - Water usage;
   - Direct GHG emissions;
   - Global carbon footprint;
   - Waste management.

b) Social indicators:
   - Responsible employer;
   - Health and safety;
   - Impact on communities.

c) Governance indicators:
   - Governance structure;
   - Board of directors;
   - Risk management;
   - Code of ethics.

Each criterion of analysis is evaluated, graded, and equally weighted within its category, with the scores aggregated to determine the final grade. Companies are assigned a score that guides their eligibility for portfolio allocation:

- Score of 0 to +1 = eligible for portfolio inclusion.
- Score between -0.5 and 0 = may be allocated but subject to review; removal if no improvement is observed within one year.
- Score of below -0.5 is excluded from investments consideration.

In addition, to achieve the Subfund's environmentally sustainable objective, greenhouse gas emissions of the portfolio companies will be measured and will need to decrease over time to reach net zero by 2040.

The results of these analyses are then submitted to the Portfolio Manager's investment committee who must unanimously approve allocations to the Subfund.

The ESG analyses are updated as needed and the portfolio allocation is adjusted accordingly. The environmental, social and governance (ESG) fundamental analysis and screening is applied to 100% of the equity positions of the Subfund's portfolio.

The Subfund excludes investments in companies subject to the EU Paris-aligned Benchmarks exclusion criteria (Article 12(1)(a) to (g) of CDR (EU) 2020/1818). Companies violating the United Nations Global Compact (UNGC) principles, which do not demonstrate credible corrective action will be excluded from the investment universe. In case it would come to an overlap of certain exclusions, the stricter threshold shall apply.

- ***What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?***

To attain the sustainable investment objective of climate change mitigation, the Portfolio Manager implements a rigorous investment selection process based on two binding criteria:

1. Screening for alignment with the Taxonomy environmental objective of the Subfund as per requirements of Regulation (EU) 2020/852 and 2022/1288:

The Portfolio manager screens alignment of the portfolio against the following activities:

- Electricity generation using solar photovoltaic technology
- Manufacture of renewable energy technologies
- Storage of electricity
- Transmission and distribution of electricity
- Installation, maintenance and repair of energy efficient equipment

Amongst the environmentally sustainable investments, the Portfolio Manager commits to minimum 60% of sustainable investment aligned within the meaning of the EU Taxonomy (i.e., 48% of the Subfund's total investments).

2. Portfolio Manager proprietary ESG scoring model:

As detailed in section "What investment strategy does this financial product follow?", the Portfolio Manager applies its proprietary ESG scoring model which is fully integrated in the investment management process.

Companies must meet both the taxonomy screening requirements and the ESG scoring criteria below to be allocated to the portfolio:

- Score of 0 to +1= eligible for portfolio inclusion
- Score between -0.5 and 0 = may be allocated but subject to review; removal if no improvement is observed within one year.
- Score of below -0.5 is excluded from investment consideration.

3. Fund specific exclusions

The Subfund excludes investments in companies subject to the EU Paris-aligned Benchmarks exclusion criteria (Article 12(1)(a) to (g) of CDR (EU) 2020/1818). Companies violating the United Nations Global Compact (UNGC) principles, which do not demonstrate credible corrective action will be excluded from the investment universe. In case it would come to an overlap of certain exclusions, the stricter threshold shall apply.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

The Portfolio Manager uses the results of internal and external assessments to exclude companies perceived to violate key issues related to 'Good Governance', in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

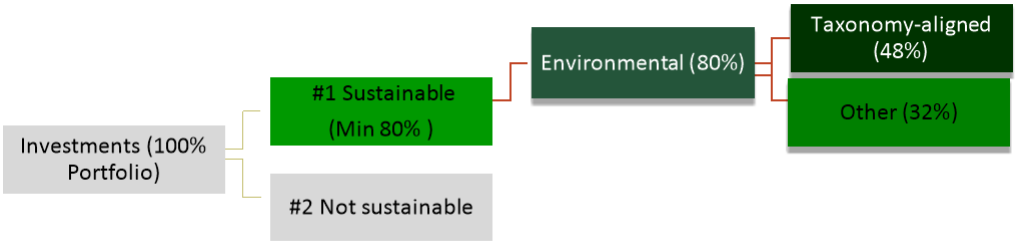
Companies violating the United Nations Global Compact (UNGC) principles, which do not demonstrate credible corrective action will be excluded from the investment universe.

Asset allocation describes the share of investments in specific assets.

What is the asset allocation and the minimum share of sustainable investments?

The Subfund's minimum percentage of sustainable investments with environmental objective is 80% (#1 Sustainable).. Amongst the environmentally sustainable investments, minimum 48% of the Subfund's total investments will be Taxonomy- aligned. The remaining portion of sustainable investments may be in sustainable investments with an environmental objective not aligned with EU Taxonomy, if relevant Taxonomy-related data is not available. The Subfund may invest up to 20% of its total assets in other investments (#2 Not sustainable).

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Sustainable covers sustainable investments with environmental or social objectives.
#2 Not sustainable includes investments which do not qualify as sustainable investments.

How does the use of derivatives attain the sustainable investment objective?

The derivatives are not used to attain sustainable investment objective but for currency hedging purposes only.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Subfund invests only in the solar industry and has an environmental objective to contribute to the stabilisation of greenhouse gas concentrations through the avoidance and/or reduction of greenhouse gas emissions. Under the Taxonomy Regulation, this aligns with the environmental objective of ***Climate Change Mitigation***. The minimum Taxonomy aligned threshold for the Subfund is 60% of the sustainable investments (i.e., 48% of the Subfund's total investments).

Alignment with the EU Taxonomy will not be subject to an assurance provided by one or more auditors or a review by one or more third parties according to Regulation (EU) 2022/1288 Art. 15 1. (b).

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission leels corresponding to the best performance.

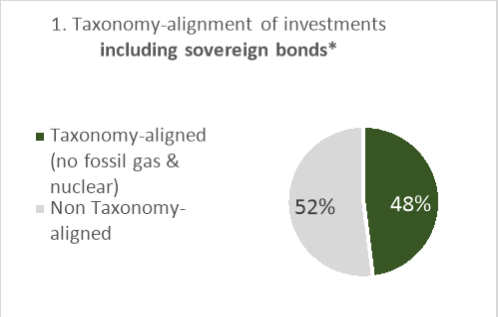
- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[4]?**

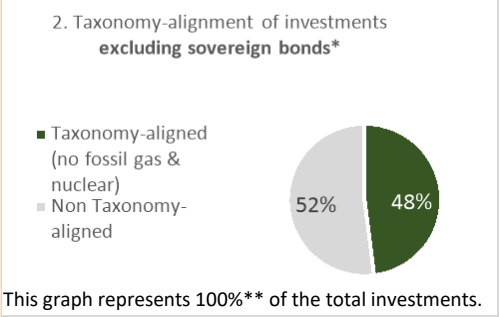
☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





This graph represents 100%** of the total investments.

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*
*** This percentage is purely indicative and may vary.*

- ***What is the minimum share of investments in transitional and enabling activities?***

Transitional activities are not applicable in the context of Solar PV, where only "enabling" and "own performance" activities apply. "Own Performance" activities are defined as economic activities that make a substantial contribution based on their own performance.
The minimum share of sustainable investments in enabling activities is 30%.

[4] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

are environmentally sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is of 0%.

What is the minimum share of sustainable investments with a social objective?

Not applicable.

What investments are included under "#2 Not sustainable", what is their purpose and are there any minimum environmental or social safeguards?

The Subfund may hold certain instruments which are not considered Sustainable Investments. For the most part such investments are commercial paper and other money market instruments, money market funds and monetary type of UCITS and other UCIs (within the limit set out by the 2010 Law), bonds including floating rate notes, cash, bank deposits. Such investments may be used for the purposes of capital preservation and do not follow any minimum environmental or social safeguards.

In addition, a very small portion (less than 2%) is currently an equity with a small line of business not considered sustainable. All minimum environmental and social safeguards checks are applied for such investment.

Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Not applicable.

Where can I find more product specific information online?

More product-specific information can be found on the website:
https://www.fundinfo.com/

Annex 3 - Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: LUXEMBOURG SELECTION FUND – Arcano Low Volatility European Income Fund – ESG Selection (the "**Subfund**")

Legal entity identifier: 549300J3812DUD4QWP56

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** ___%	☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** ___%	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

What environmental and/or social characteristics are promoted by this financial product?

The Subfund follows ESG integration strategy through integration of ESG issues into the investment decision-making process, by applying the proprietary Arcano ESG score to each portfolio company and targeting those with best or fastest growing ESG performance.

To assess ESG performance of portfolio companies, the portfolio manager assigns an Arcano ESG score on the basis of the data collected. The scores range from 0 to 100, with 100 classified as the best possible score. The Arcano ESG score takes into account both external scores and internal research.

Environmental indicators measure:

I. Existence of environmental policies
II. Implementation of environmental supply chain management
III. Setting greenhouse gases reduction targets
IV. Measurement and reduction of non-renewable energy consumption and production
V. Energy consumption intensity
VI. Adoption of waste mitigation policies
VII. Exposure to hazardous chemicals

Social characteristics promoted include:

VIII. Existence of social policies
IX. Existence of workplace accident prevention measures
X. Fair labor and human rights protection in the supply chain
XI. Involvement in charitable or social initiatives
XII. Existence of diversity policies
XIII. Board and workforce gender diversity
XIV. Data management policies

In addition, any potential investment that does not pass the Investment Manager's negative screening (such as involvement in controversial sectors or breaches of international norms) is automatically excluded from the eligible universe.

The Subfund's investment strategy is designed to ensure that all investments are subject to robust ESG due diligence, negative and positive screening, and ongoing monitoring.

No reference benchmark has been designated for the purpose of attaining the environmental and social characteristics promoted.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

1. Distribution of Arcano ESG Score by pillar (Environmental, Social, Governance)
2. Percentage of portfolio companies compliant with negative screening criteria

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The financial product seeks to achieve the following sustainable investment objectives:

I. Support for Environmental and Social Projects: by investments in green and sustainability-linked bonds.
II. Contributing to the advancement of the United Nations Sustainable Development Goals (SDGs) of ESG best-in-class companies: by investments in bonds issued by companies whose business activities are aligned with, and supportive of, one or more United Nations Sustainable Development Goals (SDGs), as defined by the Bloomberg SDG Impact framework, with sufficient Arcano ESG Score.

To ensure the credibility and integrity of SDG-aligned investing, potential positive contributions of corporate issuers are only recognized when potential negative impacts have been duly identified and effectively mitigated. Accordingly, an issuer may only be considered as contributing to a given SDG if it does not exhibit a materially negative "potential net SDG impact" on any of the remaining goals.Eligible issuers include corporates whose business activities are potentially aligned with, and supportive of, one or more United Nations Sustainable Development Goals (SDGs), based on revenue exposure and sectoral impact associations.

Corporate issuers' contributions are categorized as either social or environmental, based on their potential impact on SDGs:

Environmental Contribution	SDG 6 – Clean Water and Sanitation
	SDG 7 – Affordable and Clean Energy
	SDG 12 – Responsible Consumption and Production
	SDG 13 – Climate Action
	SDG 14 – Life Below Water
	SDG 15 – Life on Land
Social Contribution	SDG 1 – No Poverty
	SDG 2 – Zero Hunger
	SDG 3 – Good Health and Well-being
	SDG 4 – Quality Education
	SDG 5 – Gender Equality
	SDG 8 – Decent Work and Economic Growth
	SDG 9 – Industry, Innovation and Infrastructure
	SDG 10 – Reduced Inequalities
	SDG 11 – Sustainable Cities and Communities
	SDG 16 – Peace, Justice and Strong Institutions

Furthermore, each issuer is assigned an Arcano ESG score (0-100). Scores are based on a detailed review of the Environmental, Social and Governance performance of the companies. This includes a review of policies and objectives linked to sustainable targets. Both external data sources and internal direct discussions with invested companies feed into the analysis. To calculate ESG weights, the portfolio manager uses the implementation of scoring bands. Scores are grouped into five bands, with the highest two being considered eligible as sustainable investments (Bands 1-2, i.e., ESG Score equal to or higher than 60).

III. Promotion of Responsible Sovereign Practices: by investments in sovereign and supranational bonds issued by countries demonstrating commitment to the United Nations Sustainable Development Goals through at least one of the following:
    1. Submission of a Voluntary National Review (VNR) to the UN High-Level Political Forum, available at UN DESA VNR Repository; or
    2. Publication of a national development strategy explicitly aligned with the SDGs, as referenced on the Sustainable Development Knowledge Platform.

IV. Increase allocation to funds with sustainable investment objective: by investments in UCITS and UCIs with sustainable investment objective, disclosing under Article 9 SFDR.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

The Subfund applies a clearly defined assessment to all sustainable investments, ensuring that none cause significant harm to any environmental or social objective. All corporate and sovereign issuers are assessed against a set of PAI indicators and must meet minimum thresholds or be excluded from the sustainable investment universe. Principle Adverse Impact indicators are systematically integrated into the investment process and continuously monitored.

- *How have the indicators for adverse impacts on sustainability factors been taken into account?*

All corporate issuers must meet minimum thresholds or be excluded from the sustainable investment universe. Principle Adverse Impact indicators are systematically integrated into the investment process and continuously monitored.

Principal Adverse Impact Indicator*	**Consideration**
3. GHG intensity of investee companies	At least one of the following criteria must be met: i) The company has established reduction targets approved by the Science-Based Targets Initiative (SBTi); or ii) The company must maintain a GHG intensity of no more than 220.02 tCO_2e per €1 million revenue, consistent with the latest European portfolio average identified by independent industry research. This figure serves as a prevailing benchmark for evaluating portfolio carbon intensity across the market. (Source : Funds Europe, Carbon Impact Research Report 2024) ; or iii) The company has decreased GHG intensity by 4% per year on average in the last two years; or iv) The company has established reduction targets that, while not formally approved by the SBTi, are aligned and consistent with industry peers that have established reduction targets approved by the Science-Based Targets Initiative (SBTi).
4. Exposure to companies active in the fossil fuel sector	Exclusion of companies generating more than 50% of revenues from activities linked to gas (exploration, extraction, manufacturing or distribution of gaseous fuels), and high-carbon electricity (revenues from electricity generation with a GHG intensity of more than 100g CO2 e/kWh), more than 10% of revenues for activities linked to oil (exploration, extraction, distribution of refining of oil fuels), or more than 1% of revenues for activities linked to coal (exploration, mining, extraction, distribution or refining of hard coal and lignite)

10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Exclusion of companies which do not comply with the ten principles of the United Nations Global Compact and do not demonstrate credible corrective action
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	The company must have formalized human rights and environmental due diligence procedures in place, aligned with international standards such as the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. This includes documented policies, risk identification processes, impact assessments, grievance mechanisms, and ongoing monitoring frameworks.
12. Unadjusted gender pay gap**	The company must have unadjusted gender pay gap of max. 12.0%, in line with the most recent EU average reported by Eurostat, which serves as a general benchmark for assessing gender pay disparities. (Source: Eurostat, «Gender pay gap statistics», March 2024)
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Exclusion of companies with exposure to controversial weapons

*PAIs are assessed either through direct company reporting or via credible third-party estimation
**The unadjusted gender pay gap (GPG) represents a critical social performance indicator within our ESG analysis and is essential for the integrity of our negative screening and benchmarking processes. To address current gaps in company-level disclosure, we implement a systematic approach for missing data. Specifically, for any entity that does not report its unadjusted GPG, we impute the country-level unadjusted gender pay gap average as a proxy.
These countries' averages are sourced exclusively from reputable and independent third-party organizations, including national statistical agencies, international institutions, and leading industry research bodies. Our data partners include but are not limited to: the Office for National Statistics (UK), Eurostat, the European Parliament, UNRIC, Pew Research Center (US), Statistics Netherlands, Canadian Women's Foundation, Trusaic, Equal Pay Today, Yle News, and other recognized sources such as The Copenhagen Post and Euronews.

For sovereign issuers, adverse impacts are addressed by excluding countries with poor governance or social rights records, and by requiring a downward trend in CO_2 emissions.

Principal Adverse Impact Indicator	**Consideration**
15. GHG intensity	The sovereign must show a downward trend in CO_2 emissions per capita, based on International Energy Agency data
16. Investee countries subject to social violations	The sovereign must show no major violations of social rights according to the International Trade Union Confederation's Global Rights Index

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Companies violating the United Nations Global Compact (UNGC) principles, which do not demonstrate credible corrective action do not qualify as sustainable investments within the portfolio will be excluded from the investment universe.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes, the Subfund considers principal adverse impacts (PAIs) of its investments on sustainability factors at the product level. The Subfund systematically integrates the assessment of adverse impacts on society and the environment through a combination of portfolio management decisions, active ownership, and application of exclusion criteria for companies or sectors associated with controversial conduct or activities.

PAI indicators are closely monitored by the portfolio manager as part of the ongoing assessment of sustainability risks and impacts. The Subfund is committed to aggregating and scrutinizing data for all mandatory PAIs, as well as additional indicators where data is available. ESG data is sourced from third party, which collects information directly from portfolio companies or, where necessary, estimates it based on comparable companies. This approach enables the Subfund to maximize PAI coverage, even for privately held companies that may not yet disclose all required data.

In selecting PAI indicators, the Subfund endeavors to consider all mandatory indicators whenever information is available. Where company-level data is missing, the Subfund applies a conservative approach by imputing country-level or sectoral averages from reputable sources, ensuring that adverse impacts are not overlooked.

The Subfund addresses and aims to mitigate principal adverse impacts on sustainability factors through several combined strategies:

- Engagement: The portfolio manager actively engages with companies to discuss identified adverse impacts, with the objective of improving corporate behavior and reducing negative

outcomes.

- Exclusion criteria: Transactions that do not meet the Subfund's negative screening requirements are immediately excluded from the eligible investment universe. In the context of the EU Paris-aligned Benchmark exclusion criteria (Article 12(1)(a) to (g) of CDR (EU) 2020/1818) the PAI indicators 4, 10 and 14 are considered by means of exclusions from the investment universe.

More information on the principal adverse impacts on sustainability factors will be made available in the periodic report in accordance with Article 11(2) of the SFDR.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Subfund is an active, responsible and ESG investment strategy with daily liquidity focused on recurring income and protection against volatility in the European fixed income market

The Subfund has defined a specific approach to the promotion of environmental and social characteristics for the different instruments it invests in.

Bonds issued by corporations or financial institutions
For investments in bonds issued by corporations or financial institutions, the Subfund applies five-step approach:

1. Data gathering: The portfolio manager collects data on the ESG performance of potential investments by performing an ESG due diligence on them. In addition to the internally performed due diligence, ESG factors are evaluated by the portfolio manager using data - when available- from independent ESG research providers, which form part of the portfolio manager's investment analysis. Based on the data gathered, the investment analysts of the portfolio manager determines the ESG compliance of companies in accordance with both negative and positive criteria (i.e. negative criteria which, if present, prevent the Subfund from making a certain investment) and positive criteria (i.e. criteria which are considered with respect to a potential investment in order for the Subfund to be allowed to make the investment).

2. Application of negative criteria:
   The Fund excludes investments in companies subject to the EU Paris-aligned Benchmarks exclusion criteria (Article 12(1)(a) to (g) of CDR (EU) 2020/1818).

   For the purpose of application of the negative screening, business activity is defined as any relevant business, trade, or production from which the obligor derives:

   More than 50% of revenues from activities linked to:
   - Gas (exploration, extraction, manufacturing or distribution of gaseous fuels),
   - High-carbon electricity (revenues from electricity generation with a GHG intensity of more than 100g CO2 e/kWh)

More than 20% of revenue from activities linked to:
- Gambling, including operators such as casinos, online gambling websites or racetracks and manufacturers of specialized gambling equipment
- Pornography or prostitution, including production and distribution
- Production of wildlife-threatening substances which is banned by applicable global conventions and agreements
- Subprime lending or payday lending activities

More than 10% of revenues for activities linked to:
- Oil (exploration, extraction, distribution of refining of oil fuels)

More than 1% of revenues for activities linked to:
- Coal (exploration, mining, extraction, distribution or refining of hard coal and lignite)

Zero tolerance exclusion applies to :
- Tobacco (cultivation, production, sale, distribution)
- Controversial weapons (including nuclear, chemical, biological, cluster munitions)

3. Application of positive criteria/Assignment of an Arcano ESG score:
The portfolio manager assigns an Arcano ESG score to every potential investment on the basis of the data collected. The scores range from 0 to 100, with 100 classified as the best possible score.

The Arcano ESG score takes into account both external scores and internal research. The main steps used in assigning an Arcano ESG scores are:

- Every company is scored against a country-sector benchmark that captures the ESG risk inherent to doing business in any specific industry and country.

- Against this benchmark score, the investment committee evaluates company specific performance and policies to assign a company specific Arcano ESG Score. Company analysis is based on analysts' interaction with managements as well as on ESG intelligence gathered both internally and through external suppliers. The analysis includes a detailed review of environmental, social and governance performance of the company as well as of the specific characteristics of the instrument (including an analysis of green/sustainability-linked features).

To calculate ESG weights, the portfolio manager uses the implementation of scoring bands. Each issuer in the baseline index is bucketed into bands 1 – 5:

- Band 1 = Scores equal to or higher than 80
- Band 2 = equal to or higher than 60, less than 80
- Band 3 = Scores equal to or higher than 40, less than 60
- Band 4 = Scores equal to or higher than 20, less than 40
- Band 5 = Scores lower than 20

Each band functions as a scale which is utilized in the overall ESG integration approach.

4. Impact of ESG scores on investment allocation: The Arcano ESG score limits the possible maximum exposure of the Subfund to: (i) a certain potential investment, and (ii) total investments with regards to a certain category of investments.

5. Monitoring and engagement: Reviews of assigned scores are carried out quarterly and may in addition occur on a punctual basis (triggered by any ESG related news, events or by proposal of the competent persons as determined by the portfolio manager). At the time of the assignment of the Arcano ESG score, the portfolio manager sets engagement targets, upon which companies' performance is evaluated quarterly. In the event of any ESG related news or events affecting a company whose securities are held in the portfolio of the Subfund, the company's performance is reviewed, and the portfolio manager makes the relevant decision.

CLO and ABS

For investments in CLO and ABS the Subfund's ESG analysis of these instruments hinges on two steps:

1. ESG analysis of the manager issuing the instrument: This analysis focuses on a review of the ESG policies at issuer level and includes the following items:

    - Existence of an ESG policy
    - Existence of an exclusion policy
    - Existence of a fully integrated ESG approach

2. ESG analysis of the instruments itself: This analysis focuses on a review of the ESG features included in the prospectus of the instrument and includes the following items:

    - Inclusion of ESG restrictions in the prospectus
    - Inclusion of a fully integrated ESG approach in the prospectus

Bonds issued by governments or government-related agencies

For investments in bonds issued by governments or government-related agencies, the Subfund's ESG analysis is based on three main steps:

1. Countries subject to United Nations Security Council sanctions, as listed under the official Sanctions regime (UN Sanctions List), are excluded from consideration.

2. Countries scoring below 60 points in the most recent Transparency International Corruption Perceptions Index (CPI 2023) are excluded on governance risk grounds (Transparency.org).

3. The specific security is assigned a score based on its ESG characteristics (Sustainability linked, green, or other).

UCITS and UCIs

For investments in UCITS and other UCIs (mainly money market funds and monetary type of UCITS and other UCIs within the limit set out by the 2010 Law), the Subfund assigns an Arcano ESG score and a scoring band based on the following considerations:

1. Countries Funds with sustainable investment objective, disclosing under Article 9 SFDR are included in Band 1.
2. Funds promoting environmental and/or social characteristics, disclosing under Article 8 SFDR are generally included in band 2, 3 or 4 depending on:

    a) Alignment of the negative screening policy with the one of Arcano,

b) Integration of ESG screening for all lines in the portfolio and/or commitment to engagement activities,
c) Commitment to realize a percentage of sustainable investments.

Funds not disclosing under Article 8 or Article 9 SFDR ("Article 6 funds") are generally included in band 4 or 5 depending on the percentage of investments in sectors that are included in the Subfund's negative screening list (no more that 10% exposure is allowed).

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The Subfund does not invest in companies:

Found in breach of the negative exclusion criteria:

- Subject to the EU Paris-aligned Benchmarks exclusion criteria (Article 12(1)(a) to (g) of CDR (EU) 2020/1818)
- Deriving more than 50% of revenues from activities linked to:
  - Gas (exploration, extraction, manufacturing or distribution of gaseous fuels),
  - High-carbon electricity (revenues from electricity generation with a GHG intensity of more than 100g CO2 e/kWh)
- Deriving more than 20% of revenue from activities linked to:
  - Gambling, including operators such as casinos, online gambling websites or racetracks and manufacturers of specialized gambling equipment
  - Pornography or prostitution, including production and distribution
  - Production of wildlife-threatening substances which is banned by applicable global conventions and agreements
  - Subprime lending or payday lending activities
- Deriving more than 10% of revenues for activities linked to:
  - Oil (exploration, extraction, distribution of refining of oil fuels)
- Deriving more than 1% of revenues for activities linked to:
  - Coal (exploration, mining, extraction, distribution or refining of hard coal and lignite)
- Deriving any revenues (>0%) for activities linked to:
  - Tobacco (cultivation, production, sale, distribution)
  - Controversial weapons (including nuclear, chemical, biological, cluster munitions)
- Breaching the ten principles of the United Nations Global Compact and do not demonstrate credible corrective action.

In addition, the Subfund follows the following binding investment restrictions depending on the implemented Arcano ESG scoring band assigned to the issuer:

- Issuers in Band 1 have no weighting limitation (subject to the general investment restrictions set out in the prospectus and in the 2010 Law).
- Issuers in Band 2 may represent a maximum weight of 5% in the portfolio (per issuer).
- Issuers in Band 3 may represent a maximum weight of 3.75% in the portfolio (per issuer). The sum of all issuers in Band 3 and lower bands shall not represent more than 60% of portfolio allocation.
- Issuers in Band 4 may represent a maximum weight of 3% in the portfolio (per issuer). A formal justification and enhanced monitoring will be required for any issuer accounting for more than 2% of the fund falling in Band 4. The sum of all issuers in Band 4 shall not represent more than 25% of portfolio allocation.

Issuers in Band 5 will be excluded and will not be eligible for investment. If, subsequent to investment, any company in the portfolio falls into Band 5 due to the emergence of new information/a change in the

committee appraisal of its ESG risk, the portfolio manager has no more than three (3) months to dispose the totality of the position.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

Not applicable.

- ***What is the policy to assess good governance practices of the investee companies?***

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

Good corporate governance is a key driver of sustainable performance and is therefore embedded in the portfolio manager's investment strategy. The portfolio manager uses the results of internal and external assessments to exclude companies perceived to violate key issues related to 'Good Governance', with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

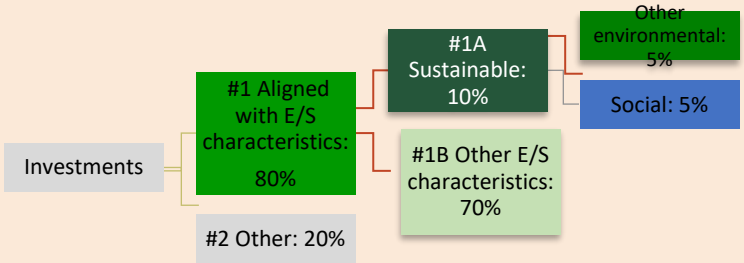
The assessment of good governance includes consideration of board structure and independence, remuneration alignment, transparency of ownership and control, and financial reporting.

Companies violating the United Nations Global Compact (UNGC) principles, which do not demonstrate credible corrective action will be excluded from the investment universe.

What is the asset allocation planned for this financial product?

As of today, the minimum asset allocation in #1 is 80% (with a minimum asset allocation in #1A of 5%) and the maximum allocation in #2 is 20%. The Subfund intends to increase the allocation to "#1 Aligned with E/S characteristics" should the investible universe evolve to allow a higher level of investment.

Asset allocation describes the share of investments in specific assets.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of

- ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

Where the Subfund makes use of financial derivative instruments for investment purposes, the portfolio manager applies, where possible, a look through approach in order to evaluate the Arcano ESG score of the instrument based on the underlying exposure. For financial derivative instruments based on a single name underlying, an ESG review of the underlying corporate is carried on.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Subfund does not currently commit to invest in any "sustainable investment" within the meaning of the Taxonomy Regulation.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[5]?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

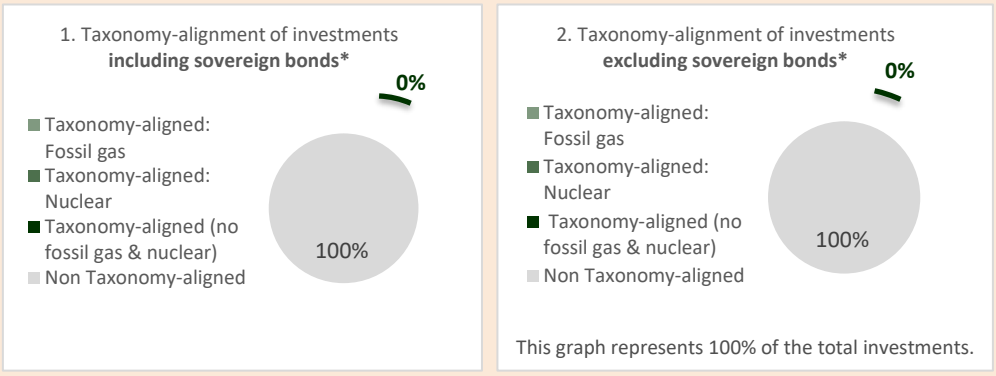
☒ No

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ge mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission ulation (EU) 2022/1214.

What is the minimum share of investments in transitional and enabling activities?

As the Subfund does not commit to invest any "sustainable investment" within the meaning of the Taxonomy Regulation, the minimum share of investments in transitional and enabling activities within the meaning of the Taxonomy Regulation is therefore also set at 0%.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentaly sustainable economic activities under the EU Taxonomy.

The Subfund targets a minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy greater than 5%.



What is the minimum share of socially sustainable investments?

The Subfund targets a minimum share of socially sustainable investments greater than 5%.



What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

"Other" Investments may include investments in liquid assets (cash and cash equivalents) held for the purposes of servicing the day-to-day requirements of the Subfund, commercial paper and other money market instruments, bonds including floating rate notes or investments for which there is insufficient data to be considered ESG-related Investment. There are no minimum environmental or social safeguards for these investments.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Subfund.



Where can I find more product specific information online?

More product-specific information can be found on the website:
https://www.fundinfo.com/