



UBS Fund Management (Luxembourg) 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 shareholders of UBS (Lux) SICAV 2 – Low Duration EUR Bond Sustainable (EUR),
(SEK hedged) P-acc, I-A1-acc, I-A2-acc, P-acc and Q-acc
and
shareholders of UBS (Lux) Bond SICAV – Short Term EUR Corporates Sustainable (EUR),
P-acc, I-A1-acc, I-A2-acc, P-acc and Q-acc
(collectively referred to as the "Shareholders")**

The Management Company, on behalf of the boards of directors of UBS (Lux) SICAV 2 and UBS (Lux) Bond SICAV, both a "Société d'Investissement à Capital Variable (SICAV)", wishes to inform you of the decision to merge the following share classes of the sub-fund **UBS (Lux) SICAV 2 – Low Duration EUR Bond Sustainable (EUR)** (the "Merging Sub-Fund"):

Share class	ISIN
UBS (Lux) SICAV 2 - Low Duration EUR Bond Sustainable (EUR) (SEK hedged) P-acc	LU2008307097
UBS (Lux) SICAV 2 - Low Duration EUR Bond Sustainable (EUR) I-A1-acc	LU1940070516
UBS (Lux) SICAV 2 - Low Duration EUR Bond Sustainable (EUR) I-A2-acc	LU1940070607
UBS (Lux) SICAV 2 - Low Duration EUR Bond Sustainable (EUR) P-acc	LU0224521939
UBS (Lux) SICAV 2 - Low Duration EUR Bond Sustainable (EUR) Q-acc	LU0417387072

(the "Merging Share Classes") into the following corresponding share classes of **UBS (Lux) Bond SICAV – Short Term EUR Corporates Sustainable (EUR)** (the "Receiving Sub-Fund"):

Share class	ISIN
UBS (Lux) Bond SICAV – Short Term EUR Corporates Sustainable (EUR) P-acc	LU0151774626
UBS (Lux) Bond SICAV – Short Term EUR Corporates Sustainable (EUR) I-A1-acc	LU0396349614
UBS (Lux) Bond SICAV – Short Term EUR Corporates Sustainable (EUR) I-A2-acc	LU0396349887
UBS (Lux) Bond SICAV – Short Term EUR Corporates Sustainable (EUR) P-acc	LU0151774626
UBS (Lux) Bond SICAV – Short Term EUR Corporates Sustainable (EUR) Q-acc	LU0396349457

(the "Receiving Share Classes") (both sub-funds being collectively referred to as the "Sub-Funds") on **26 September 2023** (the "Effective Date") (the "Merger").

Given the Merging Sub-Fund's low and further decreasing assets, which do not allow the Merging Sub-Fund to be managed in an economically reasonable manner, and in order to rationalise and simplify the fund offering, the board of directors of the Merging Sub-Fund and the board of directors of the Receiving Sub-Fund deem it in the Shareholders' best interest to allocate the assets of the Merging Share Classes to the Receiving Share Classes pursuant to Article 25 of the articles of incorporation of UBS (Lux) SICAV 2 and Article 25.2 of the articles of incorporation of UBS (Lux) Bond SICAV respectively.

Shareholders are informed that the Merger is limited to the Merging Share Classes listed above and that the share class UBS (Lux) SICAV 2 – Low Duration EUR Bond Sustainable (EUR) P-acc-seeding will not be merged.

The Merger is part of a wider project of merging the sub-funds of UBS (Lux) SICAV 2 into sub-funds of UBS (Lux) Bond SICAV, except for the share class UBS (Lux) SICAV 2 – Low Duration EUR Bond Sustainable (EUR) P-acc-seeding. As a result, UBS (Lux) SICAV 2 will be liquidated upon completion of all mergers (including the Merger). Shareholders of the Merging Share Classes are informed that costs linked to the upcoming liquidation will be accrued before the Effective Date so as to ensure fair treatment between all shareholders of UBS (Lux) SICAV 2.



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As of the Effective Date, shares of the Merging Share Classes which are merged into the Receiving Share Classes 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 25 September 2023 (the “Reference Date”). In the context of the Merger, the assets and liabilities of the Merging Share Classes will be allocated to the Receiving Share Classes. 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 Share Class on the Reference Date, in comparison with either i) the initial issue price of the respective Receiving Share classes – provided these Share Classes have not been launched prior to the Reference Date – or (ii) the net asset value per share of the Receiving Share Classes on the Reference Date.

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

	UBS (Lux) SICAV 2 – Low Duration EUR Bond Sustainable (EUR)	UBS (Lux) Bond SICAV – Short Term EUR Corporates Sustainable (EUR)
Share classes	(SEK hedged) P-acc (ISIN: LU2008307097) I-A1-acc (ISIN: LU1940070516) I-A2-acc (ISIN: LU1940070607) P-acc (ISIN: LU0224521939) Q-acc (ISIN: LU0417387072)	P-acc (ISIN: LU0151774626) I-A1-acc (ISIN: LU0396349614) I-A2-acc (ISIN: LU0396349887) P-acc (ISIN: LU0151774626) Q-acc (ISIN: LU0396349457)
Maximum flat fee p.a.	(SEK hedged) P-acc: 0.650% I-A1-acc: 0.250% I-A2-acc: 0.200% P-acc: 0.600% Q-acc: 0.300%	P-acc: 0.810% I-A1-acc: 0.430% I-A2-acc: 0.380% P-acc: 0.810% Q-acc: 0.500%
Ongoing costs as per key information document (KID)	(SEK hedged) P-acc: 0.7% I-A1-acc: 0.3% I-A2-acc: 0.2% P-acc: 0.6% Q-acc: 0.4%	P-acc: 0.9% I-A1-acc: 0.5% I-A2-acc: 0.42% (estimate) P-acc: 0.9% Q-acc: 0.5%
Investment policy	<p>UBS Asset Management categorises this sub-fund as Sustainability Focus fund. 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)). This actively managed sub-fund uses the following benchmark as reference for performance comparison and risk management:</p> <p>Sub-fund Benchmark UBS (Lux) SICAV 2 – Low Duration EUR Bond Sustainable (EUR) ESTR 3 Months Compounded</p> <p>For share classes with “hedged” in their name, currency-hedged versions of the benchmark (if available) are used. The performance of the sub-fund may differ considerably from the benchmark in periods of high market volatility.</p> <p>In line with the general investment policy described above and pursuant to the definition included therein, the actively managed sub-fund invests at least two</p>	<p>UBS Asset Management categorises this sub-fund as Sustainability Focus fund. 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)). The actively managed sub-fund primarily invests in corporate bonds with short maturities from high-quality creditors (classified as “investment grade” by the established ratings agencies). The duration of the portfolio is continually adapted to the prevailing market situation, but may not exceed three years (“short term”). The sub-fund uses the Bloomberg Euro Corporate Index 500mio+ 1-3yrs EUR benchmark as a reference for portfolio construction, performance evaluation, sustainability profile comparison and risk management purposes. The benchmark is not designed to promote ESG characteristics. For share classes with “hedged” in their name, currency-hedged versions of the benchmark (if available) are used.</p> <p>At least two thirds of the investments are denominated in the currency indicated in the sub-fund’s name.</p>



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	<p>thirds of its assets in debt securities and claims. The duration of the portfolio must not be lower than half a year, and may not exceed one year ("ultra short term"). The debt securities and claims must be issued by high quality creditors (classified as investment grade by the established ratings agencies). At least two thirds of the investments are denominated in the currency indicated in the sub-fund's name. However, the portion of investments in foreign currencies not hedged against the currency of account of the sub-fund may not exceed 10% of the assets. Up to 25% of its assets may be invested in convertible, exchangeable and warrant-linked bonds as well as convertible debentures. In addition, after deducting cash and cash equivalents, the sub-fund may invest up to 10% of its assets in equities, equity rights and warrants as well as shares, other equity shares and dividend-right certificates acquired through the exercise of conversion rights, subscription rights or options, in addition to warrants remaining after the separate sale of ex-warrant bonds and any equities acquired with these warrants. The equities acquired by exercise of rights or through subscription must be sold no later than 12 months after they were acquired. The objective of the sub-fund is to achieve returns greater than those of money market investments and associated with capital growth. The sub-fund is therefore not considered as a money market fund as defined in Regulation (EU) 2017/1131.</p> <p>The sub-fund may invest a total of up to 20% of its net assets in ABS, MBS, CMBS and CDOs/CLOs. The associated risks are described in the section "Risks associated with the use of ABS/MBS" or "Risks associated with the use of CDOs/CLOs".</p>	<p>However, the portion of investments in foreign currencies not hedged against the currency of account of the sub-fund may not exceed 10% of the assets. After deducting cash and cash equivalents, the sub-fund may invest up to one third of its assets in money market instruments. Up to 25% of its assets may be invested in convertible, exchangeable and warrant-linked bonds as well as convertible debentures. The sub-fund may invest a total of up to 20% of its net assets in ABS, MBS, CMBS and CDOs/CLOs. The associated risks are described in the section "Risks associated with the use of ABS/MBS" or "Risks associated with the use of CDOs/CLOs".</p> <p>The sub-fund may also invest up to 10% of its assets in contingent convertible bonds (CoCos). The associated risks are described in the section "Risks associated with the use of CoCos".</p> <p>In addition, after deducting cash and cash equivalents, the sub-fund may invest up to 10% of its assets in equities, equity rights and warrants as well as shares, other equity shares and dividend-right certificates acquired through the exercise of conversion rights, subscription rights or options, in addition to warrants remaining after the separate sale of ex-warrant bonds and any equities acquired with these warrants.</p> <p>The equities acquired by exercise of rights or through subscription must be sold no later than 12 months after they were acquired.</p>
Profile of the typical investor	The actively managed sub-fund is suitable for investors who wish to invest cash in a portfolio with a duration between half a year and one year. The sub-fund promotes environmental and/or social characteristics.	The actively managed sub-fund is suitable for investors who wish to invest in a portfolio with a duration that is continuously adjusted to suit the prevailing market situation and does not exceed three years and in a sub-fund which promotes environmental and/or social characteristics.
Financial year	1 November – 31 October	1 June – 31 May

Since a portion of its assets may be sold and invested in liquid assets prior to the Effective Date, the composition of the portfolio corresponding to the Merging Share Classes 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 corresponding to the Merging Share Classes.

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

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

Sub-fund	Total Return Swaps	
	Expected	Maximum
UBS (Lux) SICAV 2– Low Duration EUR Bond Sustainable (EUR)	0%	15%



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UBS (Lux) Bond SICAV – Short Term EUR Corporates Sustainable (EUR)	0-10%	30%
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Furthermore, the characteristics such as the dealing frequency, global risk calculation method, risk indicator (2), and cut-off time remain the same.

The legal, advisory and administrative costs and expenses (excluding potential transaction costs for the Merging Share Classes) 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 Share Classes. In addition, and to protect the interests of the investors of the Receiving Share Classes, 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.

Shareholders of the Merging Share Classes and the Receiving Share Classes who are not in agreement with the Merger may redeem their shares free of charge until 21 September 2023, cut-off time 15:00 CET. The Merging Share Classes will subsequently be closed for redemptions. As of the date of the present notice, the Merging Share Classes will be allowed to deviate from its investment policy as far as needed in order to align the portfolio corresponding to the Merging Share Classes as much as possible with the investment policy of the Receiving Sub-Fund. The Merger will come into effect on 26 September 2023 and will be binding for all Shareholders who have not applied for the redemption of their shares.

Shares of the Merging Share Classes have been issued until 9 August 2023, cut-off time 15:00 CET.

No subscription fee will be levied within the Receiving Sub-Fund as a result of the Merger.

On the Effective Date of the Merger, the shareholders of the Merging Share Classes, will be entered into the register of shareholders of the Receiving Sub-Fund, 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. The Merger will be binding on all the shareholders of the Merging Share Classes who have not exercised their right to request the redemption of their shares within the timeframe set out above.

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 Shareholders and the CSSF 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 Shareholders and the CSSF. Furthermore, shareholders of the Merging Share Classes are advised to consult the KID relating to the Receiving Sub-Fund which is available online at www.ubs.com/funds. Shareholders 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.

Luxembourg and Basle, 10 August 2023 | The Management Company

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



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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.

Representative in Switzerland:

UBS Fund Management (Switzerland) AG

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23.058RS

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