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**")

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Notice to the shareholders of UBS (Lux) SICAV 2 – CHF Bond Sustainable (CHF) and shareholders of UBS (Lux) Bond SICAV – Global SDG Corporates Sustainable (USD) (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 sub-fund **UBS (Lux) SICAV 2 – CHF Bond Sustainable (CHF)** (the "**Merging Sub-Fund**") into **UBS (Lux) Bond SICAV – Global SDG Corporates Sustainable (USD)** (the "**Receiving Sub-Fund**") (both sub-funds collectively referred to as the "**Sub-Funds**") on **14 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 merge the Merging Sub-Fund into the Receiving Sub-Fund 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.

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 Sub-funds 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.

As of the Effective Date, shares 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 13 September 2023 ("**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 Shareholders:

	UBS (Lux) SICAV 2 – CHF Bond Sustainable (CHF)	**UBS (Lux) Bond SICAV – Global SDG Corporates Sustainable (USD)**
Merging share classes	P-acc (ISIN: LU0224520295) Q-acc (ISIN: LU0417374765)	(CHF hedged) P-acc (ISIN: LU2645744397, to be launched) (CHF hedged) Q-acc (ISIN: LU2645744124, to be launched)
Maximum flat fee p.a.	P-acc: 0.900% Q-acc: 0.500 %	(CHF hedged) P-acc: 0.950% (CHF hedged) Q-acc: 0.580%
Ongoing costs as per key information document (KID)	P-acc: 1.0% Q-acc: 0.6%	(CHF hedged) P-acc: 1.03% (estimate) (CHF hedged) Q-acc: 0.66% (estimate)
Investment policy	UBS Asset Management categorises this sub-fund as a Sustainability Focus Fund. This sub-fund promotes environmental and/or social characteristics and complies with Article 8 of Regulation (EU) 2019/2088 on	UBS Asset Management categorises this sub-fund as a Sustainability Focus Fund. This sub-fund promotes environmental and/or social characteristics and complies with Article 8 of Regulation (EU) 2019/2088 on sustainability-

	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 invests primarily in debt instruments and assets denominated in CHF of issuers with a strong ESG (Environmental, Social and Governance) profile. The sub-fund uses the benchmark SBI Foreign AAA-BBB TR CHF Index as 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. Furthermore, the sub-fund may invest up to one third of its assets in debt securities and claims denominated in a currency other than CHF. The sub-fund may invest up to one third of its assets in money market instruments. Investments in bonds with a rating below BBB- or similar may not exceed 20% of the sub-fund's assets. The sub-fund may also invest up to 10% of its net assets in contingent convertible bonds (CoCos). The risks associated with these instruments are described further in the "Risks connected with the use of CoCos" section below. Up to 25% of its assets may be invested in convertible, exchangeable and warrant-linked bonds as well as convertible debentures. Furthermore, the sub-fund may invest up to 10% of its assets in equities, equity rights and warrants as well as equities, other equity-like securities and dividend-right certificates acquired through the exercise of conversion and 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 sub-fund may invest up to 20% of its net assets in ABS, MBS and CDOs/CLOs. The risks associated with investments in ABS/MBS are described further in the "Risks connected with the use of ABS/MBS" section below. As part of efficient asset management, the sub-fund may invest in all derivative financial instruments listed in the section "Special techniques and instruments with securities and money market instruments as underlying assets", provided the rules and guidelines specified in this section are observed. Permitted underlyings include, in particular, the instruments specified under Point 1.1 (g) ("Permitted investments of the Fund").	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 sub-fund invests at least 80% of its assets worldwide in corporate bonds from developed market or emerging market issuers that promote one or more United Nations Sustainable Development Goals (SDGs) such as SDG 7 (Affordable and Clean Energy), SDG 9 (Industry, Innovation and Infrastructure), SDG 3 (Good Health and Well-Being) and SDG 6 (Clean Water and Sanitation), as well as in "green", "social", "sustainable" bonds from companies (including supranational and agency bonds), the proceeds of which will be used for eligible environmental and social projects. The sub-fund may invest up to 20% of its assets in bonds from issuers that do not promote any SDGs. This sub-fund is actively managed, without reference to a benchmark. At least 75% of the sub-fund's investments must have a credit rating between AAA and BBB- (Standard & Poor's) or a similar rating from another recognised 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 credit rating below BBB- or similar may not exceed 25% of the sub-fund's assets. Investments with lower ratings (high yield) may carry an above-average yield, but also a higher credit risk than investments in securities of first-class issuers. Further risks are described in the section "High-yield bonds". Although distressed security exposure is not intended to be a key driver of the investment strategy, the sub-fund may invest up to 5% of its assets in debt instruments with a rating below CCC or similar. Distressed bonds are securities issued by companies or public institutions in serious financial difficulty, and thus bear a high risk of capital loss. The sub-fund may invest up to 20% of its assets in money market instruments. In addition, the sub-fund may invest up to 10% of its assets in convertible, exchangeable and warrant-linked bonds as well as convertible debentures. The equities acquired by exercise of rights or through subscription must be sold no later than 12 months after they were acquired. The sub-fund may invest up to 20% of its assets in fixed-income instruments denominated in RMB and traded on the China Interbank Bond Market ("CIBM") or through Bond Connect. These instruments may include securities issued by governments, quasi-public corporations, banks, corporations and other institutions in the People's Republic of China ("PRC" or "China") that are authorised to be traded directly on the CIBM or through Bond Connect. The associated risks are described in the section "Risk information on investments traded on the China Interbank Bond Market" and "Risk information on investments traded on the CIBM via the Northbound Trading Link through Bond Connect". The sub-fund may invest a total of up to 10% of its 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". 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". As part of efficient asset management or in order to hedge interest-rate, currency and credit risks, the sub-fund may

		invest in all derivative financial instruments listed in Section 5 "Special techniques and instruments with securities and money market instruments as underlying assets", provided the restrictions specified in this section are observed. Permitted underlyings include, in particular, the instruments specified under Point 1.1(a) and (b) ("Permitted investments of the Company"). Within the scope of the aforementioned investment limits, the sub-fund may invest a total of up to 25% of its assets in the above-mentioned legally permissible investment instruments, provided these are issued or guaranteed by borrowers from emerging markets or borrowers which conduct a large proportion of their business operations in such markets or issue instruments associated with a credit risk in respect of emerging markets. The term "emerging markets" is used to describe markets included in the International Finance Corporation Composite Index and/or the MSCI Emerging Markets Index, as well as other countries that are at a comparable level of economic development or in which there are new capital markets. **Emerging markets are at an early stage of development and suffer from higher risks of expropriation and nationalisation, as well as social, political and economic instability. The risks associated with investments in emerging markets are listed in the section entitled "Risk information". For the reasons mentioned, this sub-fund is particularly suitable for risk-conscious investors.** The currency of account is the USD. The investments are made in the currencies deemed best suited for good performance, although the proportion of investments in foreign currencies not hedged against the currency of account (USD) may not exceed 20% of the assets.
Profile of the typical investor	The actively managed sub-fund is suitable for investors who wish to invest in a diversified portfolio of debt instruments and assets denominated in CHF and in a sub-fund which promotes environmental and/or social characteristics. Investors should be prepared to assume the interest rate and credit risks inherent in this type of asset.	The actively managed sub-fund is suitable for investors who wish to invest in a globally diversified portfolio of predominantly corporate bonds. This sub-fund promotes environmental and/or social characteristics and is aligned with the United Nations Sustainable Development Goals (SDGs). Investors should be prepared to assume the interest rate and credit risks inherent in this type of asset.
Portfolio Manager	UBS Asset Management Switzerland AG, Zürich	UBS Asset Management (UK) Ltd., London, United Kingdom
Currency of account	CHF	USD
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 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.

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 is the same, whereas for total return swaps and securities lending the following applies:

Sub-fund	**Securities Lending**		**Total Return Swaps**	
	Expected	**Maximum**	**Expected**	**Maximum**

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UBS (Lux) SICAV 2– CHF Bond Sustainable (CHF)	**30%**	**50%**	**0-10%**	**20%**
UBS (Lux) Bond SICAV – Global SDG Corporates Sustainable (USD)	**20%**	**50%**	**0-10%**	**50%**

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 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.

Shareholders of the Merging Sub-Fund and the Receiving Sub-Fund who are not in agreement with the Merger may redeem their shares free of charge until 11 September 2023, cut-off time 15:00 CET. The Merging Sub-Fund will subsequently be closed for redemptions. As of the date of the present notice, 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 14 September 2023 and will be binding for all Shareholders who have not applied for the redemption of their shares.

Shares of the Merging Sub-Fund 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 Sub-Fund, 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 Sub-Fund 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 Sub-Fund 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
Aeschenvorstadt 1
CH-4051 Basel

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