



UBS Asset Management (Europe) S.A.
Société Anonyme
33 A, avenue J.F. Kennedy
L-1855 Luxembourg
RCS Luxembourg Nr. B 154.210

(the “Management Company”)

www.ubs.com

**Notice to the unitholders of UBS (Lux) Institutional Fund – Key Selection European Equity¹
and
shareholders of UBS (Lux) Key Selection SICAV – European Equity Value Opportunity (EUR)
(collectively referred to as the “Unitholders”)**

The Management Company of UBS (Lux) Institutional Fund, a “Fonds Commun de Placement (FCP)” and UBS (Lux) Key Selection SICAV, a “Société d’Investissement à Capital Variable (SICAV)”, wishes to inform you of the decision to merge the sub-fund **UBS (Lux) Institutional Fund – Key Selection European Equity (the “Merging Sub-Fund”)** into **UBS (Lux) Key Selection SICAV – European Equity Value Opportunity (EUR) (the “Receiving Sub-Fund”)** (both sub-funds collectively referred to as the “Sub-Funds”) on **6 November 2024** (the “Effective Date”) (the “Merger”).

Due to some redemptions from the Merging Sub-Fund, the Investment Manager has advised the Board of Directors that it is no longer economically viable to manage the Merging Sub-Fund given the low level of remaining assets and lack of anticipated growth. The Receiving Sub-Fund has been identified as the best suited alternative for the unitholders in the Merging Sub-Fund, as both are actively managed equity funds that invests their assets chiefly in equity or other equity and both are managed by the same Investment Manager. The Receiving Sub-Fund will also benefit from a meaningful increase in assets under management. Therefore, the Board of Directors of the Management Company of UBS (Lux) Institutional Fund, a Fonds Commun de Placement (FCP), and the board of directors of UBS (Lux) Key Selection SICAV, a Société d’Investissement à Capital Variable (SICAV), deem it in the Unitholders’ best interest to merge the Merging Sub-Fund into the Receiving Sub-Fund pursuant to Article 12 of the Management Regulations of UBS (Lux) Institutional Fund and Article 25.2 of the articles of incorporation of UBS (Lux) Key Selection SICAV respectively.

As of the Effective Date, units of the Merging Sub-Fund which are merged into the Receiving Sub-Fund shall in all respects have the same rights as the shares issued by the Receiving Sub-Fund.

The Merger will be based on the net asset value per share as per 5 November 2024 (“Reference Date”). In the context of the Merger, the assets and liabilities of the Merging Sub-Fund will be allocated to the Receiving Sub-Fund. The number of new shares to be so issued shall be calculated on the Effective Date based on the exchange ratio corresponding to the net asset value per share of the Merging Sub-Fund on the Reference Date, in comparison with either i) the initial issue price of the respective receiving share class of the Receiving Sub-Fund – provided this share class has not been launched prior to the Reference Date – or (ii) the net asset value per share of the receiving share class of the Receiving Sub-Fund on the Reference Date.

The Merger will result in the following changes for the Unitholders:

	UBS (Lux) Institutional Fund – Key Selection European Equity	UBS (Lux) Key Selection SICAV – European Equity Value Opportunity (EUR)
Merging unit classes	I-A1-acc: (ISIN: LU0154869704) I-A1-dist: (ISIN: LU0154876311)	I-A1-dist: (ISIN: TBC) I-A1-dist: (ISIN: TBC)

¹ Not registered with FINMA for offering to non-qualified investors in Switzerland.



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	I-A2-acc: (ISIN: LU2571468474) I-B-acc: (ISIN: LU0154870629)	I-A2-acc: (ISIN: TBC) I-B-acc: (ISIN: LU0421770834)
Maximum flat fee p.a.	I-A1-acc: 0.580% I-A1-dist: 0.580% I-A2-acc: 0.540% I-B-acc: 0.065%	I-A1-dist: 0.580% I-A1-dist: 0.580% I-A2-acc: 0.540% I-B-acc: 0.065%
Ongoing costs as per key investor information (KID)	I-A1-acc: 0.6% I-A1-dist: 0.6% I-A2-acc: 0.6% I-B-acc: 0.1%	I-A1-dist: (estimated) I-A1-dist: (estimated) I-A2-acc: (estimated) I-B-acc: 0.1%
Investment policy	<p>This sub-fund promotes environmental and/or social characteristics and complies with Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (“SFDR”). Further information related to environmental and/or social characteristics is available in Annex I to this document (SFDR RTS Art. 14(2)).</p> <p>The Sub-Fund is actively managed in reference to MSCI Europe Total Return Net Index (net div. reinv.) (“the benchmark”). The benchmark is used for portfolio composition, in order to monitor performance and the ESG profile, as well as for ESG and investment risk management and portfolio construction purposes. The benchmark is not designed to promote ESG characteristics. The sustainability profile of the sub-fund is measured by its benchmark’s profile and the corresponding results are calculated at least once each year from the relevant monthly profiles and published in the annual report. The investment strategy and monitoring process ensure that the environmental or social characteristics of the product are taken into account.</p> <p>A significant portion of the Sub-Fund’s assets will be components of and have similar weightings to the Benchmark. The Portfolio Manager may use its discretion to invest in companies or sectors not included in the Benchmark in order to take advantage of specific investment opportunities. The fund performance may considerably differ from the benchmark performance during volatile markets.</p> <p>The sub-fund invests mainly in common and preferred stocks including ADR’s, warrants on transferable securities and rights convertible into common stocks from companies domiciled or which are chiefly active in European Countries. The objective is to achieve an excess performance relative to the benchmark. This may result in investments in smaller and/or unlisted companies in compliance with Article 2 of the Management Regulations.</p> <p>The markets of smaller and/or unlisted companies are more volatile and the possibility to realise gains, as well as the risk to suffer losses are higher.</p> <p>The sub-fund may hold short-term fixed income transferable securities on an ancillary basis. The sub-fund</p>	<p>This sub-fund promotes environmental and/or social characteristics and complies with Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (“SFDR”). Further information related to environmental and/or social characteristics is available in Annex I to this document (SFDR RTS Art. 14(2)).</p> <p>The sub-fund invests at least two thirds of its assets on the basis of a value approach (the portfolio manager carries out a fundamental analysis with the aim of investing in companies that, according to the analysis, are being traded below their long-term fair corporate value) in equities and equity rights of companies based in Europe or that carry out their economic activity predominantly in Europe.</p> <p>The UBS Blended ESG Score is used to identify issuers/companies for the investment universe with strong environmental and social performance characteristics, or a strong sustainability profile. The UBS Blended ESG Score represents an average of normalized ESG assessment data from UBS and two recognized external ESG data providers, MSCI and Sustainalytics. This blended score approach enhances the quality of the derived sustainability profile by integrating multiple independent ESG assessments, rather than depending solely on one single view. The UBS Blended ESG Score represents an entity’s sustainability profile assessing material environmental, social, and governance factors. These factors may include, but are not limited to, environmental footprint and operational efficiency, risk management, climate change response, natural resource utilization, pollution and waste management, employment standards, supply chain oversight, human capital development, board diversity, occupational health and safety, product safety, and anti-fraud and anti-corruption policies. Each assessed entity is assigned a UBS Blended ESG Score, which ranges from 0 to 10, with 10 indicating the best sustainability profile.</p>



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	<p>aims at an active equity portfolio, which invests in a narrow selection of shares out of the investment universe. The focus is on consequent price/value ratio and follows a global, disciplined investment process. The research is based on a worldwide network of analysts. The portfolio construction process is done by a team of strategists, which integrates the analyst's findings in the portfolio construction process.</p> <p>The sub-fund may also buy or sell futures, swaps, non-deliverable forwards and options on currencies in order to:</p> <ul style="list-style-type: none"> - partially or entirely secure the foreign currency risk of the investments contained in the sub-fund's assets in respect of that sub-fund's currency of account. This can be achieved either directly (hedging a currency against the reference currency) or indirectly (hedging the currency against a third currency which is then hedged against the currency of account); - build up currency positions against the currency of account, other freely convertible currencies or currencies included in the benchmark. <p>The non-deliverable forward market allows building up currency positions and to hedge exchange rate exposures on currencies, without any physical transfer of these currencies and without having to deal in the local market. Therefore, the local counterparty risk and the cost of holding accounts in local currencies can be avoided. Further, US dollar-settled NDF between two offshore counterparties are not generally subject to local monetary controls.</p>	<p>The sub-fund incorporates the following ESG promotion characteristics:</p> <ul style="list-style-type: none"> • A lower Weighted Average Carbon Intensity (WACI) than the reference benchmark or a low absolute carbon profile. • A sustainability profile that is higher than its benchmark's sustainability profile or a UBS Blended ESG Score between 7 and 10 (indicating a strong sustainability profile). <p>The calculations do not take account of cash, derivatives and unrated investment instruments.</p> <p>The actively managed sub-fund uses the benchmark MSCI Europe (net div. reinvested) for performance measurement, monitoring ESG metrics, investment risk management and portfolio construction. The benchmark is not designed to promote ESG characteristics. The Portfolio Manager may use their discretion when constructing the portfolio and is not tied to the benchmark in terms of equities or weightings. For share classes with “hedged” in their name, currency-hedged versions of the benchmark (if available) are used. The portfolio may deviate from the benchmark in terms of allocation and performance.</p> <p>With respect to the sub-fund's investments the Portfolio Manager includes ESG analysis by means of the UBS Blended ESG Score (by number of issuer) for at least (i) 90% of the securities issued by large capitalisation companies domiciled in “developed” countries and (ii) 75% of the securities issued by large capitalisation companies domiciled in “emerging” countries (by reference to the benchmark) and at least 75% for all other companies.</p>
Portfolio Manager	UBS Asset Management (UK) Ltd., London	UBS Asset Management (UK) Ltd., London
Financial year	1 January – 31 December	1 October – 30 September
Cut-off time	14:00 CET	15:00 CET

Since a portion of its assets may be sold and invested in liquid assets prior to the Effective Date, the composition of the portfolio of the Merging Sub-Fund may be impacted by the Merger. Any adjustments to the portfolio will be made prior to the Effective Date. As any merger, also this Merger may involve a risk of performance dilution stemming from the restructuring of the portfolio of the Merging Sub-Fund and Receiving Sub-Fund.

Differences of Sub-Funds' characteristics such as the investment policy, the financial year and the cut-off time are described in the table above.

For exposure to securities financing transactions, the expected and maximum utilisation of total return swaps is the same, whereas for repurchase agreements/ reverse repurchase agreements and securities lending the following applies:



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Sub-fund	Repurchase Agreements/ Reverse Repurchase Agree- ments		Securities Lending	
	Expected	Maximum	Expected	Maximum
UBS (Lux) Institutional Fund - Key Selection European Equity	0%	10%	0-50%	75%
UBS (Lux) Key Selection SICAV – European Equity Value Opportunity (EUR)	0%	25%	0%-40%	50%

Furthermore, the characteristics such as the dealing frequency, global risk calculation method, currency of account, risk indicator (5), maximum flat fee and portfolio manager remain the same.

The legal, advisory and administrative costs and expenses (excluding potential transaction costs for the Merging Sub-Fund) associated with the Merger will be borne by UBS Asset Management Switzerland AG and will not impact either the Merging Sub-Fund or the Receiving Sub-Fund. The auditor's fees in connection with the Merger will be borne by the Merging Sub-Fund. In addition, and to protect the interests of the investors of the Receiving Sub-Fund, Swing Pricing as described in the prospectuses of the Sub-Funds will be applied on a pro rata basis on any cash portion of the assets to be merged into the Receiving Sub-Fund, provided that it exceeds the threshold as defined for the Receiving Sub-Fund.

Unitholders of the Merging Sub-Fund and the Receiving Sub-Fund who are not in agreement with the Merger may redeem their units/shares free of charge until 31 October 2024 cut-off time 14:00 CET for the Merging Sub-Fund and 15:00 CET for the Receiving Sub-Fund. The Merging Sub-Fund will subsequently be closed for redemptions. As of today, the Merging Sub-Fund will be allowed to deviate from its investment policy as far as needed in order to align its portfolio as much as possible with the investment policy of the Receiving Sub-Fund. The Merger will come into effect on 6 November 2024 and will be binding for all Unitholders who have not applied for the redemption of their units/shares. Units of the Merging Sub-Fund have been issued until 7 October 2024, cut-off time 14:00 CET. On the Effective Date of the Merger, the unitholders of the Merging Sub-Fund, a sub-fund of an FCP, will be entered into the register of shareholders of the Receiving Sub-Fund, a sub-fund of a SICAV, and will be able to exercise their rights as shareholders of the Receiving Sub-Fund, such as participating and voting at general meetings as well as the right to request the repurchase, redemption or conversion of shares of the Receiving Sub-Fund.

PricewaterhouseCoopers, Société cooperative, 2, rue Gerhard Mercator, L-2182 Luxembourg, is in charge of preparing a report validating the conditions foreseen in Article 71 (1), let. a) to c) 1st alternative of the Luxembourg law of 17 December 2010 on undertakings for collective investment (the "**Law of 2010**") for the purpose of the Merger. A copy of this report will be made available upon request and free of charge to the Unitholders sufficiently in advance of the Merger. PricewaterhouseCoopers will also be engaged to validate the actual exchange ratio determined at the exchange ratio calculation date, as provided for in Article 71 (1), let. c) 2nd alternative of the Law of 2010. A copy of this report will be made available upon request and free of charge to the Unitholders. Furthermore, unitholders of the Merging Sub-Fund are advised to consult the KID relating to the Receiving Sub-Fund which is available online at www.ubs.com/funds. Unitholders seeking additional information may contact the Management Company. Please also note that investors may be subject to taxation on their holdings in investment funds. Please contact your tax advisor in respect of any tax queries you may have as a result of the Merger.



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The Prospectus, the PRIIPs KID (Packaged Retail and Insurance-based Investment Products Key Information Document), the Articles of Association and the annual and semi-annual reports relating to the Company may be obtained or ordered free of charge from the Paying Agent in Switzerland, UBS Switzerland AG, Bahnhofstrasse 45, 8001 Zurich and its branches in Switzerland, from the Representative in Switzerland UBS Fund Management (Switzerland) AG and from UBS Infoline (0800 899 899).

The domicile of the collective investment scheme is Luxembourg.

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Representative in Switzerland:
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