Prospectus with integrated fund contract

Part I Prospectus

This prospectus with integrated fund contract, the key investor information document, the basic information sheet (BIS) and the most recent annual or semi-annual report (if published after the latest annual report) serve as the basis for all subscriptions of units in the sub-funds.
Only the information contained in the prospectus, the key investor information document/basic information sheet, or the fund contract is deemed valid.

1. Information on the umbrella fund and sub-funds

1.1 General information on the umbrella fund and sub-funds

PF is divided into the following sub-funds:
- **ESG Bond Fund**
- **ESG Yield Strategy Fund**
- **ESG Income Strategy Fund**
- **ESG Balanced Strategy Fund**
- **ESG Growth Strategy Fund**
- **ESG Capital Gain Strategy Fund**
- **ESG Swiss Equity Fund**
- **Global Climate Equity Fund**
- **Global Fund**
- **Swiss Small Caps Fund**
- **High Dividend Fund**

The fund contract was drawn up by the fund management company with the consent of the custodian bank and first approved by the Swiss Financial Market Supervisory Authority FINMA in 2022. This prospectus and the fund contract are based on the original prospectuses with integrated fund contract of the above sub-funds prior to the conversion to a contractual umbrella fund.

1.2 Tax regulations relevant to the sub-funds

The umbrella fund and sub-funds have no legal personality in Switzerland. They are not subject to tax on either income or capital.
The Swiss federal withholding tax deducted from the sub-funds' domestic income can be reclaimed in full for the relevant sub-fund by the fund management company.

Income and capital gains realised outside Switzerland may be subject to the relevant withholding tax deductions imposed by the country of investment. Insofar as is possible, these taxes will be reclaimed by the fund management company on behalf of investors[1] domiciled in Switzerland under the terms of double taxation treaties or other such agreements.

[1] For simplicity, this document does not differentiate between genders, e.g. female and male investors. All terms apply to both genders.

Distributions of income made by the sub-funds to investors domiciled in Switzerland and abroad are subject to Swiss federal withholding tax (source tax) at 35%. Separately recorded/distributed capital gains are not subject to withholding tax. Investors domiciled in Switzerland may reclaim the deducted withholding tax via their tax returns or by submitting a separate refund application.
Net income retained and reinvested by the sub-funds is subject to Swiss federal withholding tax (source tax) at 35%.
Investors domiciled outside Switzerland may reclaim withholding tax under the terms of any double taxation treaty between Switzerland and their country of domicile. If no such treaty exists, then the withholding tax may not be reclaimed.
This tax information is based on the current legal situation and practice. It is expressly subject to changes in legislation, the decisions of the courts and the decrees and practices of the tax authorities.

Taxation and other tax implications for investors who hold, buy or sell sub-fund units are defined by the tax laws and regulations in the investor's country of domicile. For information in this regard, investors should contact their tax advisor.

The sub-funds have the following tax status:
International automatic exchange of information on tax matters (automatic exchange of information)
For the purposes of the automatic exchange of information in accordance with the Common Standard on Reporting and Due Diligence for Financial Account Information (CRS) of the Organisation for Economic Co-Operation And Development (OECD), these sub-funds qualify as a non-reporting financial institution.

FATCA
The sub-funds are registered with the US tax authorities as a Registered Deemed-Compliant Financial Institution under a Model 2 IGA pursuant to sections 1471 through 1474 of the U.S. Internal Revenue Code (Foreign Account Tax Compliance Act, including the corresponding rulings, “FATCA”).

1.3 Financial year

The financial year runs from 1 September to 31 August.

1.4 Audit firm

The audit firm is Ernst & Young AG, Basel.

1.5 Units

- **ESG Bond Fund**
- **ESG Yield Strategy Fund**
- **ESG Income Strategy Fund**
- **ESG Balanced Strategy Fund**
- **ESG Growth Strategy Fund**
- **ESG Capital Gain Strategy Fund**
- **ESG Swiss Equity Fund**
- **Swiss Small Caps Fund**

The units are in bearer form

- Global Fund
- High Dividend Fund
- Global Climate Equity Fund

Unit class "A" bearer shares
Unit class "I" registered shares

- ESG Bond Fund
- ESG Yield Strategy Fund
- ESG Income Strategy Fund
- ESG Balanced Strategy Fund
- ESG Growth Strategy Fund
- ESG Capital Gain Strategy Fund
- ESG Swiss Equity Fund
- Global Climate Equity Fund
- Global Fund
- Swiss Small Caps Fund
- High Dividend Fund

As a rule, units do not take the form of actual certificates, but exist purely as book entries.
In accordance with the fund contract, the fund management company is entitled to create, liquidate or merge different unit classes at any time, subject to the consent of the custodian bank and the approval of the supervisory authority.

- ESG Bond Fund
- ESG Yield Strategy Fund
- ESG Income Strategy Fund
- ESG Balanced Strategy Fund
- ESG Growth Strategy Fund
- ESG Capital Gain Strategy Fund
- ESG Swiss Equity Fund
- Swiss Small Caps Fund

These sub-funds are not divided into unit classes.

- Global Fund

There are currently the following unit classes:

Unit class	Accounting currency	Initial issue price	Launch period/ date	Written agreement	Smallest tradable unit	Commission p.a. 3	Form of custody	Appropriation of income
A	CHF	CHF 100	04.11.2002	No	0.001	0.79%	Bearer	Distributing
I2	CHF	CHF 100	15.10.2019	Yes	0.001	0.19%	Registered 4	Accumulating

2 Unit class "I" is only offered to certain investors (cf. § 6).
3 Flat fee charged by the fund management company. This is used for the administration, asset management and tasks of the custodian bank, as well as distribution activities, where applicable.
4 Registered units must be booked and held at UBS Switzerland AG.

The individual unit classes do not constitute segregated pools of assets. Although costs are in principle charged only to the unit class for which the service in question was rendered, the possibility of a unit class being held liable for the liabilities of another unit class therefore cannot be ruled out.

- High Dividend Fund

There are currently the following unit classes:

Unit class	Accounting currency	Initial issue price	Launch period/ date	Written agreement	Smallest tradable unit	Commission p.a. 3	Form of custody	Appropriation of income
A	CHF	CHF 100	31.10.2017	No	0.001	1.43%	Bearer	Distributing
I2	CHF	CHF 100	15.10.2019	Yes	0.001	0.34%	Registered 4	Accumulating

2 Unit class "I" is only offered to certain investors (cf. § 6).
3 Flat fee charged by the fund management company. This is used for the administration, asset management and tasks of the custodian bank, as well as distribution activities, where applicable.
4 Registered units must be booked and held at UBS Switzerland AG.

The individual unit classes do not constitute segregated pools of assets. Although costs are in principle charged only to the unit class for which the service in question was rendered, the possibility of a unit class being held liable for the liabilities of another unit class therefore cannot be ruled out.

- Global Climate Equity Fund

There are currently the following unit classes:

Unit class	Accounting currency	Initial issue price	Launch period/ date	Written agreement	Smallest tradable unit	Commission p.a. 3	Form of custody	Appropriation of income
A	CHF	CHF 100		No	0.001	0.98%	Bearer	Distributing
I2	CHF	CHF 100		Yes	0.001	0.24%	Registered 4	Accumulating

2 Unit class "I" is only offered to certain investors (cf. § 6).
3 Flat fee charged by the fund management company. This is used for the administration, asset management and tasks of the custodian bank, as well as distribution activities, where applicable.
4 Registered units must be booked and held at UBS Switzerland AG.

The individual unit classes do not constitute segregated pools of assets. Although costs are in principle charged only to the unit class for which the service in question was rendered, the possibility of a unit class being held liable for the liabilities of another unit class therefore cannot be ruled out.

1.6 Listing and trading
The units are not listed. Units in sub-funds are issued and redeemed daily.

1.7 Terms for the issue and redemption of units of the sub-funds
Subscription and redemption orders for units are only accepted by PostFinance AG or post offices, PostFinance branches and operations centres using the order form provided for this purpose. Subscription and redemption orders may also be submitted online. Units of the sub-funds will be issued and redeemed on every bank working day (Monday to Friday). No issues or redemptions will take place on Swiss public holidays (Easter, Whitsun, Christmas including 24 December, 31 December, New Year's Day, 1 August, etc.), or on days when the exchanges and markets in a sub-fund's main investment

countries are closed or on days when 50% or more of the investments of the sub-fund cannot be appropriately valued, or under the exceptional circumstances defined under § 17.4 of the fund contract. PostFinance AG, the fund management company and the custodian bank are entitled to refuse subscription orders at their own discretion.
The orders are processed at the processing centres of PostFinance AG, which also forward the orders to the custodian bank. Subscription and redemption orders received by the processing centres of PostFinance AG by 1:30 p.m. (cut-off time) at the latest on a given bank working day (order day) will be settled on the basis of the net asset value calculated on the next bank working day (valuation day). The net asset value taken as the basis for the settlement of the order is therefore not known when the order is placed (forward pricing). It is calculated on the valuation day on the basis of the closing prices or, if these do not reflect the appropriate market value in the fund management company's view, on the basis of the latest available prices at the time of the valuation. The fund management company is entitled to apply other generally recognised and verifiable valuation criteria in order to make an appropriate valuation of the sub-funds' net assets if, due to extraordinary circumstances, a valuation in accordance with the regulations stated above proves to be unfeasible or inaccurate.
The issue price corresponds to the net asset value calculated on the valuation day, plus the issuing commission. The amount of the issuing commission is specified in point 1.11.4 below.
The redemption price corresponds to the net asset value calculated on the valuation day, less the redemption commission. The amount of the redemption commission is specified in point 11.1.4 below.
Incidental costs for the purchase and sale of investments (standard brokerage charges, commissions, fees, etc.) incurred by a sub-fund in connection with the investment of the amount paid in or with the sale of a portion of investments corresponding to the redeemed unit(s) on average will be covered by the application of swinging single pricing as described in § 16.7 of the fund contract.
If the sum of a sub-fund's subscriptions and redemptions of units result in a net asset inflow or outflow on an order date, the valuation net asset value of the sub-fund will be increased or reduced (swinging single pricing). The maximum adjustment is 2% of the valuation net asset value. Incidental costs (bid-ask spread, standard brokerage charges, commissions, taxes and duties, etc.) incurred from the investment of the paid-in amount or from the sale of a portion of the investments corresponding to the terminated share are taken into account. The adjustment will lead to an increase in the valuation net asset value if the net movement results in an increase in the number of sub-fund units. The adjustment will lead to a decrease in the valuation net asset value if the net movement results in a reduction in the number of units. The net asset value determined on the basis of swinging single pricing is therefore a modified net asset value in accordance with the first sentence of this point. The fund management company may, instead of the average incidental costs mentioned above, also take into account the actual amount of the incidental costs when making the adjustment, provided that this appears appropriate at the fund management company's discretion, taking into account the relevant circumstances (e.g. amount, general market situation, and specific market situation for the asset class in question). In such a case, the adjustment may be higher or lower than the average incidental costs. In the cases mentioned in § 17.4 as well as in other extraordinary cases, the maximum value of 2% of the valuation net asset value may also be exceeded if, in the opinion of the fund management company, this is in the interest of the investors as a whole. The fund management company will immediately inform the audit firm, the supervisory authority and, in an appropriate manner, existing and new investors of any decision to exceed the net asset value.
The issue and redemption prices are rounded to CHF 0.01. Payment will be made no later than three bank working days after the order day (value date max. three bank working days). Units can only be held in a PostFinance custody account or one of its sales channels.

1.8 Appropriation of income

The net income from the sub-funds is generally distributed to the investors within four months of the close of the financial year, free of charge. As a rule, capital gains are not distributed, but are retained in the fund for the purpose of reinvestment.

- Global Fund
- High Dividend Fund
- Global Climate Equity Fund

For accumulating unit classes, the net income is added on an annual basis to the sub-funds' assets for reinvestment. This is subject to any taxes and duties that may be levied on the reinvestment of these funds.

1.9 Investment objective and policy of the sub-funds

1.9.1 Sustainability

Overview of ESG approaches for specific sub-funds

Equity sub-funds:
- ESG Swiss Equity Fund
- Global Climate Equity Fund

Mixed sub-funds:
- ESG Yield Strategy Fund
- ESG Income Strategy Fund
- ESG Balanced Strategy Fund
- ESG Growth Strategy Fund
- ESG Capital Gain Strategy Fund

Bonds sub-funds:
- ESG Bond Fund

The goal of the sustainability concept applicable to the sustainability-related sub-funds is to integrate ESG aspects into various steps of the investment process by providing guidance on identifying sustainability-related opportunities and reducing certain sustainability risks. The evaluation of the sustainability of investment instruments is based on data from the respective data providers or their subsidiaries. These can be found in the following sections.
The ESG approaches listed below, or a combination thereof, may be used for sustainable investments:

ESG integration

The asset manager (UBS Asset Management Switzerland AG) defines sustainability as the ability to leverage the environmental, social and governance (ESG) factors of business practices to generate opportunities and mitigate risks that contribute to the long-term performance of issuers ("sustainability"). The asset manager believes that by taking these factors into consideration, a more informed investment decision is made.
ESG integration is implemented by considering material ESG risks as part of the research process. For investments, this

process uses the asset manager's ESG Material Issues Framework, which identifies financially relevant factors that may impact investment decisions. The identification of ESG factors as financially relevant leads analysts to focus on sustainability factors that can impact investment returns. In addition, ESG integration can identify opportunities for engagement to improve the ESG risk profile, thereby mitigating the potentially negative impact of ESG issues on investment financial performance. The asset manager uses a system that utilises internal and/or external ESG data sources to identify investments with material ESG risks. External data sources include, in particular, ESG research and ESG data providers MSCI ESG Research and Sustainalytics for general ESG data such as ESG ratings, ESG scores, business practices, greenhouse gas emissions), which may be supplemented by external ESG specialty data providers such as ISS Ethix for controversial weapons. The analysis of material sustainability/ESG issues can include many different aspects such as: Carbon footprint, health and well-being, human rights, supply chain management, fair customer treatment and corporate governance. When allocating funds to the underlying strategies, including target funds, the asset manager takes into account the concept of ESG integration. In the case of strategies managed by UBS Asset Management, the asset manager identifies ESG-integrated assets based on the ESG integration research process described above. Similar sustainability criteria are applied to investments in passive or rule-based strategies, but without specifying the data providers and sources or the precise operationalisation of the criteria. In doing so, the asset manager evaluates the passive or rules-based strategies to ensure that they meet UBS sustainability standards.
Similar sustainability criteria are applied to investments in strategies from external asset managers, but without specifying the data providers and sources or the precise operationalisation of the criteria. In doing so, the asset manager evaluates the strategies of external asset managers to ensure that they meet UBS sustainability standards.

Exclusions (negative screening)
When the sub-funds invest in actively managed UBS Asset Management Sustainability Focus funds or strategies, they use exclusion guidelines such as production of controversial weapons (anti-personnel mines, cluster munitions, and biological, chemical or nuclear weapons). Data from an external consultant is used to identify such companies (ISS Ethix – www.issgovernance.com/esg/screening/#controversial-weapons). The external advisor provides data for a screening list from companies involved in manufacturing, sales or distribution. The applicable exclusion criteria and thresholds are publicly available and regularly updated (UBS Asset Management Exclusion Policy or "Sustainability Exclusion Policy": www.ubs.com/global/en/asset-management/investment-capabilities/sustainability.html).
Similar sustainability criteria are applied to investments in strategies from external asset managers, but without specifying the data providers and sources or the precise operationalisation of the criteria.
In doing so, the asset manager evaluates the strategies of external asset managers to ensure that they meet UBS sustainability standards and seeks to engage in an active dialogue to bring external asset managers to a level equivalent to the UBS approach over time.
In evaluating these strategies, the asset manager pays particular attention to the existing resources of the external asset managers in the ESG area, such as the quality of the team of research and investment staff dedicated to ESG issues, experience of individual staff in the sustainability area, analytical and research tools used to assess the ESG risks of companies, and the investment process with respect to the consideration of ESG risks in portfolio construction.
The asset manager compares the ESG approaches of the external asset managers with its own ESG approaches, as appropriate, to gain an additional perspective on the external asset managers' ability to actually achieve their stated sustainability goals.

Best-in-class approach: Target funds classified by UBS Asset Management as ESG leader equities or ESG leader bonds invest in such a way that the "asset-weighted" sustainability profile of the sub-fund, based on data and analysis from internal or recognised external data providers, is above average compared with a traditional benchmark.
- ESG leader equities: equities of companies that are already better at dealing with a range of critical ESG issues and better at exploiting ESG opportunities than their peers.
- ESG leader bonds: bonds issued by companies that are already better at dealing with a range of critical ESG issues and better at exploiting opportunities than their peers.
- Units of collective investment schemes that pursue an approach that enhances the sustainability profile of the respective sub-fund compared with an investment without an ESG objective (broad market index/reference).

Stewardship (active ownership): Where possible, target funds categorised by UBS Asset Management as sustainability focus funds involve active engagement with companies to target identified ESG risks and opportunities through direct dialogue. Further details can be found in the UBS Asset Management Stewardship Annual Report at the following link: www.ubs.com/global/en/assetmanagement/capabilities/sustainable-investing/stewardship-engagement.html

Exercise of voting rights: Where possible, a policy-driven process for exercising voting rights is applied to equity-based target funds. The dedicated proxy voting policy is publicly available at: www.ubs.com/global/en/asset-management/investment-capabilities/sustainability.html

Sustainable thematic investments: Target funds classified by UBS Asset Management as ESG-themed equities or green, social and sustainability bonds, and development bonds invest in such a way that investments are identified and aggregated into a thematic investment universe based on internal and external data sources such as analyses of the EU Green Bond Standard.
ESG-themed equities: Equities in companies that sell products and services that address specific environmental or social challenges and/or whose businesses manage a single ESG factor particularly well, such as gender equality.
Green, social and sustainability bonds: Includes bonds that fund environmental projects, social welfare agencies, or other sustainable issues. Issuers of such bonds typically include companies, municipalities and development banks.
Development bonds: Bonds with a development objective issued by multilateral development banks (MDBs). MDBs are supported by various governments with the objective of financing sustainable economic growth.

Other: Target funds categorised by UBS Asset Management as e-tilting or ESG-tilting take into account investment risks related to climate change. E-tilting or ESG-tilting is a modern way of indexing and was developed in part to meet the needs of investors who want to improve their environmental, social and governance - ESG - exposure within ESG factors while maintaining a broad and diversified universe to invest in. By rebalancing standard market capitalisation (index) weights based on specific environmental metrics and thus moving away from standard market capitalisation weights, e-tilted solutions increase exposure to companies and issuers that have superior environmental features compared with traditional indexes while maintaining a broad and diversified investment universe. In contrast to a best-in-class approach, companies with a poorer environmental profile (compared with the weighted average of applied environmental metrics of the benchmark index, such as CO_2 intensity) remain in the portfolio, but they are underweighted compared with their weight in the benchmark index.

"**- ESG Swiss Equity Fund**"

Asset class	Share	Traditional, non-sustainable benchmark
Swiss Equity	100%	SPI (Total Return)

"**- ESG Yield Strategy Fund**"

Asset class	Share	Traditional, non-sustainable benchmark
Swiss Bonds	47%	SBI AAA-BBB (Total Return)
Global Bonds hedged CHF	20%	Bloomberg Global Aggregate ex CH (hedged CHF)
EM Bonds hedged CHF	8%	70% JPMorgan EMBI Global Diversified (hedged CHF) and 30% JPMorgan CEMBI Broad Diversified (hedged CHF)
Swiss Equity	7%	SPI (Total Return)
Global Equity	4%	MSCI World ex CH Index (net div. reinv)
Global Equity hedged CHF	2%	MSCI World ex CH Index (hedged CHF) (net div. reinv)
EM Equity	2%	MSCI Emerging Market Index (net div. reinv)
Swiss Real Estate	10%	SXI Real Estate Funds Broad (Total Return)

"**- ESG Income Strategy Fund**"

Asset class	Share	Traditional, non-sustainable benchmark
Swiss Bonds	38%	SBI AAA-BBB (Total Return)
Global Bonds hedged CHF	18%	Bloomberg Global Aggregate ex CH (hedged CHF)
EM Bonds hedged CHF	7%	70% JPMorgan EMBI Global Diversified (hedged CHF) and 30% JPMorgan CEMBI Broad Diversified (hedged CHF)
Swiss Equity	14%	SPI (Total Return)
Global Equity	7%	MSCI World ex CH Index (net div. reinv)
Global Equity hedged CHF	4%	MSCI World ex CH Index (hedged CHF) (net div. reinv)
EM Equity	5%	MSCI Emerging Market Index (net div. reinv)
Swiss Real Estate	7%	SXI Real Estate Funds Broad (Total Return)

"**- ESG Balanced Strategy Fund**"

Asset class	Share	Traditional, non-sustainable benchmark
Swiss Bonds	22%	SBI AAA-BBB (Total Return)
Global Bonds hedged CHF	14%	Bloomberg Global Aggregate ex CH (hedged CHF)
EM Bonds hedged CHF	7%	70% JPMorgan EMBI Global Diversified (hedged CHF) and 30% JPMorgan CEMBI Broad Diversified (hedged CHF)
Swiss Equity	23%	SPI (Total Return)
Global Equity	11%	MSCI World ex CH Index (net div. reinv)
Global Equity hedged CHF	8%	MSCI World ex CH Index (hedged CHF) (net div. reinv)
EM Equity	8%	MSCI Emerging Market Index (net div. reinv)
Swiss Real Estate	7%	SXI Real Estate Funds Broad (Total Return)

"**- ESG Growth Strategy Fund**"

Asset class	Share	Traditional, non-sustainable benchmark
Swiss Bonds	12%	SBI AAA-BBB (Total Return)
Global Bonds hedged CHF	7%	Bloomberg Global Aggregate ex CH (hedged CHF)
EM Bonds hedged CHF	4%	70% JPMorgan EMBI Global Diversified (hedged CHF) and 30% JPMorgan CEMBI Broad Diversified (hedged CHF)
Swiss Equity	32%	SPI (Total Return)
Global Equity	16%	MSCI World ex CH Index (net div. reinv)
Global Equity hedged CHF	11%	MSCI World ex CH Index (hedged CHF) (net div. reinv)
EM Equity	11%	MSCI Emerging Market Index (net div. reinv)
Swiss Real Estate	7%	SXI Real Estate Funds Broad (Total Return)

"**- ESG Capital Gain Strategy Fund**"

Asset class	Share	Traditional, non-sustainable benchmark
Swiss Equity	43%	SPI (Total Return)
Global Equity	21%	MSCI World ex CH Index (net div. reinv)
Global Equity hedged CHF	14%	MSCI World ex CH Index (hedged CHF) (net div. reinv)
EM Equity	15%	MSCI Emerging Market Index (net div. reinv)
Swiss Real Estate	7%	SXI Real Estate Funds Broad (Total Return)

"**- ESG Bond Fund**"

Asset class	Share	Traditional, non-sustainable benchmark
Swiss Bonds	60%	SBI AAA-BBB (Total Return)
Global Bonds hedged CHF	20%	Bloomberg Global Aggregate ex CH (hedged CHF)
EM Bonds hedged CHF	10%	70% JPMorgan EMBI Global Diversified (hedged CHF) and 30% JPMorgan CEMBI Broad Diversified (hedged CHF)
Global Corporate Bonds hedged CHF	10%	Bloomberg Global Aggregate – Corporate Index (hedged CHF)

“**- Global Climate Equity Fund**”

Asset class	Share	Traditional, non-sustainable benchmark
Swiss Equity	15%	SPI (Total Return)
Global Equity	85%	MSCI World ex Switzerland (net div. reinv)

The sustainability of investment instruments in the investment universe of the respective traditional, non-sustainable benchmark (for further details on the composition, please refer to the table above) is characterised by an evaluation prepared by the respective index provider or their subsidiaries with an ESG score of the independent data providers ranging from 0 to a maximum of 10 (typically). The ESG score is simultaneously assigned a letter rating from CCC to a maximum of AAA.
When constructing the portfolio of sub-assets, the asset manager increases the share-weighted ESG score of the sub-funds in relation to the respective traditional, non-sustainable benchmark, which does not have an explicit sustainability objective. The extent of the improvement in the share-weighted ESG score depends on the weighted average ESG rating of the components of the traditional non-sustainable benchmark at the time of calculation. The lower the average ESG rating of the components of the traditional, non-sustainable benchmark, the greater the percentage improvement in the weighted ESG score of the respective sub-fund and vice versa. When constructing the portfolio, the asset manager selects the investment instruments with the goal, among other things, that the weighted ESG score is higher than the weighted ESG score of the respective traditional, non-sustainable benchmark.
At the same time, the portfolio of the respective sub-fund is constructed in such a way that it has a lower weighted average CO_2 intensity (WACI) compared with the respective traditional, non-sustainable benchmark, as measured by CO_2 key figures of the respective index provider or its subsidiaries. CO_2 intensity is defined as CO_2 emissions in tonnes/revenue of the company or emitter concerned (WACI). The CO_2 emissions in tonnes are determined on the basis of the emission values of companies in the two areas “Scope 1” (direct release of climate-damaging gases by the company itself) and “Scope 2” (indirect release of climate-damaging gases by the company’s energy suppliers) determined and made available by the respective index provider or its subsidiaries.
To assess sustainability, mainly data and analyses from recognised external data providers are used. External data providers include in particular ESG Research and ESG data providers MSCI ESG Research (www.msci.com/research/esg-research) for general ESG data such as ESG ratings, ESG scores, business practices, and Trucost (www.spglobal.com/esg/trucost) for greenhouse gas emissions, which can be supplemented by external ESG specialty data providers such as ISS Ethix for controversial weapons. The analysis of sustainability/ESG criteria may, amongst others, include the following aspects: environment, employees and suppliers, buyers and customers, management. In those cases where actual or specific ESG data or analysis is not available, estimates and approximations and other appropriate ESG data providers may also be used.

Non-compliance with sustainability criteria:
It may not be possible to ensure compliance with the sustainability criteria described at all times. For example, as a result of low or no ESG data coverage (e.g. no ESG rating). In such cases, up to a maximum of 20% of the assets of the share sub-funds, up to a maximum of 30% of the assets of the mixed sub-funds and up to a maximum of 30% of the assets of the bond sub-funds may be invested in assets that do not meet the sustainability requirements in accordance with the aforementioned sustainability approach “**exclusions**”. However, even for these investments (excluding indexed products and derivatives), the principles of the UN Global Compact (more information can be found under unglobalcompact.org/) must be observed and not breached in any respect.

Risks associated with the application of sustainability approaches:
The absence of established standards and harmonised definitions in the field of sustainable investing can lead to different interpretations and approaches in determining and implementing sustainable investment goals, which can make it difficult to compare different sustainable financial products. The lack of international standardisation affords the asset manager a certain degree of subjective discretion in the structure and application of sustainability approaches in the investment process, and limits the ability to track this. The asset manager then bases its analysis process on data obtained from the respective companies themselves or from third-party providers, the accuracy and completeness of which can only be partially verified by the asset manager. The supply and availability of data is limited. The asset manager relies solely on the data available to it when using sustainability approaches. In particular, “**exclusions**” only apply to companies and issuers for which relevant data is available.
The application of sustainability approaches in the investment process may influence the performance of the assets of an ESG sub-fund. Accordingly, the assets of an ESG sub-fund may perform differently and may be less diversified than a similar investment fund which invests without regard to ESG factors. The application of exclusions in an ESG sub-fund’s investment process may also result in an ESG sub-fund not making or disposing of investments and excluding entire economic sectors with a positive return outlook, which may adversely affect the sub-fund’s performance.

ESG risks
An “ESG risk” is an environmental, social or governance event or condition, the occurrence of which could cause an actual or potential material adverse effect on the value of the investment. If a sustainability risk associated with an investment materialises, this could lead to a loss in the value of an investment. Investments are selected in part based on external ESG research and data providers as well as internal analyst assessments of an investment’s sustainability profile. This can represent an additional risk for investors, as sustainability profiles are used to determine suitable investments, which are partly based on subjective and/or qualitative assessments that could deviate from the underlying actual facts. As there is currently no universally accepted valuation benchmark for sustainability levels, an incorrect assessment of sustainability levels may result in a risk-return profile of the sub-funds that is disadvantageous for the investor and/or may cause the reporting to deviate from the fundamentally correct level.

Sustainability focus funds
Sub-funds categorised by UBS Asset Management as sustainability focus funds pursue one or more of the aforementioned sustainability approaches and have a specific ESG characteristic or sustainability objective defined in their investment policy www.ubs.com/global/en/asset-management/investment-capabilities/sustainability.html. This UBS Asset Management ESG categorisation is listed in the investment objective of the sub-funds concerned.

Climate Aware Strategy Funds
Sub-funds categorised by UBS Asset Management as climate aware strategy funds pursuant to their investment policy (§ 8) focus their portfolio on reducing the environmental footprint over time by cutting the greenhouse gas emissions of the portfolio or the issuers contained in it over time (**climate focus**).

1.9.2 Investment objective

- ESG Bond Fund
The investment objective of this sub-fund, categorised as a sustainability focus fund, is mainly to generate interest income while maintaining moderate exposure to risk, taking into account the sustainability criteria specified in point 1.9.1 of the prospectus and §8 of the fund contract. The overwhelming share of the investments is made in Swiss francs (CHF) or is hedged against Swiss francs (CHF). The composition of the customised benchmark can be found in the annual and semi-annual reports.

- ESG Yield Strategy Fund
- ESG Income Strategy Fund
- ESG Balanced Strategy Fund
- ESG Growth Strategy Fund
- ESG Capital Gain Strategy Fund

The investment objective of these sub-funds, categorised as sustainability focus funds, is mainly to achieve an optimal total return within the individual sub-funds by means of a balanced risk strategy or a risk strategy with a focus on equities through investments in other investment funds (target funds) and taking into account the sustainability criteria mentioned below. The composition of the customised benchmark can be found in the annual and semi-annual reports.
Due to the multi-asset fund structure, sustainable target funds and strategies may be used that employ one or a combination of the following sustainability approaches: **Exclusions (negative screening), best-in-class approach, ESG integration approach, stewardship (active ownership), voting, engagement and other** (target funds and strategies categorised as e-tilting funds by UBS Asset Management). For more information on these categories, see section 1.9.1 Sustainability.

- ESG Swiss Equity Fund
The investment objective of this sub-fund, categorised as a sustainability focus fund, is mainly to passively replicate the benchmark SPI® ESG (TR) for the Swiss equity market and secure performance consistent with the performance of this benchmark.

- Global Climate Equity Fund
The investment objective of this sub-fund categorised as a rule-based climate aware strategy funds with a net zero orientation is principally to generate long-term performance that is consistent with the development of the established market indices for global equity investments in developed markets. This sub-fund advertises climatic and generally sustainable characteristics. The sub-fund pursues a rule-based investment approach that takes into account both quantitative and qualitative criteria for the definition of investments with their weighting. The aim of the rule-based approach is to consider investment risks resulting from the consequences of climate change when determining the weighting of investments.
The sub-fund uses the benchmark as a reference point in constructing the portfolio by investing predominantly in companies included in the benchmark, taking into account a number of climate, sustainability and risk criteria in the portfolio composition. The metrics used to identify the potential investment universe mainly measure the expected contribution of companies to climate change, with a focus on mitigating the impact of climate change risk by limiting and accounting for the contribution of greenhouse gas emissions.
The current sustainability targets take into account the following aspects relative to the benchmark:
1.lower weighted average carbon intensity of Scope 1 and Scope 2, and of Scope 3 phased in by 2030 at the latest;
2. a higher ESG score;
3. a higher social score;
4. a higher governance score.
In addition, the sub-fund aims to achieve a net-zero focus by managing its carbon intensity profile according to a scientifically sound net-zero path (currently defined as 1.5 degrees Celsius in relevant climate models). The basis for decarbonisation is the December 2019 weighted average CO_2 intensity of Scope 1 and Scope 2, and Scope 3 phased in by 2030 at the latest (CO_2e/EVIC) (WACI) of the benchmark. The pathway sets a decarbonisation target relative to the chosen baseline of 50% by 2030 and net zero by 2050. In this regard, the sub-fund aims to achieve an annual reduction in the weighted average CO_2 intensity of Scope 1 and Scope 2, and Scope 3 phased in by 2030 at the latest (CO_2e/EVIC) (WACI) of 7% per year, currently compared with the December 2019 baseline.
In seeking to achieve the aforementioned sustainability objective (1.), the sub-fund typically pursues a higher exposure to companies with a lower carbon intensity contribution and a higher exposure to companies active in the renewable energy and green technology sectors compared with the benchmark. The sub-fund also aims to achieve exposure objectives (2.), (3.) and (4.), typically through higher exposure to companies with better ESG scores, social scores and governance scores compared with the benchmark.
The sustainability profile of the sub-fund is based on the weighted sum of the individual investment instruments. The ratios are measured at the point at which the asset manager decides to readjust the fund in accordance with the index provider's methodology. Therefore, there may be times between index adjustments when one or more of the ratios are not met. The fund will have some exposure to companies which are considered laggards in terms of climate change and/or sustainability ratios. The sub-fund is also likely to have some exposure to companies that have not disclosed their own net zero liabilities. The sub-fund's net zero and sustainability targets apply at portfolio level, not at individual company level. Exposure to companies without company-specific net zero commitments or with below-average sustainability characteristics may arise from the management of portfolio risks, liquidity risks and diversification, and reconciliation and engagement programmes and/or differences in methodologies or data inputs.
To assess sustainability, data and analyses from recognised external data providers are used. External data sources include, in particular, the ESG research and ESG data providers MSCI ESG Research (www.msci.com/research/esg-research) and Sustainalytics (www.sustainalytics.com/) for general ESG data such as ESG ratings, ESG scores, business practices and Trucost www.spglobal.com/esg/trucost) for greenhouse gas emission https://www.spglobal.com/esg/trucost), which can be complemented by external ESG special data providers such as ISS Ethix for controversial weapons. The analysis of sustainability/ESG criteria may, amongst others, include the following aspects: environment, employees and suppliers, buyers and customers, management. In those cases where actual or specific ESG data or analysis is not available, estimates and approximations and

other appropriate ESG data providers may also be used.
Both **exclusion criteria (negative screening)** as well as quantitative and qualitative assessments in the environmental, social and governance - ESG - context are used for the rule-based definition of overweighting or underweighting (**ESG-tilting**). The sub-fund aims to invest in as complete a number of components of the benchmark as possible, taking into account the investment parameters. Furthermore, the sub-fund reduces the environmental footprint over time by reducing the greenhouse gas emissions of the portfolio or the issuers contained therein over time or completely (**climate focus**). In addition, a climate-specific engagement programme is used, by means of which the climate profile of the companies in the engagement programme should be addressed and improved in a targeted manner in direct dialogue, whereby the voting behaviour of UBS Asset Management is also included in a guideline-driven manner (**stewardship**).
For this sub-fund, the exclusion criteria for rule-based climate-aware strategy funds in accordance with the asset manager's sustainability exclusion policy are applied, although more restrictive criteria are applied for the following aspects compared with the sustainability exclusion policy:

- **Coal mining and oil sands:** Companies that generate more than 5% of their revenue from coal mining (thermal coal mining) and its sale to external parties are excluded. In addition, companies that derive more than 5% of their revenue from the extraction of oil sands are excluded.
- **Energy production from coal:** Companies that generate more than 5% of their revenue from coal-fired power generation (thermal coal power generation) are excluded.
- **Controversial behaviour:** Companies that violate the United Nations Global Compact (UNGC) Principles and do not demonstrate credible corrective action are excluded from the investment universe. More information on the process regarding controversial behaviour and credible corrective action can be found in the Sustainability Exclusion Policy and the Global Stewardship Policy. Annual reporting can be found in the current "Annual Stewardship Report" (all documents available at www.ubs.com/global/en/assetmanagement/capabilities/sustainable-investing.html).

There may be circumstances in which it is not possible to achieve all financial, risk-related and sustainability-related objectives simultaneously. In such cases, sustainability goals are preferred.
The composition of the customised benchmark can be found in the annual and semi-annual reports.

- Global Fund
The investment objective of this sub-fund is mainly to achieve performance in line with the market for global equities. The investment fund is managed passively. The PF - Global Fund mixed index serves as the benchmark index. The composition of the customised benchmark can be found in the annual and semi-annual reports.

- Swiss Small Caps Fund
The investment objective of this sub-fund is mainly to use investments in target funds across Switzerland to invest in the equities of small- and mid-cap companies. The composition of the customised benchmark can be found in the annual and semi-annual reports.

- High Dividend Fund
The investment objective of this sub-fund is mainly to use investments in target funds worldwide in equities with attractive dividends, with a focus on the Swiss equities market. The composition of the customised benchmark can be found in the annual and semi-annual reports.

1.9.3 Investment policy

- ESG Bond Fund
The sub-fund, as a fund-of-funds, invests in bonds, notes and other fixed-income or floating-rate debt paper and rights issued by private and public-law borrowers worldwide, and other permissible investments according to the fund contract. The sub-fund is actively managed and, as a sustainability focus fund, also pursues the above-mentioned sustainability objective. The sub-fund invests in various broadly diversified target funds, whereby a maximum of 30% of the assets of the sub-fund can be invested in units of the same target fund. By way of derogation, the fund management company may invest a maximum of 50% of the sub-fund's assets in units of the target fund "UBS (CH) Investment Fund - Bonds CHF Inland ESG Passive II". Including derivatives and structured products, the fund management company may invest up to a maximum of 20% of the sub-fund's assets in securities and money market instruments from the same issuer.

- ESG Yield Strategy Fund
The sub-fund invests globally in bonds, equities and real estate as a fund-of-funds. The sub-fund is actively managed and, as a sustainability focus fund, also pursues the above-mentioned sustainability objective. The strategic equity portion is 15% and the strategic foreign currency portion is 6%. The proportion of equity investments ranges between 10% and 20% of the net assets. The maximum foreign currency weighting is 20%. The fund management company may invest for the sub-fund up to 50% of the sub-fund's assets in units of each of the target funds "UBS (CH) Investment Fund - Bonds CHF Inland ESG Passive II" and "UBS (CH) Investment Fund - Bonds CHF Ausland ESG Passive II" and up to 35% of the sub-fund's assets in units of each of the target fund "UBS (CH) Institutional Fund 3 - Global Aggregate Bonds ESG Passive (CHF hedged) II". Detailed information on the sustainability criteria of these target funds can be found in the fund documents of the "UBS (CH) Investment Fund" and "UBS (CH) Institutional Fund".

- ESG Income Strategy Fund
The sub-fund invests globally in bonds, equities and real estate as a fund-of-funds. The sub-fund is actively managed and, as a sustainability focus fund, also pursues the above-mentioned sustainability objective. The strategic equity portion is 30% and the strategic foreign currency portion is 12%. The proportion of equity investments ranges between 22.5% and 37.5% of the net assets. The maximum foreign currency weighting is 30%. The fund management company may invest for the sub-fund up to 50% of the sub-fund's assets in units of each of the target funds "UBS (CH) Investment Fund - Bonds CHF Domestic ESG Passive II" and "UBS (CH) Investment Fund - Bonds CHF Foreign ESG Passive II". Detailed information on the sustainability criteria of these target funds can be found in the fund documents of the "UBS (CH) Investment Fund".

- ESG Balanced Strategy Fund
The sub-fund invests globally in bonds, equities and real estate as a fund-of-funds. The sub-fund is actively managed and, as a sustainability focus fund, also pursues the above-mentioned sustainability objective. The strategic equity portion is 50% and the strategic foreign currency portion is 19%. The proportion of equity investments ranges between 40% and 60% of the net assets. The maximum foreign currency weighting is 40%. The

fund management company may invest for the sub-fund up to 35% of the sub-fund's assets in units of each of the target funds "UBS (CH) Investment Fund - Bonds CHF Domestic ESG Passive II" and "UBS (CH) Investment Fund - Bonds CHF Foreign ESG Passive II". Detailed information on the sustainability criteria of these target funds can be found in the fund documents of the "UBS (CH) Investment Fund".

- ESG Growth Strategy Fund

The sub-fund invests globally in bonds, equities and real estate as a fund-of-funds. The sub-fund is actively managed and, as a sustainability focus fund, also pursues the above-mentioned sustainability objective. The strategic equity portion is 70% and the strategic foreign currency portion is 27%. The proportion of equity investments ranges between 55% and 85% of the net assets. The maximum foreign currency weighting is 50%. The fund management company may invest up to 40% of the sub-fund's assets in units of the target fund "UBS (CH) Investment Fund - Equities Switzerland ESG Passive All II", "UBS (CH) Institutional Fund - Equities Global ESG Leaders Passive II" and "UBS (CH) Institutional Fund - Equities Global ESG Leaders Passive (CHF hedged) II". Detailed information on the sustainability criteria of these target funds can be found in the fund documents of the "UBS (CH) Investment Fund" and "UBS (CH) Institutional Fund".

- ESG Capital Gain Strategy Fund

The sub-fund invests globally in equities and real estate as a fund-of-funds. The sub-fund is actively managed and, as a sustainability focus fund, also pursues the above-mentioned sustainability objective. The strategic equity portion is 93% and the strategic foreign currency portion is 36%. The proportion of equity investments ranges between 88% and 98% of the net assets. The maximum foreign currency weighting is 60%. The fund management company may invest up to 55% of the sub-fund's assets in units of the target fund "UBS (CH) Investment Fund - Equities Switzerland ESG Passive All II" and up to 50% of the sub-fund's assets in units of each of the target funds "UBS (CH) Institutional Fund - Equities Global ESG Leaders Passive II" and "UBS (CH) Institutional Fund - Equities Global ESG Leaders Passive (CHF hedged) II". Detailed information on the sustainability criteria of these target funds can be found in the fund documents of the "UBS (CH) Investment Fund" and "UBS (CH) Institutional Fund".

- ESG Swiss Equity Fund

The sub-fund invests primarily in equity paper and rights issued by companies which have their registered office in Switzerland, as holding companies mainly invest in companies which have their registered office in Switzerland or conduct the majority of their business in Switzerland, in units of other collective investments that invest their assets in the investments referred to above, and in derivatives and structured products denominated in freely convertible currencies on the above investments.
The fund management company may invest no more than 10% of fund assets in securities or money market instruments issued by one and the same issuer, including derivatives and structured products. For issuers included in the benchmark as well as those not included in the benchmark but for which there is a strong likelihood of them being included in the benchmark when it is next adjusted based on their earnings performance, the fund management company may exceed the limit specified above, whereby the overweight of the total value of the securities and money market instruments from a single issuer is limited to a maximum of 5 percentage points of the relevant index weighting.
Investments, deposits and claims of one and the same issuer or borrower may not exceed a total of 20% of the sub-fund's assets. The maximum index weighting for issuers whose index weighting is higher than 17% is +3 percentage points.
The benchmark measures the performance of Swiss equities taking into account environmental, social and governance factors, which are quantified using a framework provided by Inrate (an independent Swiss sustainability rating agency, www.inrate.com) and corresponding sustainability data. The investment strategy is based on this sustainability data and the sustainability criteria defined by the index administrator SIX Group. The aim is to give greater consideration to companies that are more committed to environmental or social aspects than others. To achieve this, on the basis of the aforementioned sustainability data, those components of the SPI® (TR) are selected for the benchmark that have a rating of at least C+ on an ESG rating scale from A+ (best sustainability rating) to D- (**best-in-class approach**) and at the same time generate less than 5% of their revenue in controversial sectors: including adult entertainment, alcohol, defence, gambling, genetic engineering, nuclear power, coal, oil sands and tobacco. In addition, the companies must not be included in the SVVK exclusion list (**exclusion criteria**).
The components are weighted according to their free-float market capitalisation. On 7 January 2010, the SPI® ESG (TR) was standardised at 100 points. Further information is available at: www.six-group.com/exchanges/indices/data_centre/esg/spi_esg_baskets_de.html. As the choice of investments is dependent on external data providers, this may pose a **risk** to investors.
Detailed information on the investment policy and its restrictions, as well as the permitted investment techniques and instruments (in particular derivative financial instruments and their scope) are contained in the fund contract (cf. Part II §§ 7–15).

- Global Climate Equity Fund

The fund management company invests the sub-fund's assets primarily as a fund-of-fund in equity paper and rights issued by companies which have their registered office worldwide and which, as holding companies, invest mainly in companies which have their registered office in worldwide or conduct the majority of their business worldwide, in units of other collective investments that invest their assets in the investments referred to above, and in derivatives and structured products on the above investments. The fund management company invests at least 80% (excl. sight or time deposits and derivatives) of the sub-fund's assets in investments that meet the requirements of the sustainability policy.
The fund management company may invest no more than 10% of fund assets in securities or money market instruments issued by one and the same issuer, including derivatives and structured products.
In accordance with the risk diversification rules (§ 15), the fund management company may invest 85% of the sub-fund's assets in units of the target fund "UBS (CH) Investment Fund - Equities Global Climate Aware II". Because of market fluctuations, the limit of max. 5% may be exceeded, which is temporarily permitted.

- Global Fund

This sub-fund invests mainly in units of other collective investment schemes under Swiss law of the type "securities funds" or "other funds for traditional investments" that invest their assets mainly in equities of companies globally and other permissible investments according to the fund contract. The sub-fund invests in various broadly diversified target funds, whereby a maximum of 30% of the assets of the sub-fund can be invested in units of the same target fund. Including derivatives, the fund management company may invest up to a maximum of 10% of the assets of the sub-fund in securities and money market instruments from the same issuer.

- Swiss Small Caps Fund
This sub-fund mainly invests in units of other collective investment schemes under Swiss law of the type "securities funds" and "other funds for traditional investments". 65–75% of the assets of the sub-fund are invested in the target fund "UBS (CH) Equity Fund - Small Caps Switzerland (CHF)", 25–35% in the target fund "UBS (CH) Institutional Fund - Equities Switzerland Small & Mid Cap Passive II". Thus, the sub-fund mainly invests its assets in equity paper and rights of small- and mid-cap companies in Switzerland. It also invests in other permissible investments according to the fund contract. Including derivatives, the fund management company may invest up to a maximum of 10% of the assets of the sub-fund in securities and money market instruments from the same issuer.
"UBS (CH) Equity Fund - Small Caps Switzerland (CHF)" invests mainly in equity paper and rights issued by companies which have their registered office in Switzerland, as holding companies mainly invest in companies which have their registered office in Switzerland or conduct the majority of their business in Switzerland. These companies have a market capitalisation of less than 0.4% of the total market capitalisation of all Swiss companies listed in Switzerland. The investment objective is mainly to achieve an optimal total return in line with the Swiss equities market for small-cap companies. UBS (CH) Institutional Fund - Equities Switzerland Small & Mid Cap Passive II" invests mainly in equity paper and rights of companies which have their registered office Switzerland, as holding companies mainly invest in companies which have their registered office in Switzerland or conduct the majority of their business in Switzerland and are also included in the benchmark index (SPI Extra® [TR]). The investment objective of this sub-fund is mainly to passively replicate the benchmark index for the equities market for small- and mid-cap companies in Switzerland and to achieve performance in line with it.

- High Dividend Fund
This sub-fund mainly invests in units of other collective investment schemes under Swiss law of the type "other funds for traditional investments" and in units of other collective investment schemes of the type units in undertakings for collective investment in transferable securities (UCITS). 45–55% of the assets of the sub-fund are invested in the target fund "UBS (CH) Equity Fund - Swiss High Dividend (CHF)". Thus, the sub-fund invests its assets mainly in equities of companies with a focus on Switzerland. It also invests in other permissible investments according to the fund contract. The fund management company may, with the exception of the above-mentioned target fund, invest a maximum of 25% of the assets of the sub-fund in units of the same target fund and, including derivatives, invest a maximum of 10% of the assets of the sub-fund in securities and money market instruments of the same issuer.
"UBS (CH) Equity Fund - Swiss High Dividend (CHF)" is an actively managed and well diversified investment fund that mainly invests in equities of Swiss companies with above-average and/or rising dividend income. Its investment objective is mainly to secure an optimum total return over the long term compared with the development of the Swiss equity market.

- ESG Bond Fund
- ESG Yield Strategy Fund
- ESG Income Strategy Fund
- ESG Balanced Strategy Fund
- ESG Growth Strategy Fund
- ESG Capital Gain Strategy Fund

The fund management company may invest up to 35% of the sub-funds' assets in securities or money market instruments from the same issuer if these are issued or guaranteed by an OECD country, a public-law entity from the OECD, or by an international public-law organisation to which Switzerland or a member state of the European Union belongs.
For this sub-fund, the fund management company may invest up to 100% of the assets of the sub-fund in securities or money market instruments from the same issuer if these are issued or guaranteed by an OECD country, a public-law entity from the OECD, or by an international public-law organisation to which Switzerland or a member state of the European Union belongs. In this case, the sub-funds must hold securities or money market instruments from at least six different issues; no more than 30% of the sub-fund's assets may be invested in securities or money market instruments from the same issuer.
The following are authorised issuers/guarantors:
the European Union (EU), OECD states, the Council of Europe, the International Bank for Reconstruction and Development (World Bank), the European Bank for Reconstruction and Development, the European Investment Bank, the Inter-American Development Bank, the Asian Development Bank and Eurofima (European Company for the Financing of Railroad Rolling Stock).

- ESG Bond Fund
- ESG Yield Strategy Fund
- ESG Income Strategy Fund
- ESG Balanced Strategy Fund
- ESG Growth Strategy Fund
- ESG Capital Gain Strategy Fund
- ESG Swiss Equity Fund
- Global Fund
- Global Climate Equity Fund
- Swiss Small Caps Fund
- High Dividend Fund

Collateral strategy for securities lending transactions and transactions in derivative financial instruments:
Counterparty risks may occur in connection with securities lending transactions and transactions in derivative financial instruments. These risks are minimised as follows:

Collateralisation is required to the following extent:
All loans under securities lending transactions must be collateralised in full, with the value of the collateral amounting to at least 105% of the market value of the lent securities. Individual items of collateral may also be valued at a discount. This discount is based on the volatility of the markets and the forecast liquidity of the collateral. The collateralisation of derivatives transactions is based on the relevant rules for settling such types of transaction. Derivatives transactions settled centrally are always collateralised. The extent and amount are based on the respective regulations of the central counterparty or clearing house.
For derivatives transactions not settled centrally, the fund management company or its agents may enter into mutual collateralisation agreements with the counterparties. The value of the collateral exchanged must always be at least equivalent to the replacement value of the derivatives transactions outstanding. Individual items of collateral may also be valued at a discount. This discount is based on the volatility of the markets and the forecast liquidity of the collateral.

The following types of collateral are permitted:
- Equities traded on an exchange or other market open to the public which have a high level of liquidity and are included in a benchmark index.
- Listed ETFs in the form of securities funds, other funds for traditional investments under Swiss law or UCITS are deemed equivalent to equities if they track one of the aforementioned indices and replicate it physically. Swap-based, synthetically replicating ETFs are not permitted.
- Bonds traded on an exchange or other market open to the public where the issuer has a first-class credit rating. No rating is required for government bonds issued by the USA, Japan, the UK, Germany or Switzerland (including federal states and cantons).
- Tradable treasury bills and notes with a government guarantee are deemed equivalent to government bonds if the government or issue has a first-class rating or they are issued by the USA, Japan, the UK, Germany or Switzerland (including federal states and cantons).
- Money market funds, if they meet the AMAS or CESR Guidelines for Money Market Funds, can be redeemed daily, and are of high quality or are classified as first-class by the fund management company.
- Cash in a freely convertible currency.

The safety margins are as follows:
The following minimum discounts (% deduction from market value) apply to the collateralisation of loans under securities lending transactions:

• Listed equities and ETFs	8%
• Government bonds (including treasury bills and notes) issued or guaranteed by the USA, the UK, Japan, Germany or Switzerland (including cantons and municipalities)	0%
• Other government bonds (including treasury bills and notes)	2%
• Corporate bonds	4%
• Cash, if not in a fund currency	3%
• Money market funds	4%

The following minimum discounts (% deduction from market value) apply to the collateralisation of derivatives not settled centrally, provided a collateralisation agreement has been entered into with the counterparty:

• Cash	0%
• Government bonds with a residual term of up to 1 year	1–3%
• Government bonds with a residual term of 1 to 5 years	3–5%
• Government bonds with a residual term of 5 to 10 years	4–6%
• Government bonds with a residual term of over 10 years	5–7%

Cash collateral may be reinvested as follows and with the following risks:
Sight deposits or deposits with a short notice period, government bonds with a high credit rating, money market instruments with counterparties with a high credit rating and money market funds subject to the AMAS or CESR Guidelines for Money Market Funds. Cash collateral must always be reinvested in the same currency as the collateral is received in. The fund management company regularly monitors the risks from reinvesting cash collateral. These investments are nevertheless subject to a credit risk and the value can be impacted by fluctuations. In addition, a certain level of liquidity risk cannot be excluded.

1.9.4 Use of derivatives
The fund management company may use derivatives. However, even in exceptional market conditions, these may not result in a deviation from the investment objectives or a change in the investment character of the sub-funds. Commitment Approach II is applied to the assessment of risk.
Derivatives form part of the investment strategy and are not used solely to hedge investment positions. In connection with collective investment schemes, derivatives may be used only for currency hedging purposes, with the exception of the hedging of market, interest rate and credit risks in the case of collective investment schemes for which the risks can be determined and measured unequivocally.
Both basic types of derivatives and exotic derivatives may be used, the latter to a negligible extent, as described in more detail in the fund contract (cf. §12), provided the underlying securities are permitted as investments under the investment policy. The derivative transactions may be concluded on either an exchange or other regulated market open to the public, or in OTC (over-the-counter) trading. In addition to market risks, derivatives are also subject to counterparty risk, i.e. the risk that the party to the contract may not be able to meet its obligations and may thus cause a financial loss.
In addition to credit default swaps (CDS), all other types of credit derivatives may be acquired (e.g. total return swaps (TRS), credit spread options (CSO), credit linked notes (CLN)) by which credit risks can be transferred to third parties (risk buyers). The risk buyers receive a premium as compensation. The size of this premium depends, among other things, on the probability of a loss event occurring and the maximum size of the loss; both factors are generally difficult to assess, which increases the risk associated with credit derivatives. The sub-funds may act as both risk buyers and risk sellers.
The use of derivatives may have a leverage effect on a sub-fund's assets or may correspond to a short sale. The overall exposure in derivatives may be up to 100% of the sub-fund's net assets and the overall exposure of a sub-fund may therefore be up to 200% of its net assets.
Detailed information on the investment policy and its restrictions, as well as the permitted investment techniques and instruments (in particular derivative financial instruments and their scope) are contained in the fund contract (cf. Part II, §§ 7–15).

1.10 Net asset value
The net asset value of a unit of a sub-fund is based on the market value of the assets of a sub-fund or, in the case of the sub-funds **- Global Fund**, **- Global Climate Equity Fund**, and **- High Dividend Fund**, for a given class, is determined by the proportion of the market value attributable to the sub-fund's assets, less any of the sub-fund's liabilities, divided by the number of units in circulation. This is rounded to CHF 0.01.

1.11 Fees and incidental costs
1.11.1 Fees and incidental costs charged to the sub-funds' assets
Yearly flat-rate management fee of the fund management for the individual sub-funds

- ESG Bond Fund	0.79% p.a.
- ESG Yield Strategy Fund	0.95% p.a.
- ESG Income Strategy Fund	1.04% p.a.
- ESG Balanced Strategy Fund	1.11% p.a.
- ESG Growth Strategy Fund	1.16% p.a.
- ESG Capital Gain Strategy Fund	1.19% p.a.
- ESG Swiss Equity Fund	0.59% p.a.
- Global Climate Equity Fund	
Unit class "A"	0.98% p.a.
Unit class "I"	0.24% p.a.
- Global Fund:	
Unit class "A"	0.79% p.a.
Unit class "I"	0.19% p.a.
- Swiss Small Caps Fund	1.50% p.a.

- High Dividend Fund:

Unit class "A"	1.43% p.a.
Unit class "I"	0.34% p.a.

The fee is used for the administration, asset management and distribution of the sub-fund and all tasks of the custodian banks, such as the safekeeping of the assets of the sub-fund and handling the payment transactions.
§ 19 of the fund contract shows which fees and incidental costs are not covered by the total fee.
The management fee of the target funds in which investments are made may not exceed 3%. The maximum rate of the management fee of the target funds in which investments are made must be disclosed in the annual report.

1.11.2 Total expense ratio
The coefficient of the total costs charged to the sub-funds' assets on an ongoing basis (total expense ratio, TER) was:

- ESG Bond Fund
2020/21: 0.79%
2021/22: 0.79%
2022/23: 0.80%

- ESG Yield Strategy Fund
2020/21: 1.03%
2021/22: 1.07%
2022/23: 1.04%

- ESG Income Strategy Fund
2020/21: 1.10%
2021/22: 1.13%
2022/23: 1.11%

- ESG Balanced Strategy Fund
2020/21: 1.17%
2021/22: 1.21%
2022/23: 1.18%

- ESG Growth Strategy Fund
2020/21: 1.23%
2021/22: 1.26%
2022/23: 1.23%

- ESG Capital Gain Strategy Fund
2020/21: n/a
2022/23: 1.26%

- ESG Swiss Equity Fund
2020/21: 0.60%
2021/22: 0.60%
2022/23: 0.60%

- Global Climate Equity Fund

	Class A	Class I
2020/21:	n/a	n/a
2021/22:	n/a	n/a
2022/23:	n/a	n/a

- Global Fund

	Class A	Class I
2020/21:	0.80%	0.20%
2021/22:	0.80%	0.20%
2022/23:	0.81%	0.20%

- Swiss Small Caps Fund
2020/21: 1.52%
2021/22: 1.51%
2022/23: 1.53%

- High Dividend Fund

	Class A	Class I
2020/21:	1.45%	0.36%
2021/22:	1.45%	0.36%
2022/23:	1.46%	0.37%

1.11.3 Payment of retrocessions and rebates
The fund management company and its agents may pay retrocessions as remuneration for distribution activity in respect of units in sub-funds in or from Switzerland. This remuneration may be deemed payment for the following services in particular:
- production of advertising material
- training of sales representatives
- any activity aimed at promoting the distribution or transfer of units in sub-funds.

Retrocessions are not deemed to be rebates even if they are ultimately passed on, in full or in part, to the investors.
The recipients of the retrocessions must ensure transparent disclosure and inform investors, unsolicited and free of charge, about the amount of remuneration they may receive for distribution activities
On request, the recipients of retrocessions must disclose the amounts they actually receive for the distribution activities of the collective investment schemes of the investors concerned.
The fund management company and its agents do not pay any rebates in connection with distributing in or from Switzerland to reduce the fees or costs incurred by the investor and charged to the fund.

1.11.4 Fees and incidental costs charged to the investor (excerpt from §18 of the fund contract)

Issuing commission in favour of PostFinance AG	max. 2%
Redemption commission in favour of PostFinance AG	max. 1%

1.11.5 Commission sharing agreements and soft commissions
The fund management company has not concluded commission sharing agreements.
The fund management company has not concluded agreements in respect of soft commissions.

1.11.6 Investments in related collective investment schemes
In accordance with § 19.5 of the fund contract, no issuing and redemption commissions are charged in the case of investments in collective investment schemes that are managed directly or indirectly by the fund management company itself or a company with which it is related by virtue of common management or control or by way of a significant direct or indirect interest.

1.12 Viewing the reports
The prospectus with integrated fund contract, the key investor information document/basic information sheet, and the annual or semi-annual reports may be obtained free of charge from the fund management company, the custodian bank and PostFinance AG or its branches or operations centre.

1.13 Legal form of the investment fund
PF is a contractual umbrella fund under Swiss law of the type "other fund for traditional investments" in accordance with the Swiss Federal Act on Collective Investment Schemes of 23 June 2006.

The sub-funds are based upon a collective investment agreement, under which the fund management company undertakes to provide the investor with a stake in the relevant sub-fund in proportion to the fund units acquired by the said investor, and to manage this sub-fund at its own discretion and for its own account in accordance with the provisions of the law and the fund contract. The custodian bank is party to the fund contract in accordance with the tasks delegated to it by the law and the fund contract.

1.14 The material risks

- ESG Bond Fund
The material risks associated with the sub-fund are: The net asset value and the income of the investment fund may fluctuate depending on interest rate changes and changes in the credit rating of investments. There is no guarantee that investors will achieve a specific return or be able to redeem the units with the fund management company at a specific price.

- ESG Yield Strategy Fund
- ESG Income Strategy Fund
- ESG Balanced Strategy Fund

The material risks associated with the sub-funds are: The normal market fluctuations and other risks associated with investments in securities. There is no guarantee that the value of the investments will increase. Both the value and the income of the investments can fall or rise. There is no guarantee that the investment objective will actually be achieved. There is no guarantee that investors will obtain a specific income or be able to redeem the units with the fund management company at a specific price.

- ESG Swiss Equity Fund
The material risks associated with this sub-fund are as follows: The value of the investments of the sub-fund is based on the respective market value of the investments. Depending on the general stock market trend and the performance of the investment instruments held in the portfolio, the net asset value may fluctuate considerably. It cannot be ruled out that the value will fall over a longer period of time. There is no guarantee that investors will obtain a specific income or be able to redeem the units with the fund management company at a specific price.

- ESG Growth Strategy Fund
- ESG Capital Gain Strategy Fund
- Global Fund
- Swiss Small Caps Fund
- High Dividend Fund

The material risks of the sub-funds are that the value of the investments of the sub-funds depend on the respective market value of the investments contained in them. Depending on the stock market trend and the performance of the investment instruments held in the target funds, the net asset value may fluctuate considerably. Because the sub-funds mainly invest in target funds, they reflect the performance of these and also assume their inherent risks. It cannot be ruled out that the net asset value will fall over a longer period of time. There is also no guarantee that investors will obtain a specific income or be able to redeem the units with the fund management company at a specific price.

- Global Climate Equity Fund
The material risks associated with this sub-fund are: that the sub-funds' net asset value and income may fluctuate depending on interest rate movements and changing rating of the investments. There is no guarantee that the investor will achieve a given rate of return or that the units can be redeemed at a specific price.
The following risks also exist: general market risk, currency risk, issuer risk, liquidity risk.
When investing in emerging markets, the following risks should additionally be taken into account: political and economic risks, restricted or impeded market access for foreign investors, high price volatility, liquidity bottlenecks, etc.

1.15 Liquidity risk management/information on the liquidity management process

The fund management company ensures liquidity is managed appropriately. In order to be able to guarantee the right of investors to redeem their units at any time (Art. 78 para. 2 CISA), the fund management company regularly monitors the liquidity risks of the individual investments with regard to their saleability on the one hand and of the sub-funds with regard to the servicing of redemptions on the other. The fund management company assesses the liquidity of the sub-funds on a monthly basis under various scenarios and documents these. In particular, the fund management company has defined and implemented processes that enable, among other things, the identification, monitoring and reporting of liquidity risks. To identify the liquidity risks of the investments and to calculate individual liquidity thresholds at sub-fund level, the fund management company relies on models that have been tested in the market and verified by UBS Group specialists. The liquidity thresholds are used to monitor stress reduction scenarios at sub-fund level.

1.16 Fund-of-funds structure

Because the individual sub-funds invest mainly in other collective investment schemes, these sub-funds are considered to be funds of funds.
This particular fund of funds structure has significant **advantages** over funds that invest directly:

- By investing in existing collective investment schemes (target funds), a broader diversification or risk distribution is achieved compared with funds with direct investments;
- The diversification of funds of funds is not limited to their own investments, as the target funds are also subject to the strict requirements of risk spreading. Funds of funds enable the investor to invest in a product that spreads risk on two levels, thus minimising the risk of the individual target funds.

The **disadvantage** of a fund of funds structure compared with funds that invest directly is in particular:

- Certain fees and incidental costs may be incurred twice when investing in units of existing collective investment schemes (e.g. fees charged by the custodian bank and the central administration, issue and redemption commissions from the target funds in which the investment was made). These fees and costs are charged both at the level of the target fund and at the level of the fund of funds itself.

Details of the general fees and incidental costs are set out in point 1.11.

1.17 Due diligence in the acquisition of target funds

The target funds are selected according to quantitative and qualitative criteria. The quantitative analysis examines the historical relationship between risk and return over various time horizons. In qualitative terms, an in-depth assessment is made of the fund company's reputation, its corporate infrastructure, its investment style, its investment processes and its internal risk controls. Both the qualitative and quantitative assessment results are subject to regular review. In addition, when implementing the investment strategy it is checked whether the target fund can also be integrated coherently and usefully in the overall portfolio context with regard to diversification, cluster risks and volatility, etc.

2. Information on the fund management company

2.1 General information on the fund management company

The fund management company is UBS Fund Management (Switzerland) AG. The fund management company, which has its registered office in Basel, has been active in the fund business since its formation as an Aktiengesellschaft (joint-stock company) in 1959.

2.2 Further information on the fund management company

As at 31 December 2023, the fund management company managed a total of 423 securities funds and eight real estate funds in Switzerland with assets totalling CHF 339, 301 million. Furthermore, the fund management company provides the following specific services:
- representation of foreign collective investment schemes;
- administration services for collective investment schemes;

2.3 Management and governing bodies

Board of Directors
Michael Kehl, Chairman
Dr Daniel Brüllmann, Vice chairman
Francesca Gigli Prym, Member
Dr Michèle Sennhauser, Member
Franz Gysin, Member
Werner Strebel, Member
Andreas Binder, Member

Executive Board
Eugène Del Cioppo, Chairman of the Executive Board
Thomas Schärer, Deputy Chairman of the Executive Board, Head of ManCo Substance & Oversight
Hubert Zeller, Head WLS – Client Management
Yves Schepperle, Head WLS – Products
Urs Fäs, Head Real Estate Funds CH
Georg Pfister, Head Operating Office, Finance, HR
Marcus Eberlein, Head Investment Risk Control
Thomas Reisser, Head Compliance and Operational Risk Control

2.4 Subscribed and paid-up capital

The subscribed share capital of the fund management company amounts to CHF 1 million. The share capital is divided into registered shares and has been fully paid up. UBS Fund Management (Switzerland) AG is a wholly owned group company of UBS Group AG.

2.5 Delegation of investment decisions and other specific tasks

The investment decisions of the umbrella fund are delegated to UBS Asset Management Switzerland AG, Zurich.
The administration of the sub-funds, in particular accounting, calculation of the net asset value, tax settlement, operation of IT systems and preparation of statements of accounts, has been delegated to Northern Trust Global Services SE, Leudelange, Luxembourg, Basel branch. The precise duties involved are set out in an agreement between the parties.
All other fund management duties and the monitoring of other delegated duties are carried out in Switzerland.

2.6 Exercise of membership and creditors' rights

The fund management company exercises the membership and creditors' rights associated with the investments of the sub-funds it manages independently and exclusively in the interests of the investors. The fund management company will, upon request, provide investors with information on the exercise of membership and creditors' rights.
Regarding existing routine business, it is up to the fund management company whether to exercise the membership and creditors' rights itself or whether to transfer them to the custodian bank or a third party.
In the case of all other events that might have a lasting impact on the interests of the investors, such as, in particular, the exercise of membership and creditors' rights the fund management company holds as a shareholder or creditor of the custodian bank or another related legal entity, the fund management company will exercise the voting rights itself or issue explicit instructions. In such cases, it may base its actions on information it receives from the custodian bank, the asset manager, the company concerned, or from voting rights advisors or other third parties, or that it ascertains from the media.

3. Information on the custodian bank

3.1 General information on the fund management company

The custodian bank is UBS Switzerland AG. The bank was founded in 2014 as a stock corporation with its registered office in Zurich, and with effect from 14 June 2015, it took over the Private and Corporate Banking business booked in Switzerland as well as the Wealth Management business of UBS AG booked in Switzerland.

3.2 Further information on the custodian bank

As a universal bank, UBS Switzerland AG offers a wide range of banking services. The custodian bank was registered with the US tax authorities as a Reporting Financial Institution under a Model 2 IGA pursuant to sections 1471 through 1474 of the U.S. Internal Revenue Code (Foreign Account Tax Compliance Act, including the corresponding rulings, "FATCA").
UBS Switzerland AG is a group company of UBS Group AG. With consolidated total assets of USD 1,717,246 million and published capital and reserves of USD 86,639 million as at 31 December 2023, UBS Group AG is financially one of the strongest banks in the world. It employs a staff of 112,842 worldwide and has an extensive network of branches.
The custodian bank may delegate the safekeeping of the sub-funds' assets to third-party custodians and central securities depositories in Switzerland or abroad, provided this is in the interests of proper management. In respect of financial instruments, such delegation may be made only to regulated third-party custodians and central securities depositories. This does not apply to mandatory safekeeping at a location where the delegation of safekeeping to regulated third-party custodians and central securities depositories is not possible, in particular owing to mandatory legal provisions or to the particular arrangements for the investment product in question.
This is accompanied by the following risks: The use of third-party custodians and central securities depositories means that deposited securities are no longer owned solely by the fund management company, which instead becomes only a co-owner. Furthermore, if the third-party custodians and central securities depositories are not subject to supervision, they are unlikely to meet the organisational requirements imposed on Swiss banks.

The custodian bank is liable for damage or loss caused by its agents unless it is able prove that it exercised the due diligence required in the circumstances in respect of selection, instruction, and monitoring.

4. Information on third parties

4.1 Paying agents

The paying agents are PostFinance AG and its sales channels.

4.2 Distributor

PostFinance AG and its sales channels have been exclusively entrusted with the distribution and safekeeping of the units of the sub-funds.

4.3 Delegation of investment decisions and other specific tasks

The investment decisions of the umbrella fund are delegated to UBS Asset Management Switzerland AG, Zurich. UBS Asset Management Switzerland AG is an asset manager and, as an asset manager of collective investment schemes in Switzerland, is subject to supervision by the Swiss Financial Market Supervisory Authority FINMA.
Within the framework of the potential use of multi-manager target funds, the investment decisions are sub-delegated by UBS Asset Management Switzerland AG to selected asset managers. The names of these asset managers can be found in the fund documents for the respective sub-funds.
UBS Asset Management Switzerland AG has many years of experience in asset management and an extensive knowledge of the investment markets of the umbrella fund. In addition, UBS Asset Management Switzerland AG has many years of experience with the multi-manager approach. Precise details of how their remit is to be fulfilled are laid down in an asset management agreement between UBS Fund Management (Switzerland) AG and UBS Asset Management Switzerland AG.

5. Further information

5.1 Key data

Swiss securities no	- ESG Bond Fund	686 920
	- ESG Yield Strategy Fund	686 921
	- ESG Income Strategy Fund	686 923
	- ESG Balanced Strategy Fund	730 438
	- ESG Growth Strategy Fund	730 568
	- ESG Capital Gain Strategy Fund	117 646 531
	- ESG Swiss Equity Fund	1 321 157
	- Global Climate Equity Fund:	
	Unit class "A"	129 712 104
	Unit class "I"	129 713 732
	- Global Fund:	
	Unit class "A"	1 493 319
	Unit class "I"	49 560 408
	- Swiss Small Caps Fund	43 227 902
	- High Dividend Fund:	
	Unit class "A"	3 7545 287
	Unit class "I"	49 560 407
ISIN	- ESG Bond Fund	CH0006869207
	- ESG Yield Strategy Fund	CH0006869215
	- ESG Income Strategy Fund	CH0006869231
	- ESG Balanced Strategy Fund	CH0007304386
	- ESG Growth Strategy Fund	CH0007305680
	- ESG Capital Gain Strategy Fund	CH1176465313
	- ESG Swiss Equity Fund	CH0013211575
	- Global Climate Equity Fund:	
	Unit class "A"	CH1297121043
	Unit class "I"	CH1297137320
	- Global Fund:	
	Unit class "A"	CH0014933193
	Unit class "I"	CH0495604081
	- Swiss Small Caps Fund	CH0432279021
	- High Dividend Fund:	
	Unit class "A"	CH0375452874
	Unit class "I"	CH0495604073
Accounting currency	Swiss franc (CHF)	

5.2 Publication of official notices by the umbrella fund and sub-funds

Further information on the umbrella fund and sub-funds may be found in the latest annual or semi-annual report. The latest information can also be found on the Internet at www.postfinance.ch/fonds.
In the event of an amendment to the fund contract, a change of fund management company or of custodian bank, as well the dissolution of the umbrella fund and/or a sub-fund, the corresponding notice will be published by the fund management company with Swiss Fund Data AG (www.swissfunddata.ch).
Prices are published for each day on which issues and redemptions of fund units are made (daily) on the Internet at www.postfinance.ch/fondsangebot and at Swiss Fund Data AG, as well as in other electronic media.

5.3 Sales restrictions

The regulations valid in the country in question apply to the issue and redemption of units of this umbrella fund or a sub-fund outside Switzerland.
Units of this umbrella fund or the sub-funds may not be offered, sold or delivered within the United States.
Units of this umbrella fund or the sub-funds may not be offered, sold or delivered to investors who are US persons. A US person is any person who:

(i) 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;
(ii) is a US person within the meaning of Regulation S under the US Securities Act of 1933 (17 CFR § 230.902(k));
(iii) 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));
(iv) resides in the United States within the meaning of Rule 202(a)(30)-1 under the US Investment Advisers Act of 1940, as amended; or
(v) any trust, entity or other structure formed for the purpose of allowing US persons to invest in this umbrella fund and the sub-funds.

PostFinance does not sell funds to persons domiciled outside of Switzerland. In these countries, the sub-funds of this umbrella fund are not regarded as offered and are not available.

6. Further investment information

6.1 Profile of the typical investor

- ESG Bond Fund

The sub-fund is suitable for investors with a short- to medium-term investment horizon who are primarily seeking a steady income. Investors are able to accept temporary fluctuations in the net asset value of the fund units and may not be able to realise their investment by a particular date. In certain cases, the sub-fund may not be suitable for investors who want to withdraw their money from the sub-fund within at least two years.

- ESG Yield Strategy Fund
The sub-funds are suitable for risk-conscious investors who accept short-term price fluctuations and are pursuing a returns-oriented strategy. The sub-funds seek to achieve long-term capital appreciation and in certain cases may not be suitable for investors who intend to withdraw their money from the sub-fund within at least two years.

- ESG Income Strategy Fund
The sub-funds are suitable for risk-conscious investors who can accept short-term price fluctuations and are pursuing a returns-oriented strategy. The sub-funds seek to achieve long-term capital appreciation and in certain cases may not be suitable for investors who intend to withdraw their money from the sub-fund within at least five years.

- ESG Balanced Strategy Fund
The sub-fund is suitable for investors with a higher risk tolerance who accept greater price fluctuations and are pursuing a capital gains-oriented investment strategy. The sub-fund seeks to achieve long-term capital appreciation through capital gains supplemented by interest and dividend income and may not be suitable for investors who intend to withdraw their money from the sub-fund within at least five years.

- ESG Growth Strategy Fund
The sub-fund is suitable for investors with a long-term investment horizon who are mainly seeking to achieve capital growth. Investors are able to accept larger fluctuations and a longer lasting decline in the net asset value of the sub-fund. They are familiar with the main risks of an equity investment. In certain cases, the sub-fund may not be suitable for investors who want to withdraw their money from the sub-fund within at least five years.

- ESG Capital Gain Strategy Fund
- ESG Swiss Equity Fund
- Global Fund
- Swiss Small Caps Fund
- Global Climate Equity Fund

The sub-funds are suitable for investors with a long-term investment horizon who are mainly seeking to achieve capital growth. Investors are able to accept larger fluctuations and a longer lasting decline in the net asset value of the sub-funds. They are familiar with the main risks of an equity investment. In certain cases, the sub-funds may not be suitable for investors who want to withdraw their money from the sub-fund within at least nine years.

- High Dividend Fund
The sub-fund is suitable for investors with a long-term investment horizon who are mainly seeking to achieve capital growth and an optimisation of dividend income. Investors are able to accept larger fluctuations and a longer lasting decline in the net asset value of the fund units. They are familiar with the main risks of an equity investment. In certain cases, the sub-fund may not be suitable for investors who want to withdraw their money from the sub-fund within at least nine years.

7. Detailed regulations

All further information on the umbrella fund and sub-funds, such as the method used for the valuation of the sub-funds' assets, a list of all fees and incidental costs charged to the investor and the sub-funds, and the appropriation of net income, can be found in detail in the fund contract.

Part II Fund contract

I. Basic principles

§ 1 Name of the fund, name and registered office of the fund management company, custodian bank and asset manager

1. A contractual umbrella fund of the type "other funds for traditional investments" (referred to as "umbrella fund") has been established under the name PF in accordance with Art. 25 et seqq. in conjunction with Art. 68 et seqq. and Art. 92 et seqq. of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006 (CISA), which is divided into the following sub-funds:

   - ESG Bond Fund
   - ESG Yield Strategy Fund
   - ESG Income Strategy Fund
   - ESG Balanced Strategy Fund
   - ESG Growth Strategy Fund
   - ESG Capital Gain Strategy Fund
   - ESG Swiss Equity Fund
   - Global Climate Equity Fund
   - Global Fund
   - Swiss Small Caps Fund
   - High Dividend Fund

2. The fund management company is UBS Fund Management (Switzerland) AG, Basel.
3. The custodian bank is UBS Switzerland AG, Zurich.
4. The asset manager is UBS Asset Management Switzerland AG, Zurich

II. Rights and obligations of the parties to the contract

§ 2 The fund contract

The legal relationship between the investor, on the one hand, and the fund management company and the custodian bank, on the other, is governed by the present fund contract and the applicable provisions of the legislation on collective investment schemes.

§ 3 The fund management company

1. The fund management company manages the sub-funds at its own discretion and in its own name, but for the account of the investors. It decides in particular on the issue of units, the investments and their valuation. It calculates the net asset value of the sub-funds and determines the issue and redemption prices of units as well as distributions of income. It exercises all rights associated with the sub-funds.
2. The fund management company and its agents are subject to the duties of loyalty, due diligence and disclosure. They act independently and exclusively in the interests of the investors. They implement the organisational measures that are necessary for proper management. They account for the collective investment schemes they manage and provide information on all fees and costs charged directly or indirectly to investors and on compensation received from third parties, in particular commissions, discounts or other pecuniary advantages.
3. The fund management company may delegate investment decisions and specific tasks for all or individual sub-funds to third parties, provided this is in the interests of proper management. It exclusively commissions persons who have the necessary skills, knowledge and experience for this activity and the required licences. It carefully instructs and monitors the third parties brought in.
   Investment decisions may only be delegated to asset managers who have the necessary authorisation.
   The fund management company remains responsible for fulfilling its supervisory duties and safeguards the interests of investors when delegating tasks. The fund management company is liable for the actions of persons to whom it has delegated tasks as for its own actions.
4. The fund management company may, with the consent of the custodian bank, submit a change to the present fund contract to the supervisory authority for approval (cf. § 27).
5. The fund management company may, in accordance with the provisions set down under § 24, merge individual sub-funds with other sub-funds or with other investment funds, convert them into another legal form of collective investment scheme in accordance with the provisions of § 25 and may, in accordance with the provisions set down under § 26, dissolve them.
6. The fund management company is entitled to receive the fees stipulated in §§ 18 and 19. It is further entitled to be exempt from any liabilities which may have arisen in the course of the proper execution of its duties, and to be reimbursed for expenses incurred in connection with such liabilities.

§ 4 The custodian bank

1. The custodian bank is responsible for the safekeeping of the sub-funds' assets. It handles the issue and redemption of units in sub-funds as well as payment transactions for the sub-funds.
2. The custodian bank and its agents are subject to the duties of loyalty, due diligence and disclosure. They act independently and exclusively in the interests of the investors. They implement the organisational measures that are necessary for proper management. They account for the collective investment schemes they hold in safekeeping and provide information on all fees and costs charged directly or indirectly to investors and on compensation received from third parties, in particular commissions, discounts or other pecuniary advantages.
3. The custodian bank is responsible for account and safekeeping account management on behalf of the sub-funds, but does not have independent access to their assets.
4. The custodian bank ensures that, in the case of transactions relating to the assets of the sub-funds, the counter value is transferred within the usual time limit. It notifies the fund management company if the counter value is not remitted within the usual time limit and, where possible, requests reimbursement for the asset item concerned from the counterparty.
5. The custodian bank keeps the required records and accounts in such manner that it is, at all times, able to distinguish between the assets held in safekeeping for the individual sub-funds.
   In relation to assets that cannot be taken into safekeeping, the custodian bank verifies ownership by the fund management company, and keeps a record thereof.
6. The custodian bank may delegate the safekeeping of

the sub-funds' assets to third-party custodians and central securities depositories in Switzerland or abroad, provided this is in the interests of proper management. The custodian bank verifies and monitors that the third-party custodian or central securities depository it appoints.

   a. possesses an appropriate organisational structure, financial guarantees and the specialist qualifications required given the nature and complexity of the assets entrusted to it;
   b. is subject to regular external audits, thereby ensuring that it possesses the financial instruments;
   c. the assets received from the custodian bank are held in safekeeping in such a manner that by means of regular portfolio comparisons they can, at all times, be clearly identified as belonging to the respective sub-fund;
   d. complies with the provisions applicable to the custodian bank with respect to the performance of the tasks delegated to it and the avoidance of conflicts of interest.

   The custodian bank is liable for damage or loss caused by its agents unless it is able prove that it exercised the due diligence required in the circumstances in respect of selection, instruction, and monitoring. The prospectus contains information on the risks associated with the delegation of safekeeping to third-party custodians and central securities depositories.

7. In respect of financial instruments, the delegation of safekeeping in the sense of the previous paragraph may be made only to regulated third-party custodians and central securities depositories. This does not apply to mandatory safekeeping at a location where the delegation of safekeeping to regulated third-party custodians and central securities depositories is not possible, in particular owing to mandatory legal provisions or to the particular arrangements for the investment product in question. Investors must be informed in the Prospectus of safekeeping with non-regulated third-party custodians or central securities depositories.
8. The custodian bank ensures that the fund management company complies with the law and the fund contract. It verifies that the calculation of the net asset value and of the issue and redemption prices of the units, as well as the investment decisions, are in compliance with the law and the fund contract, and that net income is appropriated in accordance with the fund contract. The custodian bank is not responsible for the choice of investments which the fund management company makes in accordance with the investment regulations.
9. The custodian bank is entitled to receive the fees stipulated in §§18 and 19. It is further entitled to be exempt from any liabilities which may have arisen in the course of the proper execution of its duties and to be reimbursed for expenses incurred in connection with such liabilities.
10. The custodian bank is not responsible for the safekeeping of the assets of the target funds in which the sub-funds invest, unless this task has been delegated to it.

§ 5 The investors

1. There are no restrictions in terms of the eligibility of investors in the sub-fund.

   - Global Fund
   - High Dividend Fund
   - Global Climate Equity Fund

   Restrictions are possible for individual unit classes in accordance with § 6.4. The fund management company and the custodian bank ensure that the investors meet the requirements in respect of investor eligibility.
2. On concluding the contract and making a payment in cash, the investor acquires a claim against the fund management company in respect of participation in the assets and income of a sub-fund of the umbrella fund. The investor's claim is evidenced in the form of fund units.
3. Investors are only entitled to the assets and income of the sub-fund in which they hold an interest. Any liabilities attributable to individual sub-funds are borne solely by the sub-fund concerned.
4. Investors are obliged only to remit payment for the units of the relevant sub-fund they subscribe. They are not held personally liable for the liabilities of the umbrella fund or sub-fund.
5. Investors may obtain information concerning the basis of the calculation of the net asset value per unit from the fund management company at any time. If investors assert an interest in more detailed information on specific business transactions effected by the fund management company, such as the exercise of membership and creditors' rights, or on risk management, they must be given such information by the fund management company at any time. The investors may request before the courts of the registered office of the fund management company that the audit firm or another expert investigate the matter which requires clarification and furnish the investors with a report.
6. The investors may terminate the fund contract at any time and demand that their share in the relevant sub-fund be paid out in cash.
7. Upon request, the investors are obliged to provide the fund management company and/or the custodian bank and their agents with proof that they comply with or continue to comply with the conditions laid down in the law or the fund contract in respect of participation in a sub-fund or in a unit class. Furthermore, they are obliged to inform the custodian bank, the fund management company and their agents immediately if they cease to meet these conditions.
8. The fund management company, in cooperation with the custodian bank, must make an enforced redemption of the units of an investor at the current redemption price if:
   a. this is necessary to safeguard the reputation of the financial market, and specifically to combat money laundering;
   b. the investor no longer meets the statutory or contractual conditions for participation in a sub-fund.
9. The fund management company, in cooperation with the custodian bank, may also make an enforced redemption of the units of an investor at the current redemption price if:
   a. the participation of the investor in a sub-fund is such that it might have a significant detrimental impact on the economic interests of the other investors, in particular if the participation might

result in tax disadvantages for the umbrella fund or sub-fund in Switzerland or abroad;

b. the investor has acquired or holds their units in violation of provisions of a law to which they are subject either in Switzerland or abroad, of the present fund contract or the prospectus;

c. there is a detrimental impact on the economic interests of the investors, in particular in cases in which individual investors seek by way of systematic subscriptions and immediate redemptions to achieve a financial benefit by exploiting the time differences between the setting of the closing prices and the valuation of the sub-fund's assets (market timing).

§ 6 Units and unit classes

1. The fund management company may establish different unit classes and may also merge or dissolve unit classes for each sub-fund at any time subject to the consent of the custodian bank and the approval of the supervisory authority. All unit classes embody an entitlement to a share in the undivided assets of the relevant sub-fund, which are not segmented. This share may differ owing to class-specific costs or distributions or class-specific income and the various classes of a sub-fund may therefore have different net asset values per unit. The assets of the sub-fund as a whole are liable for class-specific costs.
2. Notification of the creation, dissolution or merger of unit classes is made to the investors in the medium of publication. Only mergers are deemed a change to the fund contract pursuant to § 27.
3. The various unit classes of the sub-funds may differ from one another in terms of their cost structure, reference currency, currency hedging, policy with regard to distribution or reinvestment of income, the minimum investment required, and investor eligibility. Fees and costs are charged only to that unit class for which the service in question is performed. Fees and costs that cannot be allocated unequivocally to a specific unit class are charged to the individual unit classes on a pro rata basis in relation to their share of the sub-fund's assets.
4. The sub-funds

   - ESG Bond Fund
   - ESG Yield Strategy Fund
   - ESG Income Strategy Fund
   - ESG Balanced Strategy Fund
   - ESG Growth Strategy Fund
   - ESG Capital Gain Strategy Fund
   - ESG Swiss Equity Fund
   - Swiss Small Caps Fund

   are not divided into unit classes.
   For the sub-funds

   - Global Fund
   - High Dividend Fund
   - Global Climate Equity Fund

   the following unit classes designated "A" and "I" are currently available. Unit classes may differ in the level of the flat fee, initial issue price, minimum subscription, smallest tradable unit, form of custody and appropriation of income.

   a) Units in unit class "A" are not restricted to certain investors. There is no minimum subscription or minimum holding. The units are issued only as bearer units.

   b) Units in unit class "I" are reserved for AXA Leben AG insofar as AXA Leben AG has been mandated to invest retirement assets in fund units. However, this only applies for contracts that are referred by PostFinance AG as part of its cooperation with AXA Leben AG. No minimum subscription or holding is required. The units are issued only as registered units.
5. Units do not take the form of actual certificates, but exist purely as book entries. Investors are not entitled to demand the delivery of a registered or bearer unit certificate.

   - Global Fund
   - High Dividend Fund
   - Global Climate Equity Fund

6. The fund management company and the custodian bank are obliged to instruct investors who no longer meet the conditions for holding a unit class that, within 30 calendar days, they must redeem their units pursuant to § 17, transfer them to a person who does meet the aforementioned conditions, or convert them into units of another unit class whose conditions they do meet. If an investor fails to comply with this demand, the fund management company must, in cooperation with the custodian bank, make an enforced conversion into another unit class of this investment fund or, should this not be possible, enforce the redemption of the units in question pursuant to § 5.7.

III. Investment policy guidelines

A. Investment principles

§ 7 Compliance with investment restrictions

1. In selecting individual investments of each sub-fund, the fund management company must adhere to the principle of balanced risk diversification and must observe the percentage limits defined below. These percentages relate to the individual sub-funds' assets at market value and must be complied with at all times.
   The sub-funds must have fulfilled the terms of the investment restrictions no later than six months after the expiry of the subscription period (launch).
2. If the limits are exceeded as a result of market-related changes, the investments must be restored to the permitted level within a reasonable period, taking due account of the investors' interests. If the limits relating to derivatives pursuant to § 12 below are exceeded as a result of a change in the delta, this is to be rectified within three bank working days at the latest, taking due account of the investors' interests.

§ 8 Investment policy

1. The fund management company may invest the sub-funds' assets in the following investments. The risks involved in these investments must be disclosed in the prospectus.
   a) Securities, i.e. transferable securities issued on a

large scale and non-securitised rights with the same function (uncertified securities) that are traded on an exchange or other regulated market open to the public, and that embody a participation right or claim, or the right to acquire such securities and uncertified securities by way of subscription or exchange, for example warrants;
Investments in securities from new issues are permitted only if their terms of issue provide for their admission to an exchange or other regulated market open to the public. If they have not been admitted to an exchange or other regulated market open to the public within one year after their acquisition, these investment instruments must be sold within one month or included under the restriction set down in point 1 g).

b) Derivatives, if (i) the underlyings are securities as defined in a); derivatives as defined in b); units in collective investment schemes as defined in c); money market instruments as defined in d); financial indices, interest rates, exchange rates, credits, currencies or similar; and (ii) the underlyings are permitted as investments under the fund contract. Derivatives are either traded on an exchange or other regulated market open to the public, or are traded OTC.
OTC transactions are permitted only if (i) the counterparty is a regulated financial intermediary specialising in such transactions; and (ii) the OTC derivatives can be traded daily or a return to the issuer is possible at any time. In addition, such instruments must be capable of reliable and verifiable valuation. Derivatives may be used pursuant to § 12.

c) ca) Units in other collective investment schemes (target funds) under Swiss law of the type "securities fund";
   cb) Units in target funds under Swiss law of the type "other fund for traditional investments";
   cc) Units in target funds under Swiss law of the type "other fund for alternative investments";
   cd) Units in listed target funds under Swiss law of the type "real estate funds";
   ce) Units in undertakings for collective investment in transferable securities (UCITS) which comply with Directive 85/611/EEC of 20 December 1985 (UCITS I), Directive 2001/107/EC, Directive 2001/108/EC of 21 January 2002 (UCITS III) and Directive 2009/65/EC of 13 July 2009 (UCITS IV),
   cf) Units in undertakings for collective investment (UCIs) which correspond to "other funds for traditional investments" under Swiss law and are another supervision equivalent to that in Switzerland.
   cg) Units in undertakings for collective investment (UCIs) which correspond to "other funds for alternative investments" under Swiss law and are subject to supervision equivalent to that in Switzerland.

The fund management company may acquire units of funds of funds (investment funds whose fund contracts or articles of association permit investments in other collective investment schemes of more than 49%).
The fund management company may acquire units in other collective investment schemes managed directly or indirectly by the fund management company itself or by a company to which the fund management company is related by virtue of common management or control, or by a significant direct or indirect interest ("related target funds"). The respective restrictions are governed individually for the respective sub-funds.
In the case of investments in target funds pursuant to ce) above, it is a prerequisite that (i) their documents restrict investments for their part in other target funds to a total of 10%; (ii) these target funds are subject to provisions equivalent to those pertaining to securities funds in respect of the object, organisation, investment policy, investor protection, risk diversification, asset segregation, borrowing, lending, short-selling of securities and money market instruments, the issuing and redemption of fund units and the content of the semi-annual and annual reports; and (iii) these target funds are authorised as collective investment schemes in their country of domicile and are subject there to supervision which is equivalent to that in Switzerland and which serves to protect investors, and that international administrative assistance is ensured.
In the case of investments in target funds pursuant to cf) above, it is a prerequisite that (i) their documents restrict investments for their part in other target funds to a total of 49%; (ii) these target funds are subject to provisions equivalent to those pertaining to securities funds in respect of the object, organisation, investment policy, investor protection, risk diversification, asset segregation, borrowing, lending, short-selling of securities and money market instruments, the issuing and redemption of fund units and the content of the semi-annual and annual reports; and (iii) these target funds are authorised as collective investment schemes in their country of domicile and are subject there to supervision which is equivalent to that in Switzerland and which serves to protect investors, and that international administrative assistance is ensured.

d) Money market instruments, provided these are liquid, can be readily valued and are traded on an exchange or other regulated market open to the public. Money market instruments which are not traded on an exchange or other regulated market open to the public may be acquired only if the issue or the issuer is subject to provisions regarding creditor or investor protection and if the money market instruments are issued or guaranteed by issuers pursuant to Art. 74 para. 2 CISO.

e) Sight or time deposits with terms to maturity not exceeding twelve months with banks domiciled in Switzerland or in a member state of the European Union, or in another country provided that the bank is subject to supervision in that country which is equivalent to the supervision in Switzerland.

f) Structured products, if (i) the underlyings are securities as defined in a); derivatives as defined in b); units in collective investment schemes as defined in c); money market instruments as defined in d); structured products as defined in f); financial indices, interest rates, exchange rates, credits or currencies; and (ii) the underlyings are permitted as investments under the fund contract. Structured products are either traded on an exchange or other regulated market open to the public, or are traded OTC; OTC transactions are permitted only if (i) the counterparty is a regulated financial intermediary specialising in such transactions; and (ii) the OTC-traded products can be traded daily or a return to the issuer is possible at any time. In addition, it must be possible for them to be valued in a reliable and transparent manner. Derivatives may be used pursuant to § 12.

g) Investments other than those specified in a) to f) above up to a total of 10% of a sub-fund's assets. The following are not permitted: (i) direct investments in precious metals, precious metals certificates, commodities and commodity certificates as well as (ii) real short-selling of any type of investment.

- ESG Bond Fund

2. The investment objective of this sub-fund is mainly to improve the environmental and social sustainability profile of the sub-fund compared with a traditional investment approach by applying sustainability approaches, including in particular exclusions (negative screening) and the best-in-class approach (positive screening). The improvement achieved is measured and assessed by comparing the asset-weighted ESG rating and/or ESG score at the level of the target fund using the data provided by the external ESG data providers MSCI ESG Research and Inrate. At least 80% (excluding cash, cash equivalents and derivatives) should be invested in strategies targeting environmental (E) and/or social (S) characteristics in accordance with Article 8 or Article 9 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector as an objective or are deemed equivalent thereto.
Due to the fund-of-fund structure, sustainable target funds and strategies may be used if they employ one of the following sustainability approaches or a combination thereof: **Exclusions (negative screening) and best-in-class approach (positive screening)**. Information on the sustainability criteria of the target funds can be found in the prospectus, section 1.9.2 Investment objective and section 1.9.3 Investment policy of the sub-funds. Further information on sustainability approaches can be found in the prospectus, section 1.9.1 Sustainability. For the purposes of implementing investment policy for the sub-funds, an appropriate selection of target funds is used for the individual sub-funds to achieve an overall risk equivalent to that of a diversified asset allocation portfolio.
UBS Asset Management categorises all these sub-funds as sustainability focus funds. More information can be found in the prospectus.
a) After deducting liquid assets, the fund management company invests at least two thirds of the sub-fund's assets in:
aa) bonds, notes denominated in freely convertible currencies as well as other fixed-income or floating-rate debt paper and rights issued by private and public-law borrowers worldwide.
ab) units of other collective investment schemes that, according to their documentation, invest their assets in accordance with the guidelines of this investment fund or its sub-funds;
ac) derivatives (including warrants) on the investments mentioned above.
For investments in other collective investment schemes pursuant to ab) above, the fund management company ensures that on a consolidated basis at least two thirds of the fund's assets are invested in investments pursuant to aa) above.
b) The fund management company may also invest up to one third of the sub-fund's assets after deducting liquid assets in:
ba) convertible bonds, convertible notes and warrant issues denominated in freely convertible currencies worldwide;
bb) money market instruments denominated in freely convertible currencies from domestic and foreign issuers.
bc) derivatives (including warrants) on the investments mentioned above.
bd) units of other collective investment schemes that do not meet the requirements as stated in point 2 ab).
c) The fund management company is permitted to invest up to 100% of the sub-fund in other collective investment schemes.
d) In addition, the fund management company must comply with the investment restrictions below, which relate to the sub-funds' assets following the deduction of liquid assets:
   - up to a maximum of 25% in convertible bonds, convertible notes and warrant issues
   - target funds must generally be able to guarantee the redemption frequency of the fund of funds. The target funds shall also be open-end collective investments, i.e. contractually based investment funds as well as listed and unlisted investment companies with variable capital. No umbrella funds may be acquired.
   - investments in target funds pursuant to points 1 cc), cd) and cg) up to a maximum of 10% in total.
e) The fund management company may, in accordance with the risk diversification regulations (§ 15), invest a maximum of 50% of the assets of the sub-fund in the units of the target fund "UBS (CH) Investment Fund - Bonds CHF Inland ESG Passive II".

- ESG Yield Strategy Fund
- ESG Income Strategy Fund
- ESG Balanced Strategy Fund
- ESG Growth Strategy Fund
- ESG Capital Gain Strategy Fund

2. The investment objective of the sub-funds is primarily to have at least one investment-weighted ESG fund rating index as defined in the prospectus.
Due to the multi-asset fund structure, sustainable target funds and strategies may be used that employ one or a combination of the following sustainability approaches: **Exclusions (negative screening), best-in-class approach, ESG integration approach, stewardship (active ownership), voting, engagement and other** (target funds and strategies categorised as e-tilting funds by UBS Asset Management). Information on the sustainability criteria of the target funds can be found in the prospectus, section 1.9.2 Investment objective and 1.9.3 Investment policy of the sub-funds. More information on sustainability

approaches can be found in the prospectus, section 1.9.1 Sustainability. To implement the investment policy of the sub-funds, an overall risk corresponding in each case to a diversified investment strategy portfolio is achieved by selecting appropriate target funds in the individual sub-funds.
UBS Asset Management categorises all these sub-funds as sustainability focus funds. More information can be found in the prospectus.

a) After deducting liquid assets, the fund management company invests the sub-fund's assets in:

- ESG Yield Strategy Fund
- ESG Income Strategy Fund
- ESG Balanced Strategy Fund
- ESG Growth Strategy Fund

- bonds, convertible bonds, convertible notes, warrant issues, notes denominated in freely convertible currencies and other fixed-income or floating-rate debt paper and rights issued by private and public-law borrowers worldwide.

- ESG Yield Strategy Fund
- ESG Income Strategy Fund
- ESG Balanced Strategy Fund
- ESG Growth Strategy Fund
- ESG Capital Gain Strategy Fund

- money market instruments denominated in freely convertible currencies from domestic and foreign issuers.
- Sight and time deposits in accordance with § 8.1 e).
- Equity paper and rights (shares, dividend-right certificates, cooperative shares, participation certificates and similar instruments) issued by companies worldwide up to

- ESG Yield Strategy Fund:	20%
- ESG Income Strategy Fund:	37.5%
- ESG Balanced Strategy Fund:	60%
- ESG Growth Strategy Fund:	85%
- ESG Capital Gain Strategy Fund	98%

  of the sub-fund's assets.
- Units of other collective investment schemes that invest their assets in the above-mentioned investments. Investments in other collective investment schemes that mainly invest their assets in equity paper and rights are to be included in the above-mentioned limits.
- Units of other collective investment schemes in accordance with § 8.1 cb) and cd) that invest their assets in real estate funds or real estate companies, up to 15%.
- derivatives (including warrants) on the investments mentioned above.

b) In addition, the fund management company must comply with the investment restriction below, which relates to the sub-fund's assets following the deduction of liquid assets:
- Investments in emerging markets, up to a maximum of

- ESG Yield Strategy Fund:	25%
- ESG Income Strategy Fund:	25%
- ESG Balanced Strategy Fund:	30%
- ESG Growth Strategy Fund:	35%
- ESG Capital Gain Strategy Fund	25%

- up to a maximum of 100% in other collective investments;
- units of umbrella funds, a maximum of 15%
- target funds must generally be able to guarantee the redemption frequency of the fund of funds.

c) The fund management company may, in accordance with the risk distribution regulations (§ 15) for the sub-fund " **- ESG Yield Strategy Fund**, invest a maximum of 60% of the sub-fund's assets in units of each of the target funds "UBS (CH) Investment Fund - Bonds CHF Inland ESG Passive II" and "UBS (CH) Investment Fund - Bonds CHF Ausland ESG Passive II" and a maximum of 35% of the sub-fund's assets in units of the target fund "UBS (CH) Institutional Fund 3 - Global Aggregate Bonds ESG Passive (CHF hedged) II", for the sub-fund **- ESG Income Strategy Fund** a maximum of 50% of the sub-fund's assets in units of each of the target funds "UBS (CH) Investment Fund - Bonds CHF Inland ESG Passive II" and "UBS (CH) Investment Fund - Bonds CHF Ausland ESG Passive II", for the sub-fund **- ESG Balanced Strategy Fund** a maximum of 35% of the sub-fund's assets in units of each of the target funds "UBS (CH) Investment Fund - Bonds CHF Inland ESG Passive II" and "UBS (CH) Investment Fund - Bonds CHF Ausland ESG Passive II", for the sub-fund **- ESG Growth Strategy Fund** a maximum of 40% of the sub-fund's assets in units of each of the target funds "UBS (CH) Investment Fund - Equities Switzerland ESG Passive All II", "UBS (CH) Institutional Fund - Equities Global ESG Leaders Passive II" and "UBS (CH) Institutional Fund - Equities Global ESG Leaders Passive (CHF hedged) II", and for the sub-fund **- ESG Capital Gain Strategy Fund** a maximum of 55% of the sub-fund's assets in units of the target fund "UBS (CH) Investment Fund - Equities Switzerland ESG Passive All II" and a maximum of 50% of the sub-fund's assets in units of each of the target funds "UBS (CH) Institutional Fund - Equities Global ESG Leaders Passive II" and "UBS (CH) Institutional Fund - Equities Global ESG Leaders Passive (CHF hedged) II".

- ESG Swiss Equity Fund

2. The investment objective of this sub-fund is mainly to passively replicate a representative reference index for the Swiss equity market (benchmark) as listed in the prospectus and to generate performance consistent with the performance of this benchmark. The benchmark measures the performance of Swiss equities taking into account environmental, social and governance factors. These factors are quantified using a framework provided by Inrate (an independent Swiss sustainability rating agency) and corresponding sustainability data. Consideration is given to companies that are more committed to environmental or social aspects than others. In order to identify these companies, both product and standard-based exclusion criteria ("negative screening") and an ESG rating-based "best-in-class approach" are applied, which requires a minimum ESG rating for a company to be considered. These companies are weighted higher than the traditional benchmark based on the index methodology of the independent index administrator SIX Group. Further information can be found in the prospectus.

a) After deducting liquid assets, the fund management company invests at least two thirds of the sub-fund's assets in:
   aa) equity paper and rights (shares, dividend-right certificates, cooperative shares, participation certificates and similar instruments) issued by companies which have their registered office in Switzerland, as holding companies mainly invest in companies which have their registered office in Switzerland or conduct the majority of their business in Switzerland;
   ab) units of other collective investment schemes as specified under point 1 d) and e) that, according to their documentation, invest their assets in accordance with the guidelines of these sub-funds or parts thereof;
   ac) derivatives (including warrants) on the investments mentioned above;
   ad) structured products denominated in freely convertible currencies such as certificates from issuers worldwide on the investments mentioned above.

   For investments in other collective investment schemes pursuant to ab) above and structured products pursuant to ad) above, the fund management company ensures that on a consolidated basis at least two thirds of the sub-fund's assets are invested in investments pursuant to aa) above.
b) The fund management company may also invest up to one third of the sub-fund's assets after deducting liquid assets in:
   - equity paper and rights (shares, dividend-right certificates, cooperative shares, participation certificates and similar instruments) that do not meet the requirements regarding their registered office as stated in point 2 aa);
   - bonds, convertible bonds, convertible notes, warrant issues and notes denominated in freely convertible currencies as well as other fixed-income or floating-rate debt paper and rights issued by private and public-law borrowers in Switzerland and abroad;
   - money market instruments denominated in freely convertible currencies from domestic and foreign issuers rated at least BBB- by S&P or Fitch or Baa3 by Moody's or equivalent (investment grade);
   - derivatives (including warrants) on the investments mentioned above
   - units of other collective investment schemes as specified in point 1 d) to e) that do not meet the requirements as stated in point 2 ab);
   - bank deposits.
c) In addition, the fund management company must comply with the investment restrictions below, which relate to the sub-fund's assets following the deduction of liquid assets:
   - up to a maximum of 10% in total in other collective investment schemes.

- Global Climate Equity Fund

2. The investment objective of this sub-fund is principally to generate long-term performance that is consistent with the development of the prevailing market indices for global equity investments in developed markets. The sub-fund or the target funds pursue(s) a rule-based investment approach that takes into account both quantitative and qualitative criteria. The aim of the rule-based approach is to allow for investment risks related to climate change, such as CO_2 emissions. Companies are evaluated in terms of their current and expected future implications on climate change. Based on these implications, more intense investments are being made (overweight) in companies that are better geared towards the transition to a carbon-neutral global economy (for example, companies in the renewable energy sector). Companies that are less committed to this transition or have not committed at all (for example, through production of energy from coal) are underweighted in this benchmark index. Both **exclusion criteria (negative screening)** as well as quantitative and qualitative assessments in the environmental, social and governance - ESG - context are used for the rule-based definition of overweighting or underweighting (**ESG-tilting**). The sub-fund aims to invest in as complete a number of components of the benchmark as possible, taking into account the investment parameters. Furthermore, the sub-fund reduces the environmental footprint over time by reducing the greenhouse gas emissions of the portfolio or the issuers contained therein over time or completely (**climate focus**). In addition, a climate-specific engagement programme is used, by means of which the climate profile of the companies in the engagement programme should be addressed and improved in a targeted manner in direct dialogue, whereby the voting behaviour of UBS Asset Management is also included in a guideline-driven manner (**stewardship**).
   The fund management company invests at least 80% (excl. sight or time deposits and derivatives) of the sub-fund's assets in investments that meet the requirements of the sustainability policy.
   Information on the sustainability criteria of the target funds can be found in the prospectus, section 1.9.2 Investment objective and section 1.9.3 Investment policy of the sub-funds. Further information on sustainability approaches can be found in the prospectus, section 1.9.1 Sustainability. For the purposes of implementing investment policy for the sub-funds, an appropriate selection of target funds is used for the individual sub-funds to achieve an overall risk equivalent to that of a diversified asset allocation portfolio.
   UBS Asset Management classifies this sub-fund as a rules-based climate aware strategy fund. Further information can be found in the prospectus.
   a) After deducting liquid assets, the fund management company shall invest at least two thirds of the sub-fund's assets in:
      aa) equity paper and rights (shares, dividend-right certificates, cooperative shares, participation certificates and similar instruments) issued by companies worldwide.
      ab) units of other collective investment schemes that, according to their documentation, invest their assets in accordance with the guidelines of this investment fund or its sub-funds;
      ac) derivatives (including warrants) on the investments mentioned above.

      For investments in other collective investment schemes pursuant to point 2 ab) above, the fund management company ensures that on a consolidated basis at least two thirds of the fund's assets are invested in investments pursuant to point 2 aa) above.

b) The fund management company may also invest up to one third of the sub-fund's assets after deducting liquid assets in:
   ba) bonds, warrant issues and notes denominated in Swiss francs as well as other fixed-income or floating-rate debt paper and rights issued by private and public-law borrowers in Switzerland and abroad, which generally have a minimum rating of BBB or equivalent (investment grade);
   bb) money market instruments denominated in freely convertible currencies from domestic and foreign issuers.
   bc) derivatives (including warrants) on the investments mentioned above.
   bd) units of other collective investment schemes that do not meet the requirements as stated in point 2 ab).

c) The fund management company is permitted to invest up to 100% of the sub-fund assets in other collective investment schemes.

d) In addition, the fund management company must comply with the investment restrictions below, which relate to the sub-funds' assets following the deduction of liquid assets:
   - up to a maximum of 15% in convertible bonds, convertible notes and warrant issues
   - target funds must generally be able to guarantee the redemption frequency of the fund of funds. The target funds shall also be open-end collective investments, i.e. contractually based investment funds as well as listed and unlisted investment companies with variable capital. No umbrella funds may be acquired.
   - investments in target funds pursuant to points 1 cc), cd) and cg) up to a maximum of 10% in total.

e) In accordance with the risk diversification rules (§ 15), the fund management company may invest 85% of the sub-fund's assets in units of the target fund "UBS (CH) Investment Fund - Equities Global Climate Aware II". Because of market fluctuations, the limit of max. 5% may be exceeded. This is permitted temporarily.

- Global Fund

2. a) After deducting liquid assets, the fund management company invests at least two thirds of the sub-fund's assets in:
   aa) equity paper and rights (shares, dividend-right certificates, cooperative shares, participation certificates and similar instruments) issued by companies worldwide.
   ab) units of other collective investment schemes that, according to their documentation, invest their assets in accordance with the guidelines of this investment fund or its sub-funds;
   ac) derivatives (including warrants) on the investments mentioned above.
   ad) structured products denominated in freely convertible currencies such as certificates from issuers worldwide on the investments mentioned above.

   For investments in other collective investment schemes pursuant to ab) above and structured products pursuant to ad) above, the fund management company ensures that on a consolidated basis at least two thirds of the sub-fund's assets are invested in investments pursuant to aa) above.

b) The fund management company may also invest up to one third of the sub-fund's assets after deducting liquid assets in:
   - equity paper and rights (shares, dividend-right certificates, cooperative shares, participation certificates and similar instruments) that do not meet the requirements as stated in point 2 aa).
   - bonds, convertible bonds, convertible notes, warrant issues and notes denominated in freely convertible currencies as well as other fixed-income or floating-rate debt paper and rights issued by private and public-law borrowers in Switzerland and abroad
   - money market instruments denominated in freely convertible currencies from domestic and foreign issuers
   - derivatives (including warrants) on the investments mentioned above
   - units of other collective investment schemes that do not meet the requirements as stated in point 2 ab)

c) In addition, the fund management company must comply with the investment restrictions below, which relate to the sub-fund's assets following the deduction of liquid assets:
   - up to a maximum of 100% in other collective investment schemes. Investments in umbrella are not permitted.
   - target funds must generally be able to guarantee the redemption frequency of the fund of funds.
   - Investments in target funds pursuant to points 1 cc), cd) and cg) up to a maximum of 10% in total.

- Swiss Small Caps Fund

2. As an umbrella fund, the investment objective of this sub-fund is to replicate the benchmark specified in the prospectus by investing 65–75% of its assets in units of the target fund "UBS (CH) Equity Fund - Small Caps Switzerland (CHF)" and 25–35% of its assets in units of the target fund "UBS (CH) Institutional Fund - Equities Switzerland Small & Mid Cap Passive II".

   a) After deducting liquid assets, the fund management company invests at least two thirds of the sub-fund's assets in:
   aa) equity paper and rights (shares, dividend-right certificates, cooperative shares, participation certificates and similar instruments) issued by companies which have their registered office in Switzerland, as holding companies mainly invest in companies which have their registered office in Switzerland or conduct the majority of their business in Switzerland.
   ab) units in collective investment schemes pursuant to point 1 ca), cb), ce) and cf) that, according to their documentation, invest their assets in accordance with the guidelines of this investment funds or its sub-funds.
   ac) derivatives (including warrants) on the investments mentioned above.

   For investments in collective investment schemes pursuant to ab) above, the fund management company ensures that on a consolidated basis at least two thirds of the sub-fund's assets are invested in investments pursuant to aa) above.

b) The fund management company may also invest up to one third of the sub-fund's assets after deducting liquid assets in:
   - equity paper and rights (shares, dividend-right certificates, cooperative shares, participation certificates and similar instruments) issued by companies that do not meet the requirements as stated in point 2 aa).
   - bonds, warrant issues and notes denominated in Swiss francs as well as other fixed-income or floating-rate debt paper and rights issued by private and public-law borrowers in Switzerland and abroad;
   - money market instruments denominated in freely convertible currencies from domestic and foreign issuers;
   - derivatives (including warrants) on the investments mentioned above;
   - units of other collective investment schemes that do not meet the requirements as stated in point 2 ab).

c) In addition, the fund management company must comply with the investment restrictions below, which relate to the sub-fund's assets following the deduction of liquid assets:
   - no more than 100% in other collective investments; investments in umbrella are not permitted.
   - target funds must be able to guarantee the redemption frequency of the fund of funds.
   - direct investments in equity paper up to a maximum of 10%.
   - small caps in accordance with the definition of the SIX SPI® family up to a maximum of 75%
   - investments in target funds pursuant to points 1 cc), cd) and cg) up to a maximum of 10% in total.

- High Dividend Fund

2. a) After deducting liquid assets, the fund management company invests at least two thirds of the sub-fund's assets in:
   aa) equity paper and rights (shares, dividend-right certificates, cooperative shares, participation certificates and similar instruments) issued by companies worldwide.
   ab) units in other collective investment schemes pursuant to point 1 ca), cb), ce) and cf) that, according to their documentation, invest their assets in accordance with the guidelines of this investment funds or its sub-funds.
   ac) derivatives (including warrants) on the investments mentioned above.
   ad) structured products, indirectly via units of other collective investment schemes.

   For investments in other collective investment schemes pursuant to ab) above and structured products pursuant to ad) above, the fund management company ensures that on a consolidated basis at least two thirds of the sub-fund's assets are invested in investments pursuant to aa) above.

   b) The fund management company may also invest up to one third of the sub-fund's assets after deducting liquid assets in:
   - equity paper and rights (shares, dividend-right certificates, cooperative shares, participation certificates and similar instruments) that do not meet the requirements as stated in point 2 aa);
   - money market instruments denominated in freely convertible currencies from domestic and foreign issuers
   - derivatives (including warrants) on the investments mentioned above;
   - units of other collective investment schemes that do not meet the requirements as stated in point 2 ab).

   c) In addition, the fund management company must comply with the investment restrictions below, which relate to the sub-fund's assets following the deduction of liquid assets:
   - up to a maximum of 100% in other collective investment schemes. Investments in umbrella are not permitted.
   - target funds must be able to guarantee the redemption frequency of the fund of funds.
   - investments in target funds pursuant to points 1 cc), cd) and cg) up to a maximum of 10% in total.

3. The fund management company ensures liquidity is managed appropriately. The details will be disclosed in the prospectus.

§ 9 Liquid assets

For each sub-fund, the fund management company may also hold liquid assets in an appropriate amount in the sub-fund's accounting currency and in any other currency in which investments are permitted for that particular sub-fund. Liquid assets comprise sight and time deposits as well as claims arising from repurchase agreements with maturities up to twelve months.

B. Investment techniques and instruments

§ 10 Securities lending

1. The fund management company may lend all types of securities which are traded on an exchange or other regulated market open to the public. However, it may not lend securities acquired under a reverse repo transaction.
2. The fund management company may lend securities in its own name and for its own account to a borrower ("principal"), or appoint an intermediary to put the securities at the disposal of the borrower either indirectly on a fiduciary basis ("agent") or directly ("finder").
3. The fund management company will carry out securities lending transactions exclusively with first-class supervised borrowers and intermediaries which are specialised in transactions of this type, such as banks, brokers, and insurance companies, as well as with licensed and recognised central counterparty clearing houses and central securities depositories, which guarantee the proper execution of the security lending transactions.
4. If the fund management company must observe a notice period, which may not exceed seven bank working days, before it may again have legal control of the lent securities, it may not lend more than 50% of the eligible holding of that particular security for each sub-fund. However, if the borrower or the intermediary provides a contractual guarantee to the fund manage-

ment company that it may have legal control of the lent securities on the same or following bank working day, then the entire eligible holding of that particular security may be lent.

5. The fund management company concludes an agreement with the borrower or intermediary under which the latter pledges or transfers collateral to the fund management company for the purposes of guaranteeing restitution in accordance with Art. 51 CISO-FINMA. The value of the collateral must be appropriate and, at all times, be at least 105% of the market value of the lent securities. The issuer of the collateral must have a high credit rating, and the collateral may not be issued by the counterparty or by a company that belongs to or is dependent on the counterparty's group. The collateral must be highly liquid, traded at a transparent price on an exchange or other regulated market open to the public, and must be valued at least on each trading day. In managing the collateral, the fund management company and its agents must comply with the duties and requirements under Art. 52 CISO-FINMA. In particular, they must diversify the collateral appropriately in terms of countries, markets and issuers. Appropriate diversification of issuers is deemed to have been achieved if the collateral of a single issuer held does not correspond to more than 20% of the net asset value. Deviation from this rule is permitted for publicly guaranteed or issued investments pursuant to Art. 83 CISO. The fund management company and its agents must further be able to obtain power of disposal over, and authority to dispose of, the collateral received at any time in the event of default by the counterparty, without involving the counterparty or obtaining its consent. The collateral received must be kept at the custodian bank. The collateral received may be held in safekeeping by a supervised third-party custodian on behalf of the fund management company provided that ownership of the collateral is not transferred and the third-party custodian is independent of the counterparty.
6. The borrower or intermediary is liable for ensuring the prompt, unconditional payment of any income accruing during the securities lending period, as well as for the assertion of other proprietary rights, and for the contractually agreed return of securities of the same type, quantity, and quality.
7. The custodian bank ensures that the securities lending transactions are settled in a secure manner, in line with the agreements, and, in particular, monitors compliance with the requirements relating to collateral. In addition, it carries out the administrative duties assigned to it under the safe-custody regulations during the term of the lending transaction and asserts all rights associated with the lent securities, unless such duties have been ceded under the terms of the standardised framework agreement.
8. The prospectus must contain further information on the collateral strategy.

§ 11 Securities repurchase agreements

1. The fund management company may enter into securities repurchase agreements for the sub-funds' account. Securities repurchase agreements may be concluded as either repos or reverse repos.
   A repo is a legal act in which one party (the borrower or repo seller) temporarily transfers ownership of specific securities to another party (the lender or repo buyer) against payment, and in which the lender undertakes to return to the borrower securities of the same type, quantity, and quality at the end of the repo term, together with any income earned during such term. During the term of the repurchase agreement, the price risk associated with the securities is borne by the borrower.
   From the perspective of the counterparty (lender), a repo is a reverse repo. By means of a reverse repo, the fund management company acquires securities for investment purposes and at the same time agrees to return securities of the same type, quantity and quality, and to transfer all income received during the term of the reverse repurchase agreement.
2. The fund management company may conclude repurchase agreements in its own name and for its own account with a counterparty ("principal"), or may appoint an intermediary to conclude repurchase agreements with a counterparty either indirectly on a fiduciary basis ("agent") or directly ("finder").
3. The fund management company conducts repurchase agreements exclusively with first-class supervised counterparties and intermediaries specialising in transactions of this type, such as banks, brokers and insurance companies, as well as with licensed and recognised central counterparty clearing houses and central securities depositories, which guarantee the execution of the repurchase agreements in a due and proper manner.
4. The custodian bank ensures that the repurchase transactions are settled in a secure and contractually agreed manner. It ensures on a daily basis that fluctuations in the value of the securities used in repo transactions are compensated for in cash or securities (marked to market). In addition, during the term of the repurchase transaction it carries out the administrative duties assigned to it under the safe-custody regulations and asserts all rights associated with the securities used in the repo transaction unless such duties have been ceded under the standardised framework agreement.
5. For repo transactions, the fund management company may use all types of securities which are traded on an exchange or other regulated market open to the public. It may not use securities acquired under a reverse repo for repo purposes.
6. If the fund management company must observe a notice period, which may not exceed (1) ten bank working days for the sub-fund **- ESG Bond Fund** or (ii) seven bank working days for all other sub-funds, before it may once again have legal control of the securities under the repurchase agreement, it may not use more than 50% of its holdings of a particular security eligible for repo transactions. However, if the counterparty or intermediary provides a contractual guarantee to the fund management company that the latter may again have legal control of the securities under the repurchase agreement on the same or following bank working day, then the entire holding of a particular security eligible for repo transactions may be used.
7. Repurchase transactions in the form of repos are deemed to be raising a loan pursuant to § 13, unless the money received is used to acquire securities of the same type, quality, credit rating, and maturity in conjunction with the conclusion of a reverse repo.

8. As part of a reverse repo, the fund management company may acquire only collateral that meets the requirements set down in Art. 51 CISO-FINMA. The issuer of the collateral must have a high credit rating, and the collateral may not be issued by the counterparty or by a company that belongs to or is dependent on the counterparty's group. The collateral must be highly liquid, traded at a transparent price on an exchange or other regulated market open to the public, and must be valued at least on each trading day. In managing the collateral, the fund management company and its agents must comply with the duties and requirements under Art. 52 CISO-FINMA. In particular, they must diversify the collateral appropriately in terms of countries, markets and issuers. Appropriate diversification of issuers is deemed to have been achieved if the collateral of a single issuer held does not correspond to more than 20% of the net asset value. Deviation from this rule is permitted for publicly guaranteed or issued investments pursuant to Art. 83 CISO. The fund management company and its agents must further be able to obtain power of disposal over, and authority to dispose of, the collateral received at any time in the event of default by the counterparty, without involving the counterparty or obtaining its consent. The collateral received must be kept at the custodian bank. The collateral received may be held in safekeeping by a supervised third-party custodian on behalf of the fund management company provided that ownership of the collateral is not transferred and the third-party custodian is independent of the counterparty.
9. Claims in connection with reverse repos are deemed to be liquid assets pursuant to § 9, and are not deemed to be the granting of a loan pursuant to § 13.
10. The prospectus contains further information on the collateral strategy.

§ 12 Derivatives

1. The fund management company may use derivatives. It ensures that, even in exceptional market conditions, the financial effect of using derivatives does not result in a deviation from the investment objectives set out in the present fund contract and in the prospectus, and that it does not change the investment character of the sub-funds. Furthermore, the underlyings of the derivatives must be permissible investments for the relevant sub-fund according to the present fund contract.
   In connection with collective investment schemes, derivatives may be used only for currency hedging purposes, with the exception of the hedging of market, interest rate and credit risks in the case of collective investment schemes for which the risks can be determined and measured unequivocally.
2. Commitment Approach II is applied to the assessment of risk. The overall exposure of a sub-fund that is associated with derivatives may therefore not exceed 100% of its net assets, and overall exposure may not exceed a total of 200% of its net assets. Taking into account the possibility of temporary borrowing amounting to no more than 25% of the net assets pursuant to § 13.2, the total exposure of a sub-fund may amount to up to 225% of the net assets. The overall exposure is determined in accordance with Art. 35 CISO-FINMA.
3. The fund management company may, in particular, use basic forms of derivatives such as call or put options, the expiration value of which is linearly dependent on the positive or negative difference between the market value of the underlying and the strike price, and is zero if the difference is preceded by the opposite sign (+ or -), credit default swaps (CDS), swaps, the payments of which are dependent on the value of the underlying or on an absolute amount in both a linear and a path-independent manner, as well as future and forward transactions, the value of which is linearly dependent on the value of the underlying. It may also use combinations of basic forms of derivatives, as well as derivatives whose financial effect cannot be described by a basic form of derivative or a combination of basic forms of derivatives (exotic derivatives).
4. a) Counter positions in derivatives based on the same underlying as well as counter positions in derivatives and in investments in the same underlying may be netted, irrespective of the maturity date of the derivatives, provided that the derivative transaction was concluded with the sole purpose of eliminating the risks associated with the derivatives or investments acquired, no material risks are disregarded in the process, and the conversion amount of the derivatives is determined pursuant to Art. 35 CISO-FINMA.
   b) If the derivatives in hedging transactions do not relate to the same underlying as the asset that is to be hedged, for netting to be permitted a further condition must be met in addition to the rules set out under a) above, namely that the derivative transactions may not be based on an investment strategy that serves to generate profit. Furthermore, the derivative must result in a demonstrable reduction in risk, the risks of the derivative must be balanced out, the derivatives, underlyings, or assets that are to be netted must relate to the same class of financial instruments, and the hedging strategy must remain effective even under exceptional market conditions.
   c) Where interest rate derivatives are predominantly used, the amount to be included in the overall exposure arising from derivatives can be determined using internationally recognised duration-netting rules provided that the rules result in a correct determination of the risk profile of the sub-fund, the material risks are taken into account, the use of these rules does not generate an unjustified level of leverage, no interest-rate arbitrage strategies are pursued, and the leverage of sub-fund is not increased either by applying these rules or through investments in short-term positions.
   d) Derivatives that are used solely for currency hedging purposes and do not result in leverage or contain additional market risks may be netted when calculating the overall exposure arising from derivatives without having to meet the requirements set out under b) above.
   e) Payment obligations in respect of derivatives must be covered at all times by near-money assets, debt securities and rights, or equities that are traded on an exchange or other regulated market open to the public, in accordance with the legislation on collective investment schemes.

f) If, with a derivative, the fund management company enters into an obligation in respect of the physical delivery of an underlying, the derivative must be covered by the corresponding underlyings or by other investments, provided that such investments and the underlyings are highly liquid and may be purchased or sold at any time if delivery is requested. The fund management company must have unrestricted power to dispose of these underlyings or investments at all times.

5. The fund management company may use both standardised and non-standardised derivatives. It may conclude transactions in derivative financial instruments on an exchange or other regulated market open to the public, or in OTC (over-the-counter) trading.
6. a) The fund management company may conclude OTC transactions only with regulated financial intermediaries specialised in such types of transactions that ensure proper execution of the contract. If the counterparty is not the custodian bank, the former or its guarantor must have a high credit rating.
   b) It must be possible reliably and verifiably to value an OTC derivative on a daily basis and to sell, liquidate or close out the derivative at market value at any time.
   c) If no market price is available for an OTC derivative, it must be possible to determine the price at any time using an appropriate valuation model that is recognized in practice, based on the market value of the underlyings from which the derivative was derived. Before concluding a contract for such a derivative, specific offers must, in principle, be obtained from at least two counterparties, and the contract concluded with the counterparty providing the most favourable offer in terms of price. Deviations from this principle are permitted for reasons relating to risk diversification, or where other parts of the contract such as credit rating or the range of services offered by the counterparty render another offer more advantageous overall for the investors. Furthermore, and by way of exception, the requirement to obtain offers from at least two potential counterparties may be dispensed with if this is in the investors' best interests. The reasons for doing so must be clearly documented, as must the conclusion of the contract and pricing.
   d) As part of OTC transactions, the fund management company and its agents may only accept collateral that satisfies the requirements set down in Art. 51 CISO-FINMA. The issuer of the collateral must have a high credit rating, and the collateral may not be issued by the counterparty or by a company that belongs to or is dependent on the counterparty's group. The collateral must be highly liquid, traded at a transparent price on an exchange or other regulated market open to the public, and must be valued at least on each trading day. In managing the collateral, the fund management company and its agents must comply with the duties and requirements under Art. 52 CISO-FINMA. In particular, they must diversify the collateral appropriately in terms of countries, markets and issuers. Appropriate diversification of issuers is deemed to have been achieved if the collateral of a single issuer held does not correspond to more than 20% of the net asset value. Deviation from this rule is permitted for publicly guaranteed or issued investments pursuant to Art. 83 CISO. The fund management company and its agents must further be able to obtain power of disposal over, and authority to dispose of, the collateral received at any time in the event of default by the counterparty, without involving the counterparty or obtaining its consent. The collateral received must be kept at the custodian bank. The collateral received may be held in safekeeping by a supervised third-party custodian on behalf of the fund management company provided that ownership of the collateral is not transferred and the third-party custodian is independent of the counterparty.
7. In complying with the statutory and contractual investment restrictions (maximum and minimum limits), derivatives must be factored in in accordance with the legislation on collective investment schemes.
8. The prospectus must contain further information on:
   - the importance of derivatives as part of the investment strategy;
   - the effect of the use of derivatives on the risk profile of the sub-funds;
   - the counterparty risks attached to derivatives;
   - the increased volatility and increased overall exposure (leverage effect) resulting from the use of derivatives;
   - credit derivatives;
   - the collateral strategy.

§ 13 Raising and granting loans

1. The fund management company may not grant loans for the account of the sub-funds.
   Securities lending transactions pursuant to § 10 and securities repurchase agreements taking the form of reverse repos pursuant to § 11 are not deemed to be granting loans within the meaning of this paragraph.
2. The fund management company may borrow the equivalent of up to 25% of the net assets of each sub-fund on a temporary basis. Securities repurchase agreements in the form of repos pursuant to § 11 are deemed to be borrowing within the meaning of this paragraph unless the funds obtained are used as part of an arbitrage transaction for the acquisition of securities of the same type, quality, credit rating and maturity in connection with a reverse repo.

§ 14 Encumbrance of the sub-funds' assets

1. No more than 60% of the net assets of each sub-fund may be pledged or ownership thereof transferred as collateral by the fund management company at the expense of the sub-fund.
2. The sub-funds' assets may not be encumbered with guarantees. An exposure-increasing credit derivative is not deemed to be a guarantee within the meaning of this paragraph.

C. Investment restrictions

§ 15 Risk diversification

- ESG Bond Fund
- ESG Yield Strategy Fund

1. The regulations on risk diversification must include the following:

a) investments pursuant to § 8, with the exception of index-based derivatives, provided the index is sufficiently diversified, is representative of the market to which it relates, and is published in an appropriate manner;
b) liquid assets pursuant to § 9;
c) claims against counterparties arising from OTC transactions.

2. Companies which form a group in accordance with international accounting standards are deemed to be a single issuer.
3. Including derivatives, and for the sub-fund **- ESG Bond Fund**, also structured products, the fund management company may invest up to a maximum of 20% of the sub-fund's assets in securities and money market instruments from the same issuer. The total value of the securities and money market instruments from the issuers in which more than 10% of the sub-fund's assets are invested may not exceed 60% of the sub-fund's assets. The provisions under points 4 and 5 below remain reserved.
4. The fund management company may invest up to a maximum of 20% of the sub-fund's assets in sight and time deposits held with the same bank. Both liquid assets pursuant to § 9 and investments in bank deposits pursuant to § 8 must be included in this limit.
5. The fund management company may invest up to a maximum of 5% of the sub-fund's assets in OTC transactions with the same counterparty. If the counterparty is a bank domiciled in Switzerland or in a member state of the European Union, or another country in which it is subject to supervision equivalent to that in Switzerland, this limit is raised to 10% of the assets of the sub-fund.
If the claims arising from OTC transactions are hedged using collateral in the form of liquid assets pursuant to Art. 50 to 55 CISO-FINMA, such claims are not included in the calculation of counterparty risk.
6. Investments, deposits and claims pursuant to points 3 to 5 above from the same issuer/borrower may not, in total, exceed 20% of the sub-fund's assets, with the exception of the higher limits set out in points 12, 13 and 14 below.
7. Investments pursuant to point 3 above with the same group of companies may not, in total, exceed 20% of the sub-fund's assets, with the exception of the higher limits set out in points 12, 13 and 14 below.
8. For the sub-fund **- ESG Yield Strategy Fund** the fund management company may invest up to 100% of the sub-fund's assets in target funds. For both sub-funds, the fund management company invests up to a maximum of 30% of the sub-fund's assets in units in the same target fund.
Deviating from this:
The fund management company may invest a maximum of 50% of the assets of the sub-fund **- ESG Bond Fund** in units of the target fund "UBS (CH) Investment Fund - Bonds CHF Inland ESG Passive II" and a maximum of 60% of the assets of the sub-fund **- ESG Yield Strategy Fund** in units of each of the target funds "UBS (CH) Investment Fund - Bonds CHF Inland ESG Passive II" and "UBS (CH) Investment Fund - Bonds CHF Ausland ESG Passive II" and a maximum of 35% of the assets of the sub-fund in units of the target fund "UBS (CH) Institutional Fund 3 - Global Aggregate Bonds ESG Passive (CHF hedged) II".
This target fund must have the same redemption frequency. It must not involve any accumulation of fees for the investor and must allow for full transparency of investments and fees for the fund management.
9. The fund management company may not acquire equity securities which, in total, represent more than 10% of the voting rights in a company or which would enable it to exert a material influence on the management of an issuing company.
10. The fund management company may acquire for the assets of the sub-fund up to a maximum of 10% of non-voting equity securities, debt instruments and/or money market instruments from the same issuer, as well as up to a maximum of 30% of the units in other collective investment schemes. These restrictions do not apply if the gross amount of the debt instruments, money market instruments or the units in other collective investment schemes cannot be calculated at the time of the acquisition.
11. The restrictions in points 9 and 10 above do not apply in the case of securities and money market instruments that are issued or guaranteed by a country or a public-law entity from the OECD or by an international public-law organisation to which Switzerland or a member state of the European Union belongs.
12. The limit in point 3 above is increased from 20% to 35% if the securities or money market instruments are issued or guaranteed by an OECD country, a public-law entity from the OECD, or by an international public-law organisation to which Switzerland or a member state of the European Union belongs. The aforementioned securities or money market instruments will not be taken into account in the application of the 60% limit pursuant to point 3. However, the individual limits specified in points 3 and 5 may not be added to the existing limit of 35%.
13. The limit in point 3 above is increased from 20% to 100% if the securities or money market instruments are issued or guaranteed by an OECD country, a public-law entity from the OECD, or by an international public-law organisation to which Switzerland or a member state of the European Union belongs. In this case, the sub-fund must invest in securities or money market instruments from at least six different issues; no more than 30% of the sub-fund's assets may be invested in securities or money market instruments from the same issuer. The aforementioned securities or money market instruments will not be taken into account in the application of the 60% limit pursuant to point 3.
The aforementioned authorised issuers/guarantors are: The European Union (EU), OECD states, the Council of Europe, the International Bank for Reconstruction and Development (World Bank), the European Bank for Reconstruction and Development, the European Investment Bank, the Inter-American Development Bank, the Asian Development Bank and Eurofima (European Company for the Financing of Railroad Rolling Stock).
14. The limit in point 3 above is increased from 20% to 35% if the securities are issued or guaranteed by Pfandbriefzentrale der schweizerischen Kantonalbanken AG or Pfandbriefbank schweizerischer Hypothekarinstitute AG. In this case, no more than 30% of the respective sub-fund's assets may be invested in

securities from the same issue. The aforementioned securities will not be taken into account in the application of the 60% limit pursuant to point 3. However, the individual limits specified in points 3 and 5 may not be added to the existing limit of 35%.

- ESG Income Strategy Fund
- ESG Balanced Strategy Fund
- ESG Growth Strategy Fund
- ESG Capital Gain Strategy Fund

1. The regulations on risk diversification must include the following:
   a) investments pursuant to § 8, with the exception of index-based derivatives, provided the index is sufficiently diversified, is representative of the market to which it relates, and is published in an appropriate manner;
   b) liquid assets pursuant to § 9;
   c) claims against counterparties arising from OTC transactions.
2. Companies which form a group in accordance with international accounting standards are deemed to be a single issuer.
3. Including derivatives, the fund management company may invest up to a maximum of 10% of the assets of the sub-fund in securities and money market instruments from the same issuer. The total value of the securities and money market instruments from the issuers in which more than 5% of the sub-fund's assets are invested may not exceed 40% of the sub-fund's assets. The provisions under points 4 and 5 below remain reserved.
4. The fund management company may invest up to a maximum of 20% of the sub-fund's assets in sight and time deposits held with the same bank. Both liquid assets pursuant to § 9 and investments in bank deposits pursuant to § 8 must be included in this limit.
5. The fund management company may invest up to a maximum of 5% of the sub-fund's assets in OTC transactions with the same counterparty. If the counterparty is a bank domiciled in Switzerland or in a member state of the European Union, or another country in which it is subject to supervision equivalent to that in Switzerland, this limit is raised to 10% of the assets of the sub-fund.
   If the claims arising from OTC transactions are hedged using collateral in the form of liquid assets pursuant to Art. 50 to 55 CISO-FINMA, such claims are not included in the calculation of counterparty risk.
6. Investments, deposits and claims pursuant to points 3 to 5 above from the same issuer/borrower may not, in total, exceed 20% of the sub-fund's assets, with the exception of the higher limits set out in points 12 and 13 below.
7. Investments pursuant to point 3 above with the same group of companies may not, in total, exceed 20% of the sub-fund's assets, with the exception of the higher limits set out in points 12 and 13 below.
8. The fund management company may invest up to 100% of the sub-fund's assets in target funds). In doing so, it may invest up to a maximum of 30% of the sub-fund's assets in units in the same target fund.
   Deviating from this:
   The fund management company may invest a maximum of 50% of the assets of the sub-fund **- ESG Income Strategy Fund** in units of each of the target funds "UBS (CH) Investment Fund - Bonds CHF Inland ESG Passive II" and "UBS (CH) Investment Fund - Bonds CHF Ausland ESG Passive II" and a maximum of 35% of the assets of the sub-fund **- ESG Balanced Strategy Fund** in units of each of the target funds "UBS (CH) Investment Fund - Bonds CHF Inland ESG Passive II" and "UBS (CH) Investment Fund - Bonds CHF Ausland ESG Passive II", a maximum of 40% of the assets of the sub-fund **- ESG Growth Strategy Fund** in units of each of the target funds "UBS (CH) Investment Fund - Equities Switzerland ESG Passive All II", "UBS (CH) Institutional Fund - Equities Global ESG Leaders Passive II" and "UBS (CH) Institutional Fund - Equities Global ESG Leaders Passive (CHF hedged) II" and a maximum of 55% of the assets of the sub-fund **- ESG Capital Gain Strategy Fund** in units of the target fund "UBS (CH) Investment Fund - Equities Switzerland ESG Passive All II" and a maximum of 50% of the assets of the sub-fund in each of the target funds "UBS (CH) Institutional Fund - Equities Global ESG Leaders Passive II" and "UBS (CH) Institutional Fund - Equities Global ESG Leaders Passive (CHF hedged) II".
   This target fund must have the same redemption frequency. It must not involve any accumulation of fees for the investor and must allow for full transparency of investments and fees for the fund management.
9. The fund management company may not acquire equity securities which, in total, represent more than 10% of the voting rights in a company or which would enable it to exert a material influence on the management of an issuing company.
10. The fund management company may acquire for the assets of the sub-fund up to a maximum of 10% of non-voting equity securities, debt instruments and/or money market instruments from the same issuer, as well as up to a maximum of 30% of the units in other collective investment schemes.
    Deviating from this:
    The fund management company may acquire for the assets of the sub-fund **- ESG Income Strategy Fund** up to a maximum of 35% of the units of each of the target funds "UBS (CH) Investment Fund - Bonds CHF Inland ESG Passive II", "UBS (CH) Institutional Fund - Equities Global ESG Leaders Passive II" and "UBS (CH) Institutional Fund - Equities Emerging Markets Global ESG Leaders Passive II", and up to a maximum of 49% in units of each of the target funds "UBS (CH) Investment Fund - Bonds CHF Ausland ESG Passive II" and "UBS (CH) Institutional Fund 3 - Global Aggregate Bonds ESG Passive (CHF hedged) II" and for the assets of the sub-fund **- ESG Balanced Strategy Fund** up to a maximum of 35% of the units of the target fund "UBS (CH) Institutional Fund - Equities Global ESG Leaders Passive II" and for the assets of the sub-fund **- ESG Growth Strategy Fund** a maximum of 35% of the units of the target fund "UBS (CH) Institutional Fund - Equities Global ESG Leaders Passive II".
    These restrictions do not apply if the gross amount of the debt instruments, money market instruments or the units in other collective investment schemes cannot be calculated at the time of the acquisition.
11. The restrictions in points 9 and 10 above do not apply in the case of securities and money market instruments that are issued or guaranteed by a country or a

public-law entity from the OECD or by an international public-law organisation to which Switzerland or a member state of the European Union belongs.

12. The limit in point 3 above is increased from 10% to 35% if the securities or money market instruments are issued or guaranteed by an OECD country, a public-law entity from the OECD, or by an international public-law organisation to which Switzerland or a member state of the European Union belongs. The aforementioned securities or money market instruments will not be taken into account in the application of the 40% limit pursuant to point 3. However, the individual limits specified in points 3 and 5 may not be added to the existing limit of 35%.
13. The limit in point 3 above is increased from 10% to 100% if the securities or money market instruments are issued or guaranteed by an OECD country, a public-law entity from the OECD, or by an international public-law organisation to which Switzerland or a member state of the European Union belongs. In this case, the sub-fund must invest in securities or money market instruments from at least six different issues; no more than 30% of the sub-fund's assets may be invested in securities or money market instruments from the same issuer. The aforementioned securities or money market instruments will not be taken into account in the application of the 40% limit pursuant to point 3.
The aforementioned authorised issuers/guarantors are: The European Union (EU), OECD states, the Council of Europe, the International Bank for Reconstruction and Development (World Bank), the European Bank for Reconstruction and Development, the European Investment Bank, the Inter-American Development Bank, the Asian Development Bank and Eurofima (European Company for the Financing of Railroad Rolling Stock).

- ESG Capital Gain Strategy Fund

14. The limit in point 3 above is increased from 10% to 35% if the securities are issued or guaranteed by Pfandbriefzentrale der schweizerischen Kantonalbanken AG or Pfandbriefbank schweizerischer Hypothekarinstitute AG. In this case, no more than 30% of the respective sub-fund's assets may be invested in securities from the same issue. The aforementioned securities will not be taken into account in the application of the 40% limit pursuant to point 3. However, the individual limits specified in points 3 and 5 may not be added to the existing limit of 35%.

- ESG Swiss Equity Fund

1. The regulations on risk diversification must include the following:
   a) investments pursuant to § 8, with the exception of index-based derivatives, provided the index is sufficiently diversified, is representative of the market to which it relates, and is published in an appropriate manner;
   b) liquid assets pursuant to § 9;
   c) claims against counterparties arising from OTC transactions.
2. Companies which form a group in accordance with international accounting standards are deemed to be a single issuer.
3. a) Including derivatives and structured products, the fund management company may invest up to a maximum of 10% of the sub-fund's assets in securities and money market instruments from the same issuer.
   b) Notwithstanding a), when acquiring securities from an issuer included in the benchmark, the fund management company may hold an overweight of up to 5 percentage points or 125% of the issuer's percentage weighting in the benchmark.
   This may result in a concentration of the sub-fund's assets in a small number of investment instruments included in the benchmark, thereby creating an overall risk for the sub-fund which exceeds that of the benchmark (market risk).
   c) Investments must be spread over at least 12 issuers.
4. The fund management company may invest up to a maximum of 20% of the sub-fund's assets in sight and time deposits held with the same bank. Both liquid assets pursuant to § 9 and investments in bank deposits pursuant to § 8 must be included in this limit.
5. The fund management company may invest up to a maximum of 5% of the sub-fund's assets in OTC transactions with the same counterparty. If the counterparty is a bank domiciled in Switzerland or in a member state of the European Union, or another country in which it is subject to supervision equivalent to that in Switzerland, this limit is raised to 10% of the assets of the sub-fund.
If the claims arising from OTC transactions are hedged using collateral in the form of liquid assets pursuant to Art. 50 to 55 CISO-FINMA, such claims are not included in the calculation of counterparty risk.
6. Investments, deposits and claims pursuant to points 3 to 5 above from the same issuer/borrower may not, in total, exceed 20% of the sub-fund's assets. The maximum index weighting for issuers whose index weighting is higher than 17% is +3 percentage points.
7. Investments pursuant to point 3 above with the same group of companies may not, in total, exceed 20% of the sub-fund's assets, with the exception of the higher limit set out in point 12 below. The maximum index weighting for issuers whose index weighting is higher than 17% is +3 percentage points.
8. The fund management company may invest up to a maximum of 10% of the sub-fund's assets in units in the same target fund.
9. The fund management company may not acquire equity securities which, in total, represent more than 10% of the voting rights in a company or which would enable it to exert a material influence on the management of an issuing company. The exceptions permitted by the supervisory authority shall continue to apply.
10. The fund management company may acquire for the assets of the sub-fund up to a maximum of 10% of non-voting equity securities, debt instruments and/or money market instruments from the same issuer, as well as up to a maximum of 25% of the units in other collective investment schemes.
These restrictions do not apply if the gross amount of the debt instruments, money market instruments or the units in other collective investment schemes cannot be calculated at the time of the acquisition.
11. The restrictions in points 9 and 10 above do not apply in the case of securities and money market instruments that are issued or guaranteed by a country or a

public-law entity from the OECD or by an international public-law organisation to which Switzerland or a member state of the European Union belongs.

- Global Climate Equity Fund

1. The regulations on risk diversification must include the following:
   a) Investments pursuant to § 8, with the exception of index-based derivatives, provided the index is sufficiently diversified, is representative of the market to which it relates, and is published in an appropriate manner;
   b) Liquid assets pursuant to § 9;
   c) Claims against counterparties arising from OTC transactions.
2. Companies which form a group in accordance with international accounting standards are deemed to be a single issuer.
3. Including derivatives, the fund management company may invest up to a maximum of 10% of the assets of the sub-fund in securities and money market instruments from the same issuer. The total value of the securities and money market instruments from the issuers in which more than 5% of the sub-fund's assets are invested may not exceed 40% of the sub-fund's assets. The provisions under points 4 and 5 below remain reserved.
4. The fund management company may invest up to a maximum of 20% of the sub-fund's assets in sight and time deposits held with the same bank. Both liquid assets pursuant to § 9 and investments in bank deposits pursuant to § 8 must be included in this limit.
5. The fund management company may invest up to a maximum of 5% of the sub-fund's assets in OTC transactions with the same counterparty. If the counterparty is a bank domiciled in Switzerland or in a member state of the European Union, or another country in which it is subject to supervision equivalent to that in Switzerland, this limit is raised to 10% of the assets of the sub-fund.
   If the claims arising from OTC transactions are hedged using collateral in the form of liquid assets pursuant to Art. 50 to 55 CISO-FINMA, such claims are not included in the calculation of counterparty risk.
6. Investments, deposits and claims pursuant to points 3 to 5 above from the same issuer/borrower may not, in total, exceed 30% of the sub-fund's assets,
7. Investments pursuant to point 3 above with the same group of companies may not, in total, exceed 30% of the sub-fund's assets,
8. The fund management company may invest up to 20% of the sub-fund's assets in units of the same target fund. By way of derogation, the fund management company may invest 85% of the sub-fund's assets in units of the target fund "UBS (CH) Investment Fund - Equities Global Climate Aware II". Because of market fluctuations, the limit of max. 5% may be exceeded, which is permitted temporarily. The target fund must have the same redemption frequency. It must not entail an accumulation of fees for investors. Full transparency in respect of investments and fees must be guaranteed for the fund management company.
9. The fund management company may not acquire equity securities which, in total, represent more than 10% of the voting rights in a company or which would enable it to exert a material influence on the management of an issuing company.
10. The fund management company may acquire for the assets of the sub-fund up to a maximum of 10% of non-voting equity securities, debt instruments and/or money market instruments from the same issuer, as well as up to a maximum of 25% of the units in other collective investment schemes.
    These restrictions do not apply if the gross amount of the debt instruments, money market instruments or the units in other collective investment schemes cannot be calculated at the time of the acquisition.
11. The restrictions in points 9 and 10 above do not apply in the case of securities and money market instruments that are issued or guaranteed by a country or a public-law entity from the OECD or by an international public-law organisation to which Switzerland or a member state of the European Union belongs.

- Global Fund

1. The regulations on risk diversification must include the following:
   a) investments pursuant to § 8, with the exception of index-based derivatives, provided the index is sufficiently diversified, is representative of the market to which it relates, and is published in an appropriate manner;
   b) liquid assets pursuant to § 9;
   c) claims against counterparties arising from OTC transactions.
2. Companies which form a group in accordance with international accounting standards are deemed to be a single issuer.
3. Including derivatives and structured products, the fund management company may invest up to a maximum of 10% of the sub-fund's assets in securities and money market instruments from the same issuer. The total value of the securities and money market instruments from the issuers in which more than 5% of the sub-fund's assets are invested may not exceed 40% of the sub-fund's assets. The provisions under points 4 and 5 below remain reserved.
4. The fund management company may invest up to a maximum of 20% of the sub-fund's assets in sight and time deposits held with the same bank. Both liquid assets pursuant to § 9 and investments in bank deposits pursuant to § 8 must be included in this limit.
5. The fund management company may invest up to a maximum of 5% of the sub-fund's assets in OTC transactions with the same counterparty. If the counterparty is a bank domiciled in Switzerland or in a member state of the European Union, or another country in which it is subject to supervision equivalent to that in Switzerland, this limit is raised to 10% of the assets of the sub-fund.
   If the claims arising from OTC transactions are hedged using collateral in the form of liquid assets pursuant to Art. 50 to 55 CISO-FINMA, such claims are not included in the calculation of counterparty risk.
6. Investments, deposits and claims pursuant to points 3 to 5 above from the same issuer/borrower may not, in total, exceed 20% of the sub-fund's assets, with the exception of the higher limit set out in point 12 below.
7. Investments pursuant to point 3 above with the same group of companies may not, in total, exceed 20% of

the sub-fund's assets, with the exception of the higher limit set out in point 12 below.

8. The fund management company may invest up to 100% of the assets of the sub-fund's assets in other collective investment schemes (target funds). In doing so, it may invest up to a maximum of 30% of the sub-fund's assets in units in the same target fund.
9. The fund management company may not acquire equity securities which, in total, represent more than 10% of the voting rights in a company or which would enable it to exert a material influence on the management of an issuing company.
10. The fund management company may acquire for the assets of the sub-fund up to a maximum of 10% of non-voting equity securities, debt instruments and/or money market instruments from the same issuer, as well as up to a maximum of 30% of the units in other collective investment schemes.
    Deviating from this:
    The fund management company may acquire for the assets of the sub-fund a maximum of 49% each of the units of the target funds "UBS (CH) Investment Fund - Equities Japan Passive", "UBS (CH) Investment Fund - Equities Canada Passive" and "UBS (CH) Institutional Fund - Equities Canada Passive II".
    These restrictions do not apply if the gross amount of the debt instruments, money market instruments or the units in other collective investment schemes cannot be calculated at the time of the acquisition.
11. The restrictions in points 9 and 10 above do not apply in the case of securities and money market instruments that are issued or guaranteed by a country or a public-law entity from the OECD or by an international public-law organisation to which Switzerland or a member state of the European Union belongs.

- Swiss Small Caps Fund
- High Dividend Fund

1. The regulations on risk diversification must include the following:
   a) investments pursuant to § 8, with the exception of index-based derivatives, provided the index is sufficiently diversified, is representative of the market to which it relates, and is published in an appropriate manner;
   b) liquid assets pursuant to § 9;
   c) claims against counterparties arising from OTC transactions.
2. Companies which form a group in accordance with international accounting standards are deemed to be a single issuer.
3. Including derivatives, and for the sub-fund - High Dividend Fund, also structured products, the fund management company may invest up to a maximum of 10% of the sub-fund's assets in securities and money market instruments from the same issuer. The total value of the securities and money market instruments from the issuers in which more than 5% of the sub-fund's assets are invested may not exceed 60% of the sub-fund's assets. The provisions under points 4 and 5 below remain reserved.
4. The fund management company may invest up to a maximum of 20% of the sub-fund's assets in sight and time deposits held with the same bank. Both liquid assets pursuant to § 9 and investments in bank deposits pursuant to § 8 must be included in this limit.
5. The fund management company may invest up to a maximum of 5% of the sub-fund's assets in OTC transactions with the same counterparty. If the counterparty is a bank domiciled in Switzerland or in a member state of the European Union, or another country in which it is subject to supervision equivalent to that in Switzerland, this limit is raised to 10% of the assets of the sub-fund.
   If the claims arising from OTC transactions are hedged using collateral in the form of liquid assets pursuant to Art. 50 to 55 CISO-FINMA, such claims are not included in the calculation of counterparty risk.
6. Investments, deposits and claims pursuant to points 3 to 5 above from the same issuer/borrower may not, in total, exceed 20% of the sub-fund's assets,
7. Investments pursuant to point 3 above with the same group of companies may not, in total, exceed 20% of the sub-fund's assets,
8. The fund management company may invest up to 100% of the assets of the sub-fund's assets in other collective investment schemes (target funds):

   - Swiss Small Caps Fund

   whereby investments are only made up to 65–75% in the target fund "UBS (CH) Equity Fund - Small Caps Switzerland (CHF)", and up to 25–35% in the target fund "UBS (CH) Institutional Fund - Equities Switzerland Small & Mid Cap Passive II". The fund management company and custodian bank or management company and custodian bank of the target funds are group companies of UBS Group AG. The target funds have the same redemption frequency as the - Swiss Small Caps Fund and do not charge an issuing, redemption or management fee.

   - High Dividend Fund

   whereby (i) investments may be made up to 45–55% in the target fund "UBS (CH) Equity Fund - Swiss High Dividend (CHF)" and (ii) the fund management company may invest a maximum of 25% of the assets of the sub-fund in units of the same target fund. The fund management company and custodian bank or management company and custodian bank of the target funds are group companies of UBS Group AG. The target funds have the same redemption frequency as the - High Dividend Fund. It must not involve any accumulation of fees for the investor and must allow for full transparency of investments and fees for the fund management.
9. The fund management company may not acquire equity securities which, in total, represent more than 10% of the voting rights in a company or which would enable it to exert a material influence on the management of an issuing company.
10. The fund management company may acquire for the assets of the sub-fund up to a maximum of 10% of non-voting equity securities, debt instruments and/or money market instruments from the same issuer, as well as up to a maximum of 25% of the units in other collective investment schemes.
    These restrictions do not apply if the gross amount of the debt instruments, money market instruments or the units in other collective investment schemes cannot be

calculated at the time of the acquisition.

11. The restrictions in points 9 and 10 above do not apply in the case of securities and money market instruments that are issued or guaranteed by a country or a public-law entity from the OECD or by an international public-law organisation to which Switzerland or a member state of the European Union belongs.

IV. Calculation of net asset values, and the issue and redemption of units

§ 16 Calculation of net asset values and application of swinging single pricing

1. The net asset value of each sub-fund and the proportions attributable to the individual classes (percentages) is calculated in Swiss francs (CHF) at the market value as at the end of the financial year and for each day on which units are issued or redeemed. The assets of the relevant sub-fund will not be calculated on days on which the exchanges/markets in the sub-fund's main investment countries are closed (e.g. bank and stock exchange holidays).
   However, the fund management company may also calculate the net asset value of a unit ("non-tradable net asset value") on days on which no units are issued or redeemed, e.g. if the last calendar day of a month falls on a day specified in point 5.2 of the prospectus. Such non-tradable net asset values may be published but may only be used for performance calculations and statistics (in particular for the purpose of comparing with the benchmark index) or for commission calculations and in no case as a basis for subscription and redemption orders.
2. Securities traded on an exchange or other regulated market open to the public are to be valued at the current prices paid on the main market. Other investments or investments for which no current price is available are to be valued at the price that would probably have been obtained in a diligent sale at the time of the estimate. In such cases, the fund management company will use appropriate and recognised valuation models and principles to determine the market value.
3. Open-ended collective investment schemes are valued at their redemption price / net asset value. If they are regularly traded on an exchange or other regulated market open to the public, the fund management company may value such funds in accordance with point 2.
4. The value of money market instruments that are not traded on an exchange or other regulated market open to the public is determined as follows:
   The valuation price of such investments is based on the yield curve concerned. The valuation based on the yield curve reflects two components: the interest rate and the spread. The following principles are applied in this case: The subsequent interest rates for the residual term are interpolated for each money market instrument. The interest rate calculated in this manner is then converted into a market price by adding a spread that reflects the underlying borrower's credit rating. This spread is adjusted in the event of a significant change in the borrower's credit rating.
5. Bank deposits are valued at the amount of the claim plus accrued interest. If there are significant changes in market conditions or credit rating, the valuation principles for time deposits will be adjusted in line with the new circumstances.
6. The net asset value of a unit of a given class is determined by the proportion of the market value of the sub-fund attributable to that unit class, less any of the sub-fund's liabilities that are attributed to that unit class, divided by the number of units of that class in circulation. This is rounded to CHF 0.01.
7. If the sum of a sub-fund's subscriptions and redemptions of units result in a net asset inflow or outflow on an order date, the valuation net asset value of the sub-fund will be increased or reduced (swinging single pricing). The maximum adjustment is 2% of the valuation net asset value. Incidental costs (bid-ask spread, standard brokerage charges, commissions, taxes and duties, etc.) incurred from the investment of the paid-in amount or from the sale of a portion of the investments corresponding to the terminated share are taken into account. The adjustment will lead to an increase in the valuation net asset value if the net movement results in an increase in the number of sub-fund units. The adjustment will lead to a decrease in the valuation net asset value if the net movement results in a reduction in the number of units. The net asset value determined on the basis of swinging single pricing is therefore a modified net asset value in accordance with the first sentence of this point. The fund management company may, instead of the average incidental costs mentioned above, also take into account the actual amount of the incidental costs when making the adjustment, provided that this appears appropriate at the fund management company's discretion, taking into account the relevant circumstances (e.g. amount, general market situation, and specific market situation for the asset class in question). In such a case, the adjustment may be higher or lower than the average incidental costs. In the cases mentioned in § 17.4 as well as in other extraordinary cases, the maximum value of 2% of the valuation net asset value may also be exceeded if, in the opinion of the fund management company, this is in the interest of the investors as a whole. The fund management company will immediately inform the audit firm, the supervisory authority and, in an appropriate manner, existing and new investors of any decision to exceed the net asset value.
8. The following also applies for the sub-funds below:

   - Global Fund
   - High Dividend Fund
   - Global Climate Equity Fund

   The percentages of the market value of a sub-fund's net assets (sub-fund assets less liabilities) attributable to the individual unit classes is determined for the first time at the initial issue of more than one class of units (if this occurs simultaneously) or the initial issue of a further unit class. The calculation is made on the basis of the assets accruing to the relevant fund for each unit class. The percentage is recalculated when one of the following events occurs:
   a) when units are issued and redeemed;
   b) on the cut-off date for distributions, provided that (i) such distributions are made only for individual unit classes (distribution classes), or provided that (ii) the distributions of the various unit classes differ as percentages of their individual net asset values, or

provided that (iii) different commission or costs, as percentages, are charged on the distributions of the various unit classes;

c) when the net asset value is calculated, as part of the allocation of liabilities (including due or accrued costs and commissions) to the various unit classes, provided that the liabilities of the various unit classes differ as percentages of their individual net asset values, especially if (i) different commission rates are applied to the various unit classes or if (ii) class-specific costs are charged;

d) when the net asset value is calculated, as part of the allocation of income or capital gains to the various unit classes, provided the income or capital gains originate from transactions made solely in the interests of one unit class or in the interests of several unit classes, but not in proportion to their share of a sub-fund's net assets.

§ 17 Issue and redemption of units

1. Subscription and redemption orders for units will be accepted on the order day up to a certain cut-off time specified in the prospectus. The definitive price of the units for the issues and redemptions is determined at the earliest on the bank working day following the day the order is placed (valuation day). The details are governed by the prospectus.
2. The issue and redemption price of units is based on the net asset value per unit, calculated pursuant to § 16 on the valuation day on the basis of the closing prices from the previous day. In the case of unit issues, an issuing commission may be added to the net asset value pursuant to § 18. In the case of unit redemptions, a redemption commission may be deducted from the net asset value pursuant to § 18.
   Incidental costs for the purchase and sale of investments (specifically standard brokerage charges, commissions, taxes and fees) incurred by the respective sub-fund in connection with the investment of the amount paid in or with the sale of a portion of investments corresponding to the redeemed unit(s) will be covered by the application of swinging single pricing as described in § 16.7 of the fund contract.
3. The fund management company may suspend the issue of units at any time and may reject applications for the subscription or conversion of units.
4. The fund management company may, temporarily and by way of exception, defer repayment in respect of a sub-fund's units in the interests of all investors:
   a. a market which forms the basis of the valuation of a significant proportion of a sub-fund's assets is closed, or if trading on such a market is restricted or suspended;
   b. in the event of a political, economic, military, monetary or other emergency;
   c. if, owing to exchange controls or restrictions on other asset transfers, the sub-fund is no longer able to transact its business;
   d. in the event of large-scale redemptions in a sub-fund that might significantly impair the interests of the remaining investors in that sub-fund.
5. The fund management company will immediately inform the audit firm and the supervisory authority of any decision to defer redemptions. It must also inform the investors in a suitable manner.
6. No units will be issued for as long as repayments in respect of units are deferred for the reasons stipulated under point 4 a) to c).

V. Fees and incidental costs

§ 18 Fees and incidental costs charged to the investor

1. On the issue of fund units, the investors may be charged an issuing commission accruing to the fund management company, the custodian bank and/or distributors in Switzerland or abroad which, in total, may not exceed 2% of the net asset value. The currently applicable maximum rate is stated in the prospectus.
   On the redemption of fund units, the investors may be charged a redemption commission accruing to the fund management company, the custodian bank and/or distributors in Switzerland and abroad which, in total, may not exceed 1% of the net asset value. The currently applicable maximum rate is stated in the prospectus.

§ 19 Fees and incidental costs charged to the sub-funds' assets

1. For the administration, asset management and distribution in respect of the sub-funds, and all tasks of the custodian bank such as the safekeeping of the assets of the respective sub-fund, the handling of payment transactions and the other tasks listed under § 4, the fund management company will charge the sub-funds a maximum yearly flat-rate fee
   (i) 2.004% p.a. for the sub-fund **- ESG Bond Fund** and (ii) 3% p.a. for all other sub-funds of the net fund assets of the sub-funds, to be charged to the assets of the corresponding sub-fund on a pro rata basis every time the net asset value is calculated, and paid out at the end of each month (flat-rate management fee including sales commission).
   The rate of the flat fee is stated in the prospectus and in the annual and semi-annual reports.
2. The following fees and incidental costs of the fund management company and the custodian bank are not included in the flat-rate management fee and will be charged additionally to the assets of the relevant sub-fund:
   a. the supervisory authority's fees in relation to the establishment, amendment, liquidation or merger of the respective sub-funds;
   b. the supervisory authority's annual fees;
   c. the audit firm's fees for annual auditing as well as certification in the case of establishment, amendments, liquidation or mergers of the respective sub-funds;
   d. fees for legal and tax advisors in connection with the establishment, amendment, liquidation or merger of the respective sub-funds, as well as generally upholding the interests of the respective sub-funds; and its investors;
   e. the cost of publishing the net asset value of the assets of the respective sub-funds, together with all the costs of providing notices to investors, including translation costs, provided such costs cannot be ascribed to any failure on the part of the fund management company;
   f. the cost of printing (incl. translating) legal documents, as well as the umbrella fund and sub-funds' annual and semi-annual reports;
   g. costs relating to the exercising of voting rights or

creditors' rights by the umbrella fund or the respective sub-funds, including the cost of fees paid to external advisors;
   h. costs and fees in connection with intellectual property registered in the name of the umbrella fund or the respective sub-funds or with rights of use of the umbrella fund or the respective sub-funds;
   i. all costs incurred through any extraordinary steps taken to safeguard the interests of investors by the fund management company, asset manager of collective investment schemes or custodian bank.
   j. in the event of participation in class actions in the interests of the investors, the fund management company may debit the resulting third-party costs (e.g. legal and custodian bank costs) to the assets of the respective sub-fund. The fund management company may also charge all documented administrative costs, provided these can be proven and are reported and included in the disclosure of the fund's TER.
3. The fund management company and its agents (incl. asset manager) as well as the custodian bank may, in accordance with the provisions of the prospectus, pay retrocessions as remuneration for distribution and brokerage activities in respect of units of sub-funds, and rebates to reduce the fees or costs incurred by the investor and charged to the sub-funds.
4. Incidental costs for the purchase and sale of investments (standard brokerage charges, commissions, fees, etc.) incurred by a sub-fund in connection with the investment of the amount paid in or with the sale of a portion of investments corresponding to the redeemed unit(s) on average will be covered by the application of swinging single pricing as described in § 16.7 of the fund contract.
5. If the fund management company acquires units in related target funds for the respective sub-funds, it may not charge any issue and redemption commissions of the related target funds to the sub-funds.
6. Taking any retrocessions and rebates into account, the management fee of the target funds in which assets of the sub-funds are invested may not exceed 3.0%. The maximum rate of the management fee of the target funds in which investments are made, taking any retrocessions and rebates into account, must be disclosed in the annual report.
7. If the fund management company acquires a target fund whose fund assets are not charged any fees (e.g. in the form of a management fee and any performance fee) ("no-load fund"), but these are to be paid separately by the fund management on the basis of an agreement for the purpose of investing in the corresponding target fund, the fees thus charged may be debited to the corresponding sub-fund.
   Point 6 above still applies.

VI. Financial statements and audit

§ 20 Financial statements

1. The individual sub-funds' accounting currency is the Swiss franc (CHF).
2. The financial year runs from 1 September to 31 August.
3. The fund management company publishes an audited annual report for the umbrella fund and sub-funds within four months of the end of the financial year.
4. The fund management company publishes a semi-annual report within two months of the end of the first half of the financial year.
5. The investor's right to obtain information under § 5.4 is reserved.

§ 21 Audit

The audit firm examines each year whether the fund management company and the custodian bank have complied with the statutory and contractual provisions, and with any parts of the code of conduct of the Asset Management Association Switzerland (AMAS) applicable to them. The annual report contains a short report by the audit firm on the published annual financial statements.

VII. Appropriation of net income

§ 22

1. The net income of the sub-funds or, for the sub-funds **- Global Fund**, **- Global Climate Equity Fund** and **- High Dividend Fund** the distributing unit classes, is distributed annually by no later than within four months of the close of the accounting year in the accounting currency Swiss franc (CHF).
   The fund management company may make additional interim distributions from the income.
   Up to 30% of the net income (incl. income carried forward) may be carried forward to the new account. A distribution may be waived and the entire net income may be carried forward to the new account if
   - the net income in the current financial year and income carried forward from previous financial years of the collective investment scheme or a unit class is less than 1% of the net asset value of the collective investment scheme or a unit class, and
   - the net income in the current financial year and income carried forward from previous financial years of the collective investment scheme or a unit class is less than one unit of the accounting currency of the collective investment scheme or unit class.

   The net income of accumulating unit classes will be added on an annual basis to the sub-fund's assets for reinvestment, subject to any taxes and duty charged on the reinvestment. The fund management company may also decide to accumulate the income on an interim basis. This is subject to any taxes and duties that may be levied on the reinvestment of these funds. Reinvestment may be waived and the entire net income may be carried forward to the new account if:
   - the net income in the current financial year and income carried forward from previous financial years of the collective investment scheme or a unit class is less than 1% of the net asset value of the collective investment scheme or unit class, and
   - the net in the current financial year and income carried forward from previous financial years of the collective investment scheme or a unit class is less than one unit of the accounting currency of the collective investment scheme or unit class.
2. Capital gains realised on the sale of assets and rights may be distributed by the fund management company or retained for the purpose of reinvestment.

VIII. Publication of official notices by the umbrella fund and sub-funds

§ 23

1. The medium of publication of the umbrella fund and sub-funds is the print medium or electronic medium specified in the prospectus. Notification of any change in the medium of publication must be published in the

medium of publication.
2. The following information must, in particular, be published in the medium of publication: summaries of material amendments to the fund contract, indicating the offices from which the amended wording may be obtained free of charge; any change of fund management company and/or custodian bank; the creation, dissolution or merger of unit classes; and the liquidation of individual sub-funds. Amendments that are required by law that do not affect the rights of investors or are of an exclusively formal nature may be exempted from the duty to publish subject to the approval of the supervisory authority.
3. Each time units are issued or redeemed, the fund management company will publish the issue and the redemption prices or the net asset value (a modified net asset value through the application of swinging single pricing pursuant to § 16.7) together with a note stating "excluding commissions", and for all unit classes of the sub-funds **- Global Fund**, **- Global Climate Equity Fund** and **- High Dividend Fund**, in the print medium or electronic platform specified in the prospectus. Prices must be published at least twice each month. The weeks and weekdays on which publications are made must be specified in the prospectus.
4. The prospectus with integrated fund contract, the key investor information document/basic information sheet, and the respective annual or semi-annual reports may be obtained free of charge from the fund management company, the custodian bank and all distributors.

IX. Restructuring and dissolution

§ 24 Mergers

1. Subject to the consent of the custodian bank, the fund management company may merge individual sub-funds with other sub-funds or with other investment funds by transferring the assets and liabilities as at the time of the merger of the sub-fund(s) or investment fund(s) being acquired to the acquiring sub-fund or investment fund. The investors of the sub-fund(s) or investment fund(s) being acquired will receive the corresponding number of units in the acquiring sub-fund or investment fund. The sub-fund(s) or investment fund(s) being acquired is/are terminated without liquidation when the merger takes place, and the fund contract of the acquiring sub-fund or investment fund will also apply to the sub-fund(s) or investment fund(s) being acquired.
2. Sub-funds or investment funds may be merged only if:
   a. provision for this is made in the relevant fund contracts;
   b. they are managed by the same fund management company;
   c. the relevant fund contracts essentially correspond in terms of the following provisions:
      - the investment policy, investment techniques, risk diversification, and the risks associated with the investment,
      - the appropriation of net income and capital gains from the sale of assets and rights,
      - the type, amount and calculation of all fees, issue and redemption commissions, and the incidental costs for the purchase and sale of the investments (brokerage fees, charges, duties) that may be charged to the fund or sub-fund assets or to the investors,
      - the redemption conditions,
      - the duration of the contract and the conditions of dissolution;
   d. the assets of the sub-funds or investment funds concerned are valued, the exchange ratio is calculated, and the assets and liabilities are acquired on the same day;
   e. no costs arise as a result for either the sub-fund or investment fund or the investors. This remains subject to the provisions of § 19 prov. 2 regarding mergers.
3. If the merger is likely to take more than one day, the supervisory authority may approve a limited deferral of the redemption of the units of the sub-funds or investment funds involved.
4. At least one month before the planned publication, the fund management company must submit the proposed changes to the fund contract, and the proposed merger, as well as the merger schedule to the supervisory authority for review. The merger schedule must contain information on the reasons for the merger, the investment policies of the sub-funds or investment funds involved and any differences between the acquiring fund and the sub-fund(s) or investment fund(s) being acquired, the calculation of the exchange ratio, any differences with regard to fees and any tax implications for the sub-funds or investment funds, as well as a statement from the competent audit firm in accordance with the legislation on collective investment schemes.
5. The fund management company must publish a notice of the proposed changes to the fund contract pursuant to § 23.2 and the proposed merger and its timing, as well as the merger schedule, at least two months before the planned date of merger in the medium of publication of the sub-funds or investment funds in question. In this notice, the fund management company must inform the investors that they may lodge objections to the proposed changes to the fund contract with the supervisory authority or request redemption of their units in cash within 30 days of the last publication.
6. The audit firm must check directly that the merger is being carried out correctly, and must submit a report containing its comments in this regard to the fund management company and the supervisory authority.
7. The fund management company must inform the supervisory authority of the conclusion of the merger, and publish notification of the completion of the merger, confirmation from the audit firm of the proper execution of the merger, and the exchange ratio, without delay in the medium of publication of the sub-funds or investment funds involved.
8. The fund management company must make reference to the merger in the next annual report of the acquiring sub-fund or investment fund, and in the semi-annual report if published prior to the annual report. If the merger does not take place on the last day of the usual financial year, an audited closing statement must be produced for the sub-fund(s) or investment fund(s) being acquired.

§ 25 Conversion into another legal form

1. The fund management company may, with the consent of the custodian bank and the investors,

convert investment funds into sub-funds of a SICAV under Swiss law, whereby the assets and liabilities of the converted investment fund(s) are transferred to the investor sub-fund of a SICAV at the time of conversion. The investors of the converted investment fund will receive units of the investor sub-fund of the SICAV with a corresponding value. On the day of conversion, the converted investment fund will be dissolved without liquidation, and the investment regulations of the SICAV will apply to the investors of the converted investment fund who will become investors of the SICAV's investor sub-fund.

2. The investment fund may only be converted into a sub-fund of a SICAV if:
   a) The fund contract provides for this, and this is explicitly stated in the SICAV's investment regulations;
   b) The investment fund and the sub-fund are managed by the same fund management company;
   c) The fund contract and the investment regulations of the SICAV are consistent with respect to the following provisions:
      - the investment policy (including liquidity), the investment techniques (securities lending, repurchase and reverse repurchase agreements and financial derivatives), borrowing and lending, pledging of collective investment assets, risk distribution and investment risks, the type of collective investment scheme, the investor base, the unit/share classes and the calculation of the net asset value,
      - the use of net proceeds and gains on disposal from the sale of items and rights,
      - the appropriation of net income and reporting,
      - the nature, amount and calculation of all remuneration, issue and redemption discounts and incidental costs for the acquisition and disposal of investments (brokerage fees, duties and taxes) that may be charged to the fund assets or to the SICAV, the investors or the shareholders, subject to incidental costs specific to the legal form of the SICAV,
      - the issuing and redemption conditions,
      - the term of the contract or the SICAV,
      - the publication medium;
   d) The valuation of the assets of the collective investment schemes involved, the calculation of the exchange ratio, and the transfer of the assets and liabilities must take place on the same day;
   e) No costs may be incurred by the investment fund or the SICAV or by the investors or shareholders.
3. FINMA may approve the suspension of the redemption for a certain period of time if it is foreseeable that the conversion will take longer than one day.
4. The fund manager must submit the planned amendments to the fund contract and the planned conversion together with the conversion plan to FINMA for review prior to the planned publication. The conversion plan must contain information on the reasons for the conversion, the investment policy of the collective investment schemes concerned, any differences between the converted fund and the SICAV's sub-fund, the calculation of the exchange ratio, any differences with regard to remuneration, any tax implications for the collective investment schemes, and an opinion from the external auditor of the investment fund.
5. The fund management company will publish any amendments to the fund contract pursuant to § 24 point 1 and 2 and the planned conversion and the planned date in connection with the conversion plan at least two months before the date specified by it in the publication of the converted investment fund. In this notice, the fund management company must inform the investors that they may lodge objections to the proposed changes to the fund contract with the supervisory authority, or request redemption of their units in cash, within 30 days of publication or notice.
6. The external auditor of the investment fund or the SICAV (if different) shall immediately verify the proper execution of the conversion and report thereon to the fund management company, the SICAV and FINMA.
7. The fund management company will immediately notify FINMA of the completion of the conversion and forward to FINMA the auditor's confirmation regarding the proper execution of the transaction and the conversion report in the publication medium of the investment funds involved.
8. The fund management company or the SICAV shall mention the conversion in the next annual report of the investment fund or the SICAV, and in any semi-annual report published before this date.

§ 26 Duration of the sub-funds and dissolution

1. The sub-funds have been established for an indefinite period.
   The fund management company or the custodian bank may dissolve individual sub-funds by terminating the fund contract without notice.
2. The individual sub-funds may be dissolved by order of the supervisory authority, in particular, if at the latest one year after the expiry of the subscription period (launch), or a longer extended period approved by the supervisory authority at the request of the custodian bank and the fund management company, a sub-fund does not have net assets of at least CHF 5 million (or the equivalent).
3. The fund management company must inform the supervisory authority of the dissolution immediately and must publish notification in the medium of publication.
4. Once the fund contract has been terminated, the fund management company may liquidate the sub-funds concerned forthwith. If the supervisory authority has ordered the dissolution of a sub-fund, it must be liquidated forthwith. The custodian bank is responsible for the payment of liquidation proceeds to the investors. If the liquidation proceedings are protracted, payment may be made in instalments. The fund management company must obtain authorisation from the supervisory authority prior to the final payment.

X. Amendments to the fund contract

§ 27 If any amendments are to be made to the present fund contract, or if the merger of unit classes or a change of fund management company or of custodian bank is planned, the investors may lodge objections with the supervisory authority within 30 days after the corresponding publication. In the publication, the fund management company must inform the investors about which amendments to the fund contract are covered by FINMA's verification and check for compliance with the law. In the event of a change to the fund contract (including the merger of unit classes) the investors may also demand the redemption of their units in cash subject to the contractual period of notice. Exceptions in this regard are cases pursuant to § 23.2 that have been exempted from the duty to publish with the approval of the supervisory authority.

XI. Applicable law and place of jurisdiction

§ 28

1. The umbrella fund and the individual sub-funds are subject to Swiss law, in particular the Swiss Federal Act on Collective Investment Schemes of 23 June 2006, the Ordinance on Collective Investment Schemes of 22 November 2006 and the Ordinance of the Swiss Financial Market Supervisory Authority FINMA on Collective Investment Schemes of 27 August 2014.
   The place of jurisdiction is the registered office of the fund management company.
2. The German version is binding in all matters of interpretation relating to the present fund contract.
3. The present fund contract takes effect on 17 July 2024.
4. This fund contract replaces the fund contract dated 24 October 2023.
5. When approving the fund contract, FINMA verifies only the provisions pursuant to Art. 35a para. 1 let. a–g CISO and ensures their compliance with the law.

The fund management company: UBS Fund Management (Switzerland) AG, Basel
The custodian bank: UBS Switzerland AG, Zurich