

UBS (CH) Institutional Fund 3

Investment fund under Swiss law with multiple sub-funds (umbrella fund) for qualified investors of the category "Other funds for traditional investments"

Fund contract with appendix

November 2024

Fund contract Part I: General Section

I Basis

§ 1 Name of the fund; name and domicile of the fund management company, the custodian bank and the asset managers

1. A contractually based umbrella fund of the "Other funds for traditional investments" category (the "umbrella fund") has been established under the name of UBS (CH) Institutional Fund 3 in accordance with Art. 25 et seq. in association with Art. 68 et seq. in conjunction with Art. 92 f. of the Swiss Collective Investment Schemes Act (CISA) of 23 June 2006, which is divided into the following sub-funds:
 - UBS (CH) Institutional Fund 3 - Real Estate Switzerland Funds Index NSL
 - UBS (CH) Institutional Fund 3 - Bonds CHF Exposure
 - UBS (CH) Institutional Fund 3 - Commodities Constant Maturity Hedged NSL
 - UBS (CH) Institutional Fund 3 - Bonds CHF Domestic Government Index NSL
 - UBS (CH) Institutional Fund 3 - Bonds USD Emerging Markets Aggregate ESG Index Hedged NSL
 - UBS (CH) Institutional Fund 3 - Bonds USD Emerging Markets Government Index Hedged NSL
 - UBS (CH) Institutional Fund 3 - Bonds CHF Short Term NSL
 - UBS (CH) Institutional Fund 3 – Global Aggregate Bonds ESG Passive (CHF hedged) II

1. At the request of the fund management company and the custodian bank, FINMA has exempted this umbrella fund and its sub-funds from the following provisions pursuant to Art. 10 para. 5 CISA:
 - the obligation to publish a semi-annual report;
 - the duty to publish the issue and redemption prices / net asset value.

In application of Art. 78 para. 4 CISA, FINMA has, at the request of the fund management company and the custodian bank, exempted this umbrella fund and its sub-funds from the obligation to make deposits and withdrawals in cash. . In addition, instead of acquiring fund units against payments in cash, the fund management company may agree in individual cases to allow the investor to pay for fund units using permissible investments. Redemptions may also be carried out by returning permissible investments to investors instead of making payments in cash.

FINMA has further exempted this investment fund from the prospectus requirement pursuant to Article 50 of the Financial Services Act of 15 June 2018 (FinSA). In place of the prospectus and the key information document, the fund management company shall provide investors with supplementary details in the appendix to this fund contract regarding, in particular, the investment objective, any delegation of investment decisions, any exemption pursuant to Art. 31 para. 3 CISA and delegation of further duties of the fund management company, as well as regarding paying agents, distributors and the external auditors of the fund. The investor shall be entitled to receive additional details and information on the corresponding sub-fund from the fund management company at any time.

3. UBS Fund Management (Switzerland) AG, Basel, is the fund management company.
4. UBS Switzerland AG, Zurich, is the custodian bank.
5. The asset manager of all sub-funds with the exception of prov. 6 and 7 below is UBS Asset Management Switzerland AG, Zurich.
6. The asset managers for the following sub-funds are UBS Asset Management (Americas) LLC, New York and UBS Asset Management (UK) Ltd, London:
 - Bonds USD Emerging Markets Aggregate ESG Index Hedged NSL
 - Bonds USD Emerging Markets Government Index Hedged NSL
7. The Asset Manager for the following sub-funds is UBS Asset Management (UK) Ltd, London:
 - Commodities Constant Maturity Hedged NSL
 - Global Aggregate Bonds ESG Passive (CHF hedged) II

II Rights and obligations of the contracting parties

§ 2 Fund contract

The legal relationship between the investors¹ on the one hand and the fund management company and the custodian bank on the other shall be governed by this fund contract and the applicable provisions of Swiss legislation concerning collective investment schemes.

§ 3 Fund management company

1. The fund management company shall manage the sub-funds at its own discretion and in its own name, but for the account of the investors. In particular, it shall make all decisions relating to the issuing of units, the investments and their valuation. It shall calculate the net asset values of the sub-funds, set the issue and redemption prices of units, and determine the distribution of income. The fund management company shall exercise all rights associated with the umbrella fund and the sub-funds.
2. The fund management company and its agents shall be subject to the duties of loyalty, due diligence and disclosure. They act independently and exclusively in the interests of investors. They shall take any organisational steps that may be required to ensure the proper conduct of business. They account for the collective investment schemes they manage and provide information regarding the umbrella fund and the sub-funds. They shall inform the investors about all fees and costs charged to them, as well as compensation received from third parties; in particular commissions, discounts or other non-cash benefits.
3. The fund management company may delegate to third parties investment decisions and specific tasks for all or some of the sub-funds, provided that this is in the interests of efficient management. It exclusively commissions persons who have the necessary skills, knowledge and experience for this activity, as well as the necessary authorisation. 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 transferring 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, subject to the consent of the custodian bank, submit amendments to this fund contract to the supervisory authority (see § 27).
5. The fund management company may merge individual sub-funds with other sub-funds or other investment funds pursuant to the provisions set down under § 24 and may liquidate individual sub-funds pursuant to the provisions set down under § 26.
6. The fund management company shall be entitled to receive the remuneration stipulated in §§ 18 and 19 in discharge of the liabilities it has incurred in the due performance of its tasks and reimbursement for expenses in meeting these liabilities.

§ 4 Custodian bank

1. The custodian bank is responsible for the safekeeping of the sub-funds' assets. It is further responsible for the issue and redemption of fund units and payments on behalf of the sub-funds. The custodian bank and its agents shall act in good faith and have a duty to exercise due diligence and provide information. They act independently and exclusively in the interests of investors. They shall take any organisational steps that may be required to ensure the proper conduct of business. 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, in particular commissions, rebates and other monetary benefits.
2. The custodian bank shall be responsible for managing the account and assets of the sub-fund, but may not access the fund's assets in its own right.
3. In the case of transactions that relate to the assets of the sub-funds, the custodian bank shall ensure

¹ For readability purposes, no distinction will be made between genders. Any terms referring to persons shall denote both male and female persons.

that the countervalue is transferred to it within the customary periods. It shall inform the fund management company if the countervalue is not provided within the customary period and request that the counterparty replace the affected asset where this is possible.

4. The custodian bank shall manage the required records and accounts in such a way that it can differentiate between the assets of the individual sub-funds held in safekeeping at all times. The custodian bank shall verify that assets which cannot be deposited are the property of the fund management company and record the information accordingly.
5. The custodian bank may delegate responsibility for the safekeeping of the sub-funds' assets to third-party or central depositories in Switzerland or abroad, provided this is in the interest of proper safekeeping. The custodian bank shall verify and monitor the third-party and central securities depositories to whom the task has been delegated to ensure that it:
 - a) has an appropriate business organisation, financial guarantees and the specialist qualifications required for the type and complexity of the assets with which it has been entrusted;
 - b) is subject to a regular external audit which ensures that the financial instruments are in its possession;
 - c) keeps the assets received from the custodian bank in safekeeping in such a way that they can be clearly identified at all times as belonging to the assets of the sub-funds by means of regular reconciliation of holdings by the custodian bank;
 - d) adheres to the regulations applicable to the custodian bank as regards the performance of the tasks delegated to it and the avoidance of conflicts of interest.

The custodian bank shall be liable for any losses caused by the agent unless the bank is able to prove that due care was exercised in the selection, instruction and supervision of the agent. The appendix contains information about the risks associated with delegating safekeeping duties to third-party and central securities depositories.

The custodian bank may only delegate the safekeeping of the fund's financial instruments to third-party or central securities depositories subject to regulatory supervision. This provision shall not apply in cases where assets have to be held in safekeeping at a location at which the transfer of the assets to third-party or central securities depositories subject to supervision is not possible, in particular in light of requirements imposed by law or the specific characteristics of the investment product. The investors are to be informed in the product documentation about the safekeeping of the assets by third-party or central securities depositories not subject to supervision.

6. The custodian bank shall ensure that the fund management company complies with the law and the fund contract. It checks whether the calculation of net asset values and issue and redemption prices of units and investment decisions are being carried out in accordance with the law and the fund contract and whether the net income is appropriated as stipulated in the fund contract. The custodian bank shall not be responsible for any investment selection made by the fund management company within the scope of the investment guidelines.
7. The custodian bank shall be entitled to receive the remuneration stipulated in §§ 18 and 19. The custodian bank is further entitled to be released from any liabilities assumed in the proper performance of its duties and to be reimbursed for expenses incurred in connection with such liabilities.

§ 5 The investors

1. The group of investors is restricted to qualified investors. Qualified investors within the meaning of this fund contract are defined exclusively as qualified investors pursuant to Art. 10 para. 3 and 3ter CISA. The fund management company and custodian bank shall together ensure that investors meet the investor group requirements.
2. Upon execution of the contract and remittance of a cash payment, the investor shall acquire a claim against the fund management company for an interest in the assets and income of a sub-fund in the umbrella fund. Instead of remitting a cash payment, the investor may request and make, subject to the agreement of the fund management company, a contribution in kind in accordance with § 17 prov. 7. This claim is evidenced in the form of units.
3. Investors are only entitled to an interest in the assets and income of the sub-fund in which they hold units. Any liabilities attributable to individual sub-funds are borne solely by the individual sub-fund concerned.

4. Investors are only obliged to remit payment for the units of the sub-fund to which they subscribe. They shall not be held personally liable in respect of the liabilities of the umbrella fund and/or sub-fund.
5. Investors may at any time request that the fund management company supply them with information regarding the basis on which the net asset value per unit is calculated. The fund management company shall also supply further information regarding specific transactions it has carried out, such as the exercise of membership and creditors' rights, risk management, or contributions and redemptions in kind, should the investors wish to have further details. Investors shall be entitled to submit an application to the court having jurisdiction in the domicile of the fund management company for the external auditors, or another entity with appropriate expertise, to investigate and report on any facts or circumstances for which disclosure is required.
6. Investors shall be entitled to terminate the fund contract at any time and request payment in respect of units held in the corresponding sub-fund in cash. Instead of receiving payment in cash, the investor may request and receive, subject to the agreement of the fund management company, a redemption in kind in accordance with § 17 prov. 7.
7. Upon request, investors shall be obliged to provide the fund management company and/or the custodian bank and its agents with documentary proof that they meet/continue to meet the legal and contractual requirements necessary to be able to participate in the sub-fund or unit class. In addition, they are obliged to immediately notify the fund management company, the custodian bank and its agents if they no longer meet these requirements.
8. The investment fund or a unit class may be subject to a "soft closing", whereby investors may not subscribe to units if the fund management company believes the closing is necessary to protect the interests of existing investors. In reference to this investment fund or unit class, the soft closing shall apply to new subscriptions or switches into the investment fund or unit class, but not to redemptions, transfers or switches out of the investment fund or unit class. The investment fund or unit class may be subject to a soft closing without notifying the investors.
9. An investor's units must be compulsorily redeemed at the prevailing redemption price by the fund management company in collaboration with the custodian bank if:
 - a) this is required to safeguard the reputation of the financial centre, notably in relation to combating money laundering;
 - b) investors no longer meet the legal or contractual requirements to participate in a sub-fund.
10. In addition, an investor's units may be compulsorily redeemed at the prevailing redemption price by the fund management company in collaboration with the custodian bank if:
 - a) the investor's participation in a sub-fund may materially affect the economic interests of the other investors, particularly if this participation may result in tax disadvantages for the umbrella fund or a sub-fund in Switzerland or abroad;
 - b) investors have acquired or hold units in breach of the provisions of domestic or foreign legislation or provisions of this fund contract or appendix applicable to them;
 - c) the economic interests of investors are jeopardised, particularly in cases in which individual investors attempt to acquire benefits for their portfolio by systematically subscribing and immediately thereafter redeeming units, exploiting time differences between the setting of closing prices and the valuation of the sub-funds' assets (market timing).
11. In light of local laws or regulatory provisions, listing and contractual conditions, self-regulation provisions, market practices and compliance standards, for example in the sub-funds' investment markets/countries, the fund management company and/or custodian bank may be obliged to disclose information and personal data about fund investors and third persons associated with these fund investors (e.g. beneficial owners), both among themselves and to third parties, for example to authorities in Switzerland or abroad, third-party custodians and central securities depositories, brokers, stock exchanges, registers, agents of the fund management company and/or custodian bank, and other third parties.

By subscribing and holding units, the investor releases the fund management company and the custodian bank in full from the obligation to observe the applicable Swiss and international non-disclosure provisions (e.g. business secrecy, bank-client and fund-client confidentiality). Neither the investor nor any affected third parties will be notified of such disclosure, either

in advance or retroactively. Furthermore, the investor shall support the fund management company and/or custodian bank in fulfilling these requirements.

If the investor is simultaneously the beneficiary or beneficial owner, the investor shall be obligated to notify the beneficiary or beneficial owner in a timely manner about being released from the non-disclosure obligations specified above and to obtain their prior consent for such release, insofar as this is required on the basis of applicable legal or regulatory provisions or the contractual relationship agreed between both parties.

By subscribing and holding units, the investor agrees to notify the fund management company and/or the custodian bank if they or one of the third parties for whom they hold units in the capacity of financial intermediary holds and/or controls 5% or more of the net asset value of a sub-fund. This does not imply that a disclosure will be issued only or in all cases when this threshold is exceeded.

Detailed information on how the fund management company and the custodian bank process personal data in connection with this fund contract can be found at the link provided under prov. 6.2 of the appendix.

§ 6 Units and unit classes

1. The fund management company may, subject to the approval of the custodian bank and the supervisory authority, create different unit classes, or merge or liquidate unit classes, for any sub-fund. All unit classes shall be entitled to a share in the undivided assets of the relevant sub-fund, which are not segregated. This share may vary due to class-specific costs charged or distributions made or on account of class-specific income, and the net asset value per unit may therefore vary from class to class within a sub-fund. Any class-specific costs charged are met by the aggregate assets of the sub-fund.
2. The creation, liquidation or merger of unit classes shall be announced in the official publication. Only mergers of unit classes shall be deemed to constitute an amendment to the fund contract pursuant to § 27.
3. The various unit classes of the sub-funds may, in particular, differ in terms of cost structure, reference currency, currency hedging, distribution or reinvestment of income, minimum investments and investor group.

Remuneration and costs shall only be charged to unit classes that benefit from the services they cover. Remuneration and costs which cannot be unequivocally attributed to a particular unit class are charged to the individual unit classes in proportion to their share of the sub-fund's assets.

There are currently the following unit classes for the sub-funds:

| Sub-fund | Unit class | Currency of unit class (reference currency) |
|---|------------|---|
| – Real Estate Switzerland Funds Index NSL | I-A-acc | CHF |
| | I-A2-acc | CHF |
| | I-A3-acc | CHF |
| | I-B-acc | CHF |
| | I-X-acc | CHF |
| | U-X-acc | CHF |
| – Bonds CHF Exposure | I-W-acc | CHF |
| | I-A-acc | CHF |
| | I-A2-acc | CHF |
| | I-A3-acc | CHF |

| | | |
|--|----------|-----|
| | I-B-acc | CHF |
| | I-X-acc | CHF |
| | U-X-acc | CHF |
| | Q-acc | CHF |
| | I-W-acc | CHF |
| - Commodities Constant Maturity Hedged NSL | I-A-acc | CHF |
| | I-A2-acc | CHF |
| | I-A3-acc | CHF |
| | I-B-acc | CHF |
| | I-X-acc | CHF |
| | U-X-acc | CHF |
| | Q-acc | CHF |
| | I-W-acc | CHF |
| - Bonds CHF Domestic Government Index NSL | I-A-acc | CHF |
| | I-A3-acc | CHF |
| | I-B-acc | CHF |
| | I-X-acc | CHF |
| | U-X-acc | CHF |
| | I-W-acc | CHF |
| - Bonds USD Emerging Markets Aggregate ESG Index Hedged NSL | I-A-acc | CHF |
| | I-B-acc | CHF |
| | I-X-acc | CHF |
| | U-X-acc | CHF |
| | I-W-acc | CHF |
| - Bonds USD Emerging Markets Government Index Hedged NSL | I-A-acc | CHF |
| | I-B-acc | CHF |
| | I-X-acc | CHF |
| | U-X-acc | CHF |
| | I-W-acc | CHF |
| - Bonds CHF Short Term NSL | I-A-acc | CHF |
| | I-A2-acc | CHF |
| | I-A3-acc | CHF |
| | I-B-acc | CHF |
| | I-X-acc | CHF |
| | U-X-acc | CHF |
| | Q-acc | CHF |

| | | |
|---|---------|-----|
| | I-W-acc | CHF |
| – Global Aggregate Bonds ESG Passive (CHF hedged) II | I-A-acc | CHF |
| | I-B-acc | CHF |
| | I-X-acc | CHF |
| | U-X-acc | CHF |
| | I-W-acc | CHF |

All classes of units are issued only as registered units.

The differences in the unit classes are as follows:

- a) "I-A-acc": Units in unit class "I-A-acc" are exclusively offered to qualified investors pursuant to Art. 10 para. 3 3ter CISA. The costs incurred for asset management, distribution relating to the sub-funds and fund administration (including fund management, administration and custodian bank) are charged directly to the sub-fund's assets via the management commission. There is no minimum holding is required. No retrocessions or rebates are provided.
- b) "I-A2-acc": Units of unit class "I-A2-acc" are offered exclusively to qualified investors pursuant to Art. 10 para. 3-3ter CISA who have signed a written agreement with UBS Asset Management Switzerland AG or an authorised contractual partner for investment in the assets of one or more of the sub-funds of this investment fund. The costs incurred for asset management, distribution relating to the sub-funds and fund administration (including fund management, administration and custodian bank) are charged directly to the sub-fund's assets via the management commission. There is a minimum investment amount, which is noted in the attachment. No retrocessions or rebates are provided.
- c) "I-A3-acc": The asset class is exclusively offered to qualified investors pursuant to Art. 10 para. 3–3ter CISA who have signed a written agreement with UBS Asset Management Switzerland AG or an authorised contractual partner for investment in the assets of one or more of the sub-funds of this investment fund. The costs incurred for asset management, distribution relating to the sub-funds and fund administration (including fund management, administration and custodian bank) are charged directly to the sub-fund's assets via the management commission. There is a minimum investment amount, which is noted in the attachment. No retrocessions or rebates are provided.
- d) "I-B-acc": Units of unit class "I-B-acc" are offered exclusively to qualified investors pursuant to Art. 10 para. 3-3ter CISA who have signed a written agreement with UBS Asset Management Switzerland AG or an authorised contractual partner for investment in the assets of one or more of the sub-funds of this investment fund. Retail clients pursuant to Art. 10 para. 3ter CISA who receive investment advice from a financial intermediary within the framework of a long-term investment advisory relationship do not qualify for this unit class. The costs incurred for fund administration (including fund management, administration and custodian bank) are charged to the sub-fund's assets via an administration commission. The costs incurred for asset management and distribution relating to the sub-funds are charged to investors under the written agreement mentioned above. This written agreement concluded with the investor covers the costs to be borne by the investor for the services of asset management and distribution relating to the sub-funds, but not those for the fund administration. The fee schedule set out in this agreement may vary depending on the investor (see prov. 1 of the appendix). There is no minimum investment requirement.
- e) "I-X-acc": Units of unit class "I-X-acc" are offered exclusively to qualified investors pursuant to Art. 10 para. 3-3ter CISA who have signed a written agreement with UBS Asset Management Switzerland AG or an authorised contractual partner for investment in the assets of one or more of the sub-funds of this investment fund. Retail clients pursuant to Art. 10 para. 3ter CISA who receive investment advice from a financial intermediary within the framework of a long-term investment advisory relationship do not qualify for this unit class. The costs for asset management, distribution

relating to the sub-funds and fund administration (including fund management company, administrator and custodian bank) are charged to investors under the written agreement noted above. The remuneration covers the costs to be borne by the investor for the services of asset management, distribution relating to the sub-funds and fund administration. The fee schedule set out in this agreement may vary depending on the investor (see prov. 1 of the appendix). There is no minimum investment requirement.

- f) "I-W-acc": Units of class "I-W-acc" are offered exclusively to qualified investors pursuant to Art. 10 para. 3-3ter CISA. The costs incurred for asset management, distribution activities for the sub-funds and fund administration (including fund management, administration and custodian bank) are charged directly to the sub-fund's assets via the management commission. There is no minimum subscription or minimum holding.
 - g) "U-X-acc": The asset class is exclusively offered to qualified investors pursuant to Art. 10 para. 3-3ter CISA who have signed a written agreement with UBS Asset Management Switzerland AG or an authorised contractual partner for investment in the assets of one or more of the sub-funds of this investment fund. The costs for asset management, distribution relating to the sub-funds and fund administration (including fund management company, administrator and custodian bank) are charged to investors under the written agreement noted above. The remuneration covers the costs to be borne by the investor for the services of asset management, distribution relating to the sub-funds and fund administration. The fee schedule set out in this agreement may vary depending on the investor (see prov. 1 of the appendix). There is no minimum investment requirement. The unit class also differs from all other unit classes through the higher initial issue price, and it is available only to other collective investment schemes (regardless of their legal form) for the purpose of simplifying the administration.
 - h) "Q-acc": Units of unit class "Q-acc" are exclusively offered to financial intermediaries that make investments for their own account and/or to clients of such financial intermediaries who, in accordance with regulatory requirements, are not permitted to receive a distribution commission and/or who, under written agreements with their clients, may only offer them classes without retrocession, if available in the relevant investment fund. Units of class "Q-acc" are only issued as bearer units. The issue and redemption of units through contributions and redemptions in kind are excluded.
- 4. Units shall not take the form of actual certificates but shall exist as book entries and shall be held exclusively in a custody account with the custodian bank. Investors are not entitled to demand the delivery of a registered or bearer unit certificate.
 - 5. The fund management company and the custodian bank are obliged to ask investors who no longer meet the requirements for investing in a unit class to redeem their units within 30 calendar days pursuant to §17, to transfer them to a person who does meet the stated requirements or to convert the units into another class of the respective sub-fund whose requirements they do meet. If investors fail to comply with this request, the fund management company, in conjunction with the custodian bank, must proceed with a forced conversion into another class of units in the respective sub-fund or, where this is not possible, forced redemption of the units in question in accordance with § 5 prov. 9.

III Investment policy guidelines

A Investment principles

§ 7 Compliance with investment guidelines

- 1. In selecting the individual investments of the various sub-funds, the fund management company shall adhere to the principle of balanced risk diversification and observe the percentage limits defined below. These relate to the fund assets of the individual sub-funds at market values and must be observed at all times. The individual sub-funds must comply with the investment restrictions six months following the expiry of the subscription period (launch).
- 2. If the limits are exceeded due to changes in the market, the investments must be restored to the permitted level within a reasonable period of time, 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 business days at the latest, taking due account of the investors' interests.

§ 8 Investment policy

Within the scope of each sub-fund's investment policy as specified in prov. 2, the fund management company may invest the individual sub-funds' assets in the following.

- a) Securities, i.e. securities issued on a large scale and in uncertificated rights with a similar function (uncertified stock) which are listed on a stock exchange or traded on another regulated market open to the public and which embody an equity or a debt security right (including exchange-listed SPACs) or the right to acquire such securities and rights via subscription or exchange, such as warrants;
Investments in securities from new issues shall be permitted only if they are intended for admission to a stock exchange or other regulated market open to the public under the terms of issue. If such investments have not been admitted to a stock exchange or other regulated market open to the public within one year of purchase, the securities shall be sold within one month or included under the restrictions set out in prov. 1 h).
- b) Derivatives, if (i) they are based on underlying financial instruments in the form of securities as specified in a), derivatives as specified in b), units in collective investments as specified in c and d), money market instruments under e), or financial indices, interest rates, exchange rates, loans or currencies and (ii) the underlying securities are permitted investments under the fund contract. Derivatives shall be traded either on a stock exchange or another regulated market open to the public, or OTC;
OTC transactions shall be permitted only if (i) the counterparty is a financial intermediary specialising in this type of transaction and subject to supervision, and (ii) the OTC derivatives are tradable daily or may be submitted to the issuers for redemption at any time. In addition, they must be capable of reliable and verifiable valuation. The use of derivatives shall be subject to the provisions of § 12.
- c) Units of other collective investments (target funds) if (i) their documentation restricts investments in other target funds to a maximum of 10%; (ii) the same provisions apply for these target funds as for security funds with regard to purpose, organisation, investment policy, investor protection, risk diversification, separate custody of fund assets, borrowing, lending, short selling of securities and money market instruments, issue and redemption of units and content of semi-annual and annual reports and (iii) these target funds have been approved as collective investments in the country of domicile and that investors enjoy equivalent regulatory protection in that country to that in Switzerland and international official assistance is granted.
- d) Units of other (with the same level of supervision) collective investments that are of or equivalent to the type "Other funds for traditional investments".
- e) Units of other (with the same level of supervision) collective investments that are of or equivalent to the type "Real estate investment fund".
- f) Structured products, if (i) they are based on underlying financial instruments in the form of securities as specified in a), derivatives as specified in b), structured products as specified in f), units in collective investments as specified in c-e), money market instruments as specified in g), or financial indices, interest rates, exchange rates, loans or currencies and (ii) the underlying securities are permitted investments under the fund contract. Structured products shall be traded either on a stock exchange or another regulated market open to the public, or OTC.
OTC transactions shall only be permitted if (i) the counterparty is a financial intermediary specialising in this type of transaction and subject to supervision, and (ii) the OTC products are tradable daily or may be submitted to the issuers for redemption at any time. In addition, they must be capable of reliable and verifiable valuation.
- g) Money market instruments which are fungible and marketable at any time and which are traded on a stock exchange or other regulated market open to the public; money market instruments which are not traded on a stock exchange or other regulated market open to the public may only be acquired provided that the issue or issuer is subject to the provisions governing creditor and investor protection and the money market instruments are issued or guaranteed by issuers pursuant to Art. 74 para. 2 of the Swiss Collective Investment Schemes Ordinance (CISO).
- h) Sight or time deposits with a 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 in such country is subject to supervision equivalent to that in Switzerland.

- i) Investments other than the investments specified in a) to h) above not exceeding 10% of the assets of an individual sub-fund. The following are not permitted: (i) direct investments in precious metals, precious metal certificates, commodities and commodities certificates and (ii) short selling in relation to investments of all kinds.
- 2. The investment policy of the individual sub-funds is set down in § 8 Part II of the fund contract.
- 3. Subject to § 19, the fund management company may acquire units of target funds managed directly or indirectly by itself or by a company with which it is associated through common management or control or by a significant direct or indirect shareholding.
- 4. The fund management company must ensure appropriate liquidity management. Detailed information is provided in the appendix.

§ 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 bank deposits and claims from securities repurchase agreements at sight or on demand with maturities of up to twelve months.

B Investment techniques and instruments

§ 10 Securities lending

1. The fund management company may lend for the account of the sub-funds (with the exception of those sub-funds where securities lending is expressly prohibited pursuant to Art. 8.2c) all types of securities which are traded on an exchange or other regulated market open to the public. However, securities which have been acquired under reverse repos may not be lent.
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 shall enter into securities lending transactions only with first-class, supervised borrowers and agents specialising in transactions of this type, such as banks, brokers and insurance companies, as well as approved, recognised central counterparties and collective depositories which can guarantee the proper execution of the securities lending transactions.
4. If the fund management company must observe a period of notice (which may not exceed seven bank working days) before it may again legally repossess the securities lent, it may not lend more than 50% of a particular security eligible for lending for each sub-fund. However, if the borrower or the intermediary provides the fund management company with a contractual assurance that the latter may legally repossess the securities lent on the same or the next bank business day, the fund management company may lend its entire holdings of a particular type of security eligible for lending.
5. The fund management company shall conclude an agreement with the borrower or intermediary whereby the latter shall pledge or transfer collateral in order to secure the restitution of securities in favour of the fund management company in accordance with Art. 51 CISO-FINMA. The value of the collateral must be adequate and at all times equal to at least 105% of the market value of the securities lent. The collateral issuer must have a high credit rating and the collateral may not be issued by the counterparty or by any company belonging to or dependent on the corporate group of the counterparty. The collateral must be highly liquid, it must be traded at a transparent price on an exchange or other regulated market open to the public, and it must be subject to valuation at least on each trading day. In managing the collateral, the fund management company and its agents must satisfy the obligations and requirements listed under Art. 52 CISO-FINMA. In particular, they must adequately diversify collateral in terms of countries, markets and issuers, with the adequate diversification of issuers meaning that the collateral held from any one issuer may not exceed 20% of the net asset value. This does not affect exceptions for assets that are publicly guaranteed or issued in accordance with Art. 83 CISO. In addition, in the event of default by the counterparty, the fund management company and its agents must be able to obtain the power and authority of disposal over the furnished collateral at all times and without the counterparty's involvement or consent. The furnished collateral is to be held in safekeeping by the custodian bank. The furnished collateral may be held in safekeeping on behalf of

- the fund management company by a supervised third-party custodian, provided 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.

§ 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 remuneration, while 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. Reverse repos are an instrument used by the fund management company to invest cash, whereby it 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 shall conclude repo transactions only with first-class, supervised counterparties and intermediaries specialising in transactions of this type, such as banks, brokers and insurance companies, as well as approved, recognised central counterparties and collective depositories which can ensure the proper execution of the repo transactions.
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 that 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 seven bank working days, before it may once again legally dispose 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 for each sub-fund. However, if the counterparty or intermediary provides a contractual guarantee to the fund management company that the latter may again legally dispose 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 borrowing 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 collateral issuer must have a high credit rating and the collateral may not be issued by the counterparty or by any company belonging to or dependent on the corporate group of the counterparty. The collateral must be highly liquid, it must be traded at a transparent price on an exchange or other regulated market open to the public, and it must be

subject to valuation at least on each trading day. In managing the collateral, the fund management company and its agents must satisfy the obligations and requirements listed under Art. 52 CISO-FINMA. In particular, they must adequately diversify collateral in terms of countries, markets and issuers, with the adequate diversification of issuers meaning that the collateral held from any one issuer may not exceed 20% of the net asset value. This does not affect exceptions for assets that are publicly guaranteed or issued in accordance with Art. 83 CISO. In addition, in the event of default by the counterparty, the fund management company and its agents must be able to obtain the power and authority of disposal over the furnished collateral at all times and without the counterparty's involvement or consent. The furnished collateral is to be held in safekeeping by the custodian bank. The furnished collateral may be held in safekeeping on behalf of the fund management company by a supervised third-party custodian, provided 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 constitute the granting of a loan pursuant to § 13.

§ 12 Derivatives

A. Commitment approach I

This approach and the statements made under A. shall only apply to those sub-funds for which the approach has been specified in Part II of this fund contract in § 12 of the respective sub-fund.

1. The fund management company may make use of 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 appendix, and that it does not change the investment character of the sub-funds. In addition, the securities underlying the derivatives must be permitted investments under this fund contract for the relevant sub-fund.
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 I is applied to the assessment of risk. Taking into account the necessary coverage set out in this paragraph, the use of derivatives does not result in a leverage effect on the fund assets, neither does it correspond to short selling.
The provisions stipulated in this paragraph shall apply to the individual sub-funds.
3. Only basic forms of derivatives may be used. These include:
 - a) 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;
 - b) credit default swaps (CDSs);
 - c) 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;
 - d) futures and forwards, the value of which is linearly dependent on the value of the underlying.
4. The financial effect of using derivatives is similar either to a sale (derivatives that reduce exposure) or a purchase (derivatives that increase exposure) of an underlying security.
5.
 - a) In the case of derivatives that reduce exposure, the commitments entered into shall be covered by the securities underlying the derivatives at all times subject to b and d.
 - b) In the case of derivatives that reduce exposure, assets other than the underlying securities may be used for cover if they are in the name of an index which
 - is calculated by an external, independent body;
 - is representative of the investments used as cover;
 - is correlated sufficiently with these assets.
 - c) The fund management company must have unrestricted access to these underlying securities or assets at all times.
 - d) A delta weighting may be used for an exposure-reducing derivative to calculate the relevant underlying securities.
6. In the case of exposure-increasing derivatives, the underlying equivalents must be covered at all times by near-money assets pursuant to Art. 34 para. 5 CISO-FINMA. In the case of futures, options, swaps, and forwards, the underlying equivalent is determined in accordance with Annex 1 CISO-FINMA.

7. The fund management company shall comply with the following rules when netting derivatives positions:
 - a) Offsetting transactions in derivatives of the same underlying and in investments in this security may be netted, irrespective of the expiry of the derivatives (“netting”) if the derivatives transaction was concluded solely for the purpose of eliminating the risks associated with the derivatives or investments acquired. The main risks may not be disregarded and the eligible amount of the derivatives pursuant to Art. 35 CISO-FINMA must be calculated.
 - b) If the derivatives in hedging transactions do not relate to the same underlying as the asset to be hedged, in addition to the rules under a), the requirement that the derivative transactions may not be based on an investment strategy that serves the purpose of the appropriation of income must also be fulfilled. The derivative must also lead to a proven reduction in the risk, the risks associated with the derivative must be offset, the derivatives, underlying instruments or assets to be offset must relate to the same category of financial instruments and the hedging policy must also be effective even under extraordinary market conditions.
 - c) Derivatives that are used purely to hedge foreign currency risks and do not lead to a leverage effect or involve additional market risks can be offset without the requirements under b) in the calculation of the total derivatives exposure.
 - d) Hedging transactions may be covered by interest rate derivatives. Convertible bonds may be excluded from the calculation of derivatives exposure.
8. 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.
9.
 - a) The fund management company may engage in OTC transactions only with financial intermediaries subject to supervision which specialise in these transactions and can ensure proper execution. If the counterparty is not the custodian bank, the counterparty or guarantor must have a high credit rating.
 - b) An OTC derivative must be subject to reliable and verifiable valuation on a daily basis and it must be possible to sell or liquidate it or close out the derivative with an opposite transaction 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 based on the market value of the underlyings, using appropriate valuation models that are recognised in practice. Moreover, before the conclusion of such transactions, specific offers must be obtained from at least two potential counterparties and the most favourable offer in terms of price must be accepted. 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. In addition, the requirement to obtain offers from at least two potential counterparties may be waived in exceptional cases if this is in the best interests of the investors. The reasons for this as well as the conclusion of the contract and the setting of the prices must be clearly documented.
 - d) In the context of OTC transactions, the fund management company and its agents may only accept collateral that satisfies the requirements under Art. 51 CISO-FINMA. The collateral issuer must have a high credit rating and the collateral may not be issued by the counterparty or by any company belonging to or dependent on the corporate group of the counterparty. The collateral must be highly liquid, it must be traded at a transparent price on an exchange or other regulated market open to the public, and it must be subject to valuation at least on each trading day. In managing the collateral, the fund management company and its agents must satisfy the obligations and requirements listed under Art. 52 CISO-FINMA. In particular, they must adequately diversify collateral in terms of countries, markets and issuers, with the adequate diversification of issuers meaning that the collateral held from any one issuer may not exceed 20% of the net asset value. This does not affect exceptions for assets that are publicly guaranteed or issued in accordance with 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 furnished collateral is to be held in safekeeping by the custodian bank. The furnished collateral may be held in safe-

keeping on behalf of the fund management company by a supervised third-party custodian, provided ownership of the collateral is not transferred and the third-party custodian is independent of the counterparty.

10. Due account must be taken of the derivatives in accordance with the legislation concerning collective investment schemes when complying with statutory and contractual investment restrictions (maximum and minimum limits).

B. Commitment approach II

This approach and the statements made under B. shall only apply to those sub-funds for which the approach has been specified in Part II of this fund contract in § 12 of the respective sub-fund.

1. The fund management company may make use of 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 appendix, and that it does not change the investment character of the sub-funds. In addition, the securities underlying the derivatives must be permitted investments under this fund contract for the relevant sub-fund.
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 shall be used to measure risk. A sub-fund's overall exposure to derivatives may 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 Fund's net assets pursuant to Art. 13.2, the overall exposure of the corresponding sub-fund may be up to 225% of its net assets. The overall exposure is calculated on the basis of Art. 35 CISO-FINMA.
The provisions stipulated in this paragraph shall apply to the individual sub-funds.
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. The fund management company may also use combinations of basic forms of derivatives and derivatives whose effect cannot be equated with one of the basic forms or a combination of basic forms (exotic derivatives).
4.
 - a) Offsetting transactions in derivatives with the same underlying and in investments in this security may be netted, irrespective of the expiry of the derivatives ("netting") if the derivatives transaction was concluded solely for the purpose of eliminating the risks associated with the derivatives or investments acquired. The main risks may not be disregarded and the eligible amount of the derivatives pursuant to Art. 35 CISO-FINMA must be calculated.
 - b) If the derivatives in hedging transactions do not relate to the same underlying as the asset to be hedged, in addition to the rules under a), the requirement that the derivative transactions may not be based on an investment strategy that serves the purpose of the appropriation of income must also be fulfilled. The derivative must also lead to a proven reduction in the risk, the risks associated with the derivative must be offset, the derivatives, underlying instruments or assets to be offset must relate to the same category of financial instruments and the hedging policy must also be effective even under extraordinary market conditions.
 - c) If mainly interest rate derivatives are used, the amount of the total investment to be offset by derivative positions may be calculated using internationally recognised duration netting rules, provided the rules lead to the correct determination of the investment fund's risk profile, the main risks are taken into consideration, the application of these rules does not lead to an unjustified leverage effect, no interest arbitration strategies are pursued and the leverage effect of the investment fund is increased neither by the application of these rules nor by investments in short-term positions.

- d) Derivatives that are used purely to hedge foreign currency risks and do not lead to a leverage effect or involve additional market risks can be offset without the requirements under b) in the calculation of the total derivatives exposure.
 - e) Payment obligations arising from derivatives must be covered at all times with cash or cash equivalents, debt securities and rights, or equities, which are traded on a stock exchange or other regulated market open to the public in accordance with the legislation concerning collective investment schemes.
 - f) If the fund management company enters into physical delivery obligations relating to an underlying instrument arising from derivatives, they must be covered by equivalent underlyings, or by other investments, if the investments and underlyings are highly liquid and can be bought or sold at any time if delivery is required. The fund management company must have unrestricted access to these underlying securities or assets 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 engage in OTC transactions only with financial intermediaries subject to supervision which specialise in these transactions and can ensure proper execution. If the counterparty is not the custodian bank, the counterparty or guarantor must have a high credit rating.
- b) An OTC derivative must be subject to reliable and verifiable valuation on a daily basis and it must be possible to sell or liquidate it or close out the derivative with an opposite transaction 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 based on the market value of the underlyings, using appropriate valuation models that are recognised in practice. Moreover, before the conclusion of such transactions, specific offers must be obtained from at least two potential counterparties and the most favourable offer in terms of price must be accepted. 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. In addition, the requirement to obtain offers from at least two potential counterparties may be waived in exceptional cases if this is in the best interests of the investors. The reasons for this as well as the conclusion of the contract and the setting of the prices must be clearly documented.
- d) In the context of OTC transactions, the fund management company and its agents may only accept collateral that satisfies the requirements under Art. 51 CISO-FINMA. The collateral issuer must have a high credit rating and the collateral may not be issued by the counterparty or by any company belonging to or dependent on the corporate group of the counterparty. The collateral must be highly liquid, it must be traded at a transparent price on an exchange or other regulated market open to the public, and it must be subject to valuation at least on each trading day. In managing the collateral, the fund management company and its agents must satisfy the obligations and requirements listed under Art. 52 CISO-FINMA. In particular, they must adequately diversify collateral in terms of countries, markets and issuers, with the adequate diversification of issuers meaning that the collateral held from any one issuer may not exceed 20% of the net asset value. This does not affect exceptions for assets that are publicly guaranteed or issued in accordance with Art. 83 CISO. In addition, in the event of default by the counterparty, the fund management company and its agents must be able to obtain the power and authority of disposal over the furnished collateral at all times and without the counterparty's involvement or consent. The furnished collateral is to be held in safekeeping by the custodian bank. The furnished collateral may be held in safekeeping on behalf of the fund management company by a supervised third-party custodian, provided ownership of the collateral is not transferred and the third-party custodian is independent of the counterparty.
7. Due account must be taken of the derivatives in accordance with the legislation concerning collective investment schemes when complying with statutory and contractual investment restrictions (maximum and minimum limits).

§ 13 Borrowing and lending

1. The fund management company may not grant loans for the account of the sub-funds. Securities lending transactions according to § 10 and repurchase agreements as reverse repos according to § 11 are not deemed to be credit extensions within the meaning of this paragraph.
2. For each sub-fund, the fund management company may temporarily borrow the equivalent of up to 25% of net assets. Repo transactions pursuant to § 11 shall be considered as loans within the meaning of this paragraph, unless the money received as part of an arbitrage transaction is used to acquire securities of the same type, quality, credit rating and maturity in conjunction with the conclusion of a reverse repo.

§ 14 Encumbrance of the sub-funds' assets

1. The fund management company may not pledge or transfer by way of security for any sub-fund more than 50% of its net assets.
The sub-fund assets may not be encumbered with guarantees. An exposure-increasing credit derivative shall not be deemed to be a guarantee within the meaning of this paragraph.

C Investment restrictions

§ 15 Risk diversification

The acquisition of funds of funds is excluded. The risk diversification of the sub-funds is set out in Part II § 15 of the fund contract.

IV Calculation of net asset value and issue and redemption of units

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

1. The net asset value for each sub-fund (sub-funds for which single swing pricing has not been specified in § 17 fund contract Part II) and the valuation net asset value (sub-funds for which single swing pricing has been specified in § 17 fund contract Part II) and the proportion of assets of the individual classes (percentages) are calculated in the accounting currency of the sub-fund in question at the market value as at the end of the financial year and for each day on which units are issued or redeemed. The sub-fund is not calculated on days when the stock exchanges or markets in the sub-fund's main investment countries are closed (such as bank and stock exchange holidays).
However, on days on which no units are issued or redeemed, the fund management company may calculate the net asset value per unit ("non-tradable net asset value"), e.g. if the last calendar day of a month falls on a day specified in prov. 6.2.1 a) of the appendix. Such non-tradable net asset values may be published. However, they may be used only for performance calculations and performance statistics (in particular to compare against the benchmark) or for commission calculations, and must under no circumstances be used as the basis for subscription and redemption orders.
2. Investments listed on a stock exchange or traded on another regulated market open to the public shall be valued at the current prices paid on the main market. Other investments or investments for which no current market price is available shall be valued at the price likely to be obtained if a sale were conducted with proper care at the time of the valuation. In such cases the fund management company shall use appropriate and recognised valuation models and principles to determine the market value.
3. Open-end collective investments shall be valued using their redemption price or net asset value. If they are listed on a stock exchange or regularly traded on another regulated market open to the public, the fund management company may value them pursuant to prov. 2.
4. The value of money market instruments which are not listed on a stock exchange or traded on another regulated market open to the public is calculated as follows:
The value of such investments shall be based on the relevant yield curve. The valuation based on the interest curve comprises an interest rate component and a spread component. The following principles shall be applied: For each money market instrument, the next rates of interest in respect of the residual term shall be interpolated. The calculated interest rate shall then be converted into a market price by

adding a spread that reflects the underlying borrower's credit rating. This spread shall be adjusted in the event of a significant change in the borrower's credit rating.

5. Bank deposits shall be valued using their exposure amount plus accrued interest. In the event of significant changes in market conditions or the credit rating, the valuation basis for bank deposits on demand shall be adjusted in line with the new conditions.

6. This provision applies only to those sub-funds for which single swing pricing has not been specified in § 17 fund contract Part II.:

The net asset value of a unit of a sub-fund class represents the percentage of the unit class concerned in the market value of a sub-fund's assets, less all the liabilities of this sub-fund allocated to the respective unit class, divided by the number of units of the relevant class in circulation. This is rounded to the smallest accounting unit of the corresponding sub-fund.

7. This provision only applies to sub-funds for which single swing pricing has been specified in § 17 fund contract Part II.

If, on any one order day, the sum of subscriptions and redemptions of units in the investment fund result in a net inflow or outflow, the investment fund's valuation net asset value will be increased or reduced accordingly (swinging single pricing). The maximum adjustment level basically amounts to 2% of the valuation net asset value. However, in the event of exceptional circumstances, the fund management company may decide to temporarily apply an adjustment by more than 2% of the prevailing net asset value for every sub-fund and/or valuation day, if it sufficiently substantiates that the adjustment is justified in view of prevailing market conditions and in the best interests of investors. A temporary adjustment will be calculated in accordance with the procedure set out by the fund management company. Existing and new investors will be informed of the sufficiently substantiated decision on the application of this temporary measure and of its expiry by announcement in the umbrella fund's official medium of publication. The supervisory authority and the auditor will also be notified. A modified valuation net asset value covers the incidental costs (bid/ask spread, brokerage fees at standard market rates, commissions, duties, etc.) that accrue to the fund on average from the investment of a net inflow or from the sale of a portion of investments corresponding to the net outflow. The valuation net asset value is adjusted upwards if net movements lead to an increase in the number of units in the investment fund. Conversely, the valuation net asset value is reduced if net movements lead to a decline in the number of units. The valuation net asset value calculated on the basis of swinging single pricing is thus a modified valuation net asset value as set out in the first sentence of this paragraph. Subscriptions and redemptions made the same day that have an evident, direct economic link and that therefore entail no ancillary costs for the purchase and sale of investments are excluded from the application of swinging single pricing.

8. The percentages of the market value of a sub-fund's net assets (sub-fund assets less liabilities) which are to be attributed to each unit class shall be determined for the first time upon the initial issue of multiple unit classes (if they are issued simultaneously) or the initial issue of an additional unit class, on the basis of the inflows to the sub-fund for each unit class. The percentage will be recalculated if one of the following events occurs:

- a) upon the issue and redemption of units;
- b) for the calculation of the net asset value, in the context of the allocation of liabilities (including costs and commissions which are due or have accrued) to the various unit classes, provided the liabilities of the various unit classes vary as percentages of their respective net asset values, namely if (i) different commission rates are applied for the different unit classes or if (ii) class-specific cost charges arise;
- c) for the calculation of net asset value, in terms of the allocation of income or investment income to the various unit classes, provided the income or investment income accrues from transactions which were carried out only in the interest of one unit class or in the interest of several unit classes, but not in proportion to their share of the net assets of a sub-fund.

§ 17 Issue and redemption of units

1. Subscription or redemption orders for units shall be accepted on the order day up to a specific time stipulated in the appendix. The price used for the issue and redemption of units shall be calculated at the earliest on the bank business day (valuation day) following the order day (forward pricing). The appendix sets out the details.

2. The calculation of issue and redemption prices is specified in § 17 fund contract Part II.
For all sub-funds: Should additional costs for actions of the fund management company and custodian bank or third-party costs, such as stamp duties, arise as a result of the deposit and payment in permissible investments instead of in cash (prov. 7), these must be borne by the investor itself.
3. The fund management company can suspend the issue of units at any time and can also reject applications for unit subscriptions or conversions.
4. The fund management company may temporarily and by way of exception suspend the redemption of sub-fund units in the interest of all investors if:
 - a) a market on which the valuation of a significant proportion of the respective sub-fund's assets is based is closed, or if trading on such a market is limited or suspended;
 - b) a political, economic, military, monetary or other emergency occurs;
 - c) owing to exchange controls or restrictions on other asset transfers, the sub-fund is no longer able to transact its business;
 - d) large-scale unit redemptions take place that could significantly jeopardize the interests of the remaining investors in this sub-fund.
5. The fund management company shall immediately apprise the independent auditors and the supervisory authority of any decision to suspend redemptions. It shall also notify the investors in an appropriate manner.
6. No units of a sub-fund shall be issued as long as the redemption of this sub-fund's units is suspended for the reasons stipulated under prov. 4 a to c.
7. Each investor may request that, in the event of a subscription, he/she be permitted to make a contribution in kind instead of a cash payment or that, in the event of a termination, he/she receives a redemption in kind instead of a cash payment. Such request must be submitted at the time of subscription or notice of termination. The fund management company is not obliged to permit contributions and redemptions in kind.
The decision on contributions and redemptions in kind lies with the fund management company alone, and it approves such transactions only if the execution of the transactions is fully in accordance with the investment policy of the investment fund and if the interests of the other investors are not impaired. The costs entailed in connection with contributions or redemptions in kind may not be charged to the fund assets.
In the event of contributions or redemptions in kind, the fund management company draws up a report containing information on the individual assets that have been transferred, the market price of these assets on the transfer date, the number of units issued or redeemed in return, and any cash compensation. For every contribution or redemption in kind, the custodian bank verifies that the fund management company has complied with its duty of loyalty, and also checks the valuation of the assets transferred and the units issued or redeemed as of the relevant date. Should it have any reservations or complaints, the custodian bank must report these to the audit firm without delay.
Contribution and redemption in kind transactions must be detailed in the annual report.

8. Gating:

The following information applies to the sub-funds set out below:

UBS (CH) Institutional Fund 3 - Bonds CHF Domestic Government Index NSL
 UBS (CH) Institutional Fund 3 - Bonds CHF Short Term NSL
 UBS (CH) Institutional Fund 3 - Bonds USD Emerging Markets Aggregate ESG Index Hedged NSL
 UBS (CH) Institutional Fund 3 - Bonds USD Emerging Markets Government Index Hedged NSL
 UBS (CH) Institutional Fund 3 - Bond CHF Domestic Exposure
 UBS (CH) Institutional Fund 3 - Real Estate Switzerland Funds Index NSL
 UBS (CH) Institutional Fund 3 - Global Aggregate Bonds ESG Passive (CHF hedged) II

In exceptional circumstances, such as if the investments in the fund assets are insufficiently liquid or insufficient funds can be redeemed from target funds to adequately service redemptions, the fund management company reserves the right to reduce all redemption requests (gating) in the interests of the investors remaining in the sub-fund on days on which the total net amount of redemptions (not taking into account in-kind contributions or deliveries) exceeds **10% of the fund assets or 50 Mio. in the**

sub-fund's unit of account (or 15 million Swiss francs in the case of the Swiss Real Estate Securities Selection Passive II sub-fund) **or one of the target funds introduces gating** or does not fulfil redemptions on time or at all for other reasons.

In such circumstances, the fund management company may decide to reduce **redemption applications proportionally and in the same proportion** at its own discretion. The remaining part of the redemption orders shall be deemed to have been received for the next valuation day and settled at the terms applicable on that day. This means there is no preferential treatment of deferred redemption requests. The fund management company will immediately inform the audit firm and the supervisory authority of any decision to apply or waive gating. It must also inform the investors in a suitable manner.

Risk warning in connection with gating:

The financial markets in which the fund assets are invested can become temporarily illiquid. This means that, depending on the volume, the fund investments cannot be sold at the expected prices at all times or that target fund investments no longer fulfil their redemptions or not on time. Under such circumstances, it may not be possible or in the interests of investors to sell or redeem fund investments. Such market conditions may lead to liquidity bottlenecks for the sub-fund. Consequently, the fund management company may postpone the redemption of units in accordance with § 17 prov. 4, reduce redemptions on a proportional basis (gating) or place the sub-fund in liquidation. This may lead to a long delay in the redemption of units and the payment of redemption or liquidation proceeds. Fund investment illiquidity may also lead to impairments or deviations with regard to achieving the investment objectives or implementing the investment strategy (e.g. replicating an index). In exceptional circumstances, such as insufficient liquidity in the market underlying the benchmark, the fund management company reserves the right for the sub-fund - Swiss Real Estate Securities Selection Passive II, in the interests of the investors remaining in the investment fund, to reduce all redemption orders (gating) on days on which the total net amount of redemptions (excluding deliveries in kind) exceeds 15 million Swiss francs. Under these circumstances, the fund management company may decide to reduce all redemption orders proportionally and at the same ratio at its own discretion. The remaining part of the redemption orders shall be considered as received for the next valuation day and shall be settled at the conditions applicable on that day. Thus, there is no preferential treatment of deferred redemption orders. The fund management company will immediately inform the audit firm and the supervisory authority of any decision to apply or waive gating. It must also inform the investors in a suitable manner.

V. Remuneration and incidental costs

§ 18 Remuneration and incidental costs charged to investors

1. Upon the issue of units, investors may be charged an issuing commission accruing to the fund management company, the custodian bank and/or distributors in Switzerland and abroad, which in total shall not exceed 3% of the net asset value. The effective rate is stated in the appendix.
2. When units are redeemed, investors may be charged a redemption commission accruing to the fund management company, the custodian bank and/or distributors in Switzerland or abroad, which in total shall not exceed 3% of the net asset value. The effective rate is stated in the appendix.
3. When units are issued or redeemed, the fund management company shall also charge, in favour of the assets of the corresponding sub-fund, the average incidental costs incurred by the sub-fund when investing the amount paid in or selling a portion of the fund's investments that correspond to the redeemed units (cf. § 17 fund contract Part II). The applicable maximum rate is stated in the appendix.

§ 19 Remuneration and incidental costs charged to sub-fund assets

1. For the activities described in § 6 prov. 4, the fund management company shall charge the sub-funds a flat fee or commission in accordance with the following list of the net assets of the sub-funds, which shall be charged pro rata temporis to the assets of the corresponding sub-fund each time the net asset value is calculated and paid out monthly (flat fee or commission).
 - a) Unit classes "I-A-acc", "I-A2-acc", "I-A3-acc" and "I-W-acc"
There is a commission of a maximum of 1.300% p.a. for these unit classes.

- b) Unit class "I-B-acc"
There is a commission for fund administration of a maximum of 0.200% p.a. for this unit class. In addition, the costs for asset management and distribution to be borne by the investor (maximum 1.3% of the net asset value) are covered by an individually negotiated, written agreement between UBS and the investor.
- c) Unit class "I-X-acc" and "I-W-acc" 0.000% p.a.
Costs to be borne by the investor arising in connection with the services provided for class "I-X-acc" units are covered by an individually negotiated, written agreement between UBS and the investor (maximum 1.3% of the net asset value – cf. § 6 prov. 4)
- d) Unit class "U-X-acc" 0.000% p.a.
Costs to be borne by the investor arising in connection with the services provided for class "U-X-acc" units are covered by an individually negotiated, written agreement between UBS and the investor (maximum 1.3% of the net asset value – cf. § 6 prov. 4).
- e) Unit class "Q-acc"
There is a commission of a maximum of 1.3% for this unit class

Provided the existing unit classes are also available in a Swiss franc hedged variant, designated with (CHF hedged), the same maximum commission shall also apply for these pursuant to § 19 prov. 1 (a) to (i).

The fund management company informs unitholders of the commission rates actually charged to the unit classes in the appendix to the fund contract.

2. The flat fee or commission does not include the following remuneration and incidental costs of the fund management company and the custodian bank, which are charged separately to the fund assets:
 - a. Costs relating to the purchase and sale of investments including hedging transactions, specifically brokerage fees at standard market rates, commissions, settlement and processing charges, bank fees, taxes and duties, and costs for reviewing and maintaining the quality standards of physical investments). These costs shall be directly offset against the cost or selling price of the respective investments, with the exception of incidental costs incurred in connection with the purchase/sale of investments during unit issuing and redemption, which are covered by the application of swinging single pricing as set out in § 16 prov. 7.
§ 17 fund contract Part II also applies;
 - b. Supervisory authority fees for the foundation, amendment, liquidation, consolidation or merger of the umbrella fund and/or the respective sub-funds;
 - c. Annual fee paid to the supervisory authority;
 - d. Fees paid to external auditors for audits and for certificates in connection with the foundation, amendment, liquidation, consolidation or merger of the umbrella fund or the respective sub-funds;
 - e. Fees paid to legal and tax advisors in connection with the foundation, amendment, liquidation, consolidation or merger of the investment fund or the respective sub-funds and for the general representation of the interests of the umbrella fund or the respective sub-funds and its investors;
 - f. Costs of printing and translating legal documents as well as the annual reports of the umbrella fund and the relevant sub-funds;
 - g. Costs of publishing the net asset value of the respective sub-funds and all costs associated with notifications to the investors where such costs were not necessitated by misconduct on the part of the fund management company, including translation costs;
 - h. Costs of registering the umbrella fund and/or the respective sub-funds with a foreign supervisory authority, specifically commissions charged by the foreign supervisory authority, translation costs and remuneration paid to the foreign representative or paying agent;
 - i. Costs in connection with the exercising of voting and creditors' rights by the umbrella fund and/or the respective sub-fund, including fees for external advisors;
 - j. Costs and fees associated with intellectual property registered in the name of the umbrella fund and/or the respective sub-funds or with rights of use of the fund;
 - k. All costs incurred in connection with any exceptional measures which are undertaken by the fund management company, the asset manager of the collective investments or the custodian bank in the interests of the Investor.

- l. Costs of registering or extending the legal entity identifier in the case of domestic and foreign registration authorities;
 - m. Costs and charges for purchasing and using data and data licences, provided they can be attributed to the fund and do not constitute research costs;
 - n. Costs and charges for using and checking independent labels.
3. The costs according to prov. 2 a) are directly added to the cost value or deducted from the sales value.
 4. The fund management company and its agents may, in accordance with the provisions of the appendix, pay retrocessions as remuneration for distribution activity in respect of fund units, and offer rebates to reduce the fees or costs incurred by the investor and charged to the umbrella fund and the sub-funds, or may determine the fees by way of individual agreements with the investor.
 5. Taking any and all retrocessions and rebates into account, the management fee of the target funds in which investments are made may not exceed 3%. The annual report shall indicate the maximum rate for the management fee of the target funds invested in, factoring in any retrocessions and rebates for each sub-fund.
 6. If the fund management company acquires units in other collective investment schemes that are managed directly or indirectly by the fund management company itself or a company to which it is related by virtue of common management or control or by a significant direct or indirect interest (related target funds), it may not charge any issuing or redemption commissions of the related target funds to the sub-funds.
 7. Remuneration may only be charged to the sub-fund which receives a specific benefit. Costs which cannot be unequivocally attributed to a particular sub-fund are charged to each individual sub-fund in proportion to its share of fund assets.

VI Financial statements and audits

§ 20 Financial statements

1. The accounting currencies of the individual sub-funds are set out in the relevant Articles 20 in Part II.
2. The financial year shall run from 1 April to 31 March.
3. The fund management company shall publish an audited annual report for the umbrella fund and the sub-funds within four months of the close of the financial year.
4. The foregoing does not affect the investor's right to information as specified under § 5 prov. 5.

§ 21 Audit

The external auditors shall examine whether the fund management company and the custodian bank have acted in compliance with the statutory and contractual provisions as well as any applicable code of professional ethics of the Asset Management Association. The annual report shall contain a short report by the external auditors on the published annual financial statements.

VII Appropriation of net income

§ 22

1. The net income of the sub-funds for each unit class shall be added annually to the assets of the relevant unit class of the corresponding sub-fund for reinvestment. The fund management company may also decide to make interim reinvestments of the sub-fund's income for each unit class. This is subject to any taxes and duties that may be levied on the reinvestment of these funds.
2. Capital gains realised on the sale of assets and rights can be distributed by the fund management company or retained for the purpose of reinvestment.
3. A distribution or 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 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.

VIII Publications of the umbrella fund and the sub-funds

§ 23

1. The umbrella fund and sub-funds' official publication shall be the print or electronic medium mentioned in the appendix. Any change in the official publication is to be specified in the official publication.
2. The official publication for the fund shall in particular include notices regarding any material amendments to the fund contract in summary form, indicating the locations where the full wording of such amendments may be obtained free of charge, any change of fund management company and/or custodian bank, the creation, liquidation or merger of unit classes and the dissolution of individual sub-funds. Any amendments required by law which do not affect the interests of investors or only concern matters of form may be exempted from the duty of disclosure subject to the approval of the supervisory authority.
3. Investors will receive information on the net asset value of the individual sub-funds (sub-funds for which single swing pricing has not been specified in § 17 fund contract Part II) and modified valuation net asset value of the individual sub-funds (sub-funds for which single swing pricing has been specified in § 17 fund contract Part II) and on the value per fund unit from the fund management company by letter, fax, electronic media, direct custody account access, email, etc. as agreed individually.
4. The fund contract with appendix as well as the respective annual reports may be obtained free of charge from the fund management company, custodian bank and all distributors.

IX Restructuring and dissolution

§ 24 Merger

1. Subject to the agreement of the custodian bank, the fund management company can merge individual sub-funds with other sub-funds or with other investment funds by transferring the assets and liabilities of the sub-fund(s) or investment fund(s) being acquired to the acquiring sub-fund or investment fund. The investors in the sub-fund or investment fund being acquired receive the corresponding number of units in the acquiring sub-fund or investment fund. The sub-fund or investment fund being acquired is terminated without liquidation when the merger takes place, and the fund contract of the acquiring sub-fund or investment fund also applies to the sub-fund or investment fund being acquired.
2. Sub-funds or investment funds may be only merged provided that:
 - a) the applicable fund contracts provide for such merger;
 - b) they are managed by the same fund management company;
 - c) the following provisions of the applicable fund contracts are essentially identical with regard to:
 - the investment policy, investment techniques, risk diversification, and the risks associated with the investment,
 - appropriation of net income and capital gains from the sale of assets and rights;
 - the type, amount and calculation of any remuneration, issuing and redemption commission as well as incidental costs relating to the purchase and sale of investments (brokerage fees, charges, duties) which may be charged to the fund's or the relevant sub-fund's assets or to the investors;
 - the conditions of redemption,
 - the duration of the contract and conditions for its dissolution;
 - d) the valuation of the affected sub-funds' or investment funds' assets, the calculation of the exchange ratio and the transfer of assets and liabilities take place on the same day;
 - e) no costs are incurred by the sub-funds or the investment funds or the investors, subject to the provisions pursuant to § 19 prov. 2 b), d) and e).

3. If it is anticipated that the merger will take more than one day, the supervisory authority may authorise a temporary suspension of unit redemptions for the sub-funds or investment funds concerned
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 detailed information on the reasons for the merger, the investment policies of the sub-funds or investment funds involved and any differences between the acquiring sub-fund or investment fund and the sub-fund or investment fund being acquired, the calculation of the exchange ratio, any differences with regard to remuneration, any tax implications for the sub-funds or investment funds and a statement from the competent statutory external auditors under the applicable collective investment legislation.
5. The fund management company publishes notice of proposed changes to the fund contract in accordance with § 23, prov. 2, and the proposed merger and schedule together with the merger plan at least two months before the planned date of merger in the official publication of the sub-funds or investment fund in question. Such notice shall advise the investor that it may lodge an objection to the proposed amendments to the fund contract with the supervisory authority within 30 days after the last publication, or request redemption of its units in cash or submit a request for redemption in kind in accordance with § 17 prov. 7.
6. The external auditors must check immediately that the merger is being carried out correctly, and shall submit a report containing their comments in this regard to the fund management company and the supervisory authority.
7. The fund management company shall notify the supervisory authority that the merger has been completed and publish a notice to this effect, together with a statement from the external auditors confirming that the merger was executed correctly and the exchange ratio without delay in the official publication of the sub-funds or investment funds concerned.
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 its semi-annual report if published prior to the annual report. Unless the merger falls on the final day of the normal financial year, an audited closing statement must be produced for the sub-fund or investment fund being acquired.

§ 25 Conversion into another legal form

1. The fund management company may, with the consent of the custodian bank, 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 management company must submit to FINMA for review the planned amendments to the fund contract and the planned conversion, together with the conversion plan, 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 investment 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 umbrella fund.
 5. The fund management company will publish any amendments to the fund contract pursuant to § 23.2 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 audit firm of the investment fund or the SICAV (if different) will 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 Life of the sub-funds and dissolution

1. The sub-funds have been established for an indefinite period.
2. The fund management company or custodian bank may dissolve the individual sub-funds by terminating the fund contract without notice.

The following applies to the sub-fund **"UBS (CH) Institutional Fund 3 – Global Aggregate Bonds ESG Passive (CHF hedged) II"**:

This sub-fund serves as a target fund for the sub-funds "PF Pension - ESG 25 Fund" and "PF Pension – ESG 50 Fund" (funds of funds).

The "PF Pension - ESG 25 Fund" fund of funds may, in accordance with its risk diversification provisions, acquire up to 45% of the units of this target fund.

The "PF Pension - ESG 50 Fund" fund of funds may, in accordance with its risk diversification provisions, acquire up to 49% of the units of this target fund.

If an application is made by a fund of funds to redeem a large proportion of the units in relation to the assets of the target fund, the fund management company is obligated to verify whether this redemption can be handled without any disadvantage for the remaining investors. The fund management company will not permit the redemption by the fund of funds until this verification is complete. If the redemption cannot be carried out without any detrimental impact, it will not be approved. The redemption by the target fund will be suspended immediately and the affected target fund will be dissolved without notice. The redemption will then be paid to the fund of funds as part of the dissolution process.

3. The individual sub-funds may be dissolved by order of the supervisory authority, for example if a sub-fund does not have assets of at least five million Swiss francs (or the equivalent) no later than one year

- after the expiry of the subscription period (launch), or a longer period specified by the supervisory authority at the request of the custodian bank and the fund management company.
4. The fund management company shall notify the supervisory authority of such dissolution immediately and publish a notice to this effect in the official publication.
 5. Upon termination of the fund contract, the fund management company may liquidate the affected sub-funds forthwith. If the supervisory authority has ordered the dissolution of a sub-fund, it must be liquidated immediately. The custodian bank shall be responsible for paying the liquidation proceeds to the investors. If the liquidation proceedings are protracted, payment may be made in instalments. Prior to the final payment, the fund management company must obtain authorisation from the supervisory authority.

X. Amendment to the fund contract

§ 27

If any amendments are to be made to this fund contract, or if the merger of unit classes or a change of fund management company or custodian bank are proposed, investors may lodge objections with the supervisory authority within 30 days of the most recent notice published. In the official publication, the fund management company shall notify investors of any changes to the fund contract to be reviewed by FINMA for legal compliance. In the event of any amendment to the fund contract (including merger of unit classes), investors may also request redemption of their units in cash subject to the period stipulated in this contract. The foregoing is subject to the cases as specified under § 23 prov. 2 which are exempted from the duty of disclosure subject to the approval of the supervisory authorities.

XI Applicable law and place of jurisdiction

§ 28

1. The umbrella fund and the individual sub-funds shall be governed by Swiss law and in particular the Swiss Collective Investment Schemes Act of 23 June 2006, the Swiss Collective Investment Schemes Ordinance of 22 November 2006 and the Collective Investment Schemes Ordinance issued by FINMA on 27 August 2014.
The place of jurisdiction shall be the domicile of the fund management company.
2. The German version shall be binding for the interpretation of the fund contract.
3. This fund contract comes into effect on 25 November 2024.
4. This fund contract replaces the fund contract dated 20 June 2024.
5. When approving the fund contract, FINMA exclusively checks for compliance with the provisions of Art. 35a (1) a-g CISO and establishes its legal conformity.

Fund contract Part II: Special Section

Part II consists solely of clarifications of § 8, § 12, § 15, § 17 and § 20 of Part I of this fund contract for the individual sub-funds.

A UBS (CH) Institutional Fund 3 - Real Estate Switzerland Funds Index NSL

§ 8A Investment policy

2. The investment objective of this sub-fund is principally to achieve long-term performance in line with the performance of the main market indices for Swiss real estate investment funds and investments in Swiss securities issued by companies whose main activity is owning, buying, selling and development of real estate, over a full market cycle. In managing the assets of the sub-fund, the fund management company shall be guided by a representative reference index (benchmark) for Swiss real estate investment funds and investments in Swiss securities issued by companies whose main activity is the ownership, purchase, sale and development of real estate, and which is listed in prov. 6 of this appendix. The sub-fund does not qualify as sustainable and is not managed sustainably. No sustainability risks are taken into consideration in the index selection. Therefore, due to the nature of the investment objective of the sub-fund, sustainability risks are not integrated systematically and the portfolio manager aims to replicate the benchmark in compliance with the limits set out in the investment policy of the respective sub-fund.
3. a) The fund management company invests at least 80% of the assets after deducting liquid assets in:
 - aa) equity securities of Swiss companies whose main activity is in the buying, selling, acquisition, development, use and management of properties and real estate, or companies which own or manage holdings in properties and real estate for the purpose of securing income or capital gains. These include listed, closed-end real estate investment funds such as real estate investment trusts (REITs) as well as other similar real estate management companies.
 - ab) units of other collective investments featured in the benchmark as well as those not featured in the benchmark but where there is a strong likelihood, based on their performance, of them being included in the benchmark the next time it is amended;
 - ac) derivatives (including warrants) on the investments mentioned above;
 - ad) structured products such as certificates from issuers worldwide on the investments set out above.

For investments in other collective investments pursuant to (ab) above and in structured products pursuant to (ad) above, the fund management company ensures that on a consolidated basis at least 80% of the sub-fund assets are invested in the investments noted under (aa) above.

- b) The fund management company may also invest up to 20% 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 set out in prov. 3 aa);
 - bonds, convertible bonds, convertible notes, warrant issues and notes denominated in Swiss francs (CHF) as well as other fixed-income or floating-rate debt paper and rights issued by domestic and foreign issuers;
 - money market instruments denominated in Swiss francs (CHF), issued by domestic and foreign borrowers;
 - derivatives (including warrants) on the investments mentioned above;
 - units in other collective investments in accordance with § 8 prov. 1 (c) to (e) that do not meet the requirements as stated in prov. 3 (ab);
 - bank deposits.
- c) In addition, the fund management company must comply with the investment restrictions below, which relate to the fund assets following the deduction of liquid assets:
 - no more than 25% in convertible bonds, convertible notes and warrant issues;

- no more than 100% in total in other collective investments.
 - Securities Lending: This sub-fund may not engage in securities lending.
 - In accordance with the above provisions, the fund management company may invest a substantial portion of the sub-fund's assets in real estate funds. These real estate funds are typically listed on the stock exchange and their units are traded daily at market prices. Market conditions may lead to a situation in which the units of the real estate funds trade at a high discount. Under such circumstances, it may not be in the interest of investors to have the units of the real estate funds sold on the stock exchange, but rather have them redeemed via the primary market, in which case notice periods of up to one year would have to be observed. Such market conditions may lead to liquidity bottlenecks for the sub-fund. As a result, the fund management company may not be able to service redemptions.
4. The fund management company ensures liquidity is managed appropriately. Detailed information is provided in the appendix.

§12A Derivatives

The sub-fund uses commitment approach II.

§15A Risk diversification

1. The regulations on risk diversification in accordance with § 15 shall include:
 - a) investments in accordance with § 8, with the exception of index-based derivatives, as long as the index is sufficiently diversified and is representative for the market which it refers to and has been adequately disclosed;
 - b) liquid assets in accordance with § 9;
 - c) claims against counterparties from OTC transactions.
2. Companies which form a group based on international accounting standards (IFRS) are deemed as an individual issuer.
3. The fund management company may, including derivatives and structured products, invest no more than 10% of a sub-fund's assets in securities or money market instruments issued by one and the same issuer. The total value of the securities and money market instruments of issuers in whose instruments more than 5% of a sub-fund's assets are invested may not exceed 40% of that sub-fund's assets, subject to prov. 4 and 5.
4. The fund management company may not invest more than 20% of a sub-fund's assets in sight or time deposits at one and 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 no more than 5% of the assets of a sub-fund in OTC transactions with the same counterparty. If the counterparty is a bank which has its registered office in Switzerland or in a member state of the European Union or in another country in which it is subject to supervision equivalent to that in Switzerland, this limit shall be increased to 10% of the assets of the relevant sub-fund.
If the claims arising from OTC transactions are hedged using collateral in the form of liquid assets in accordance with Art. 50 to 55 CISO-FINMA, such claims are not included in the calculation of counterparty risk.
6. Investments, deposits and claims pursuant to prov. 3 to 5 of the same issuer or borrower may not in total exceed 20% of a sub-fund's assets,
7. Investments according to prov. 3 above from the same group of companies may in total not exceed 20% of a sub-fund's assets.
8. The fund management company may invest up to 30% of a sub-fund's assets in units of the same target fund.
9. The fund management company may not acquire participation rights which represent more than 10% of the voting rights in total or which allow it to exercise a significant influence on the management of an issuer, subject to any exemptions granted by the supervisory authority.
10. The fund management company may not acquire for a sub-fund's assets more than 10% of the non-voting equity, debt and/or money market instruments of a single issuer or more than 25% of the units of other collective investments.

These restrictions do not apply if at the time of acquisition the gross amount of debt instruments, money market instruments or the units of other collective investments cannot be calculated.

§ 17A Issue and redemption of units

The issue and redemption prices of units shall be based on the net asset value per unit as defined in § 16 calculated on the valuation day in conjunction with the closing prices of the previous day. When units are issued, an issuing commission may be added to the net asset value pursuant to § 18. When units are redeemed, a redemption commission may be deducted from the net asset value pursuant to § 18.

When units are issued, incidental costs (i.e. brokerage commissions in line with the market, other commissions, taxes, and duties) incurred on average by the respective sub-fund in connection with the investment of the amount paid in are added to the net asset value. With unit redemptions, incidental costs incurred on average by the respective sub-fund in connection with the sale of a portion of investments corresponding to the units redeemed are deducted from the net asset value. The applicable maximum rate is stated in the appendix. However, in the event of exceptional circumstances, the fund management company may decide to temporarily apply an adjustment by more than the maximum rate stated in the appendix for every sub-fund and/or valuation day, if it sufficiently substantiates that the adjustment is justified in view of prevailing market conditions and in the best interests of investors. A temporary adjustment will be calculated in accordance with the procedure set out by the fund management company. Existing and new investors will be informed of the sufficiently substantiated decision on the application of this temporary measure and of its expiry by announcement in the umbrella fund's official medium of publication. The supervisory authority will also be notified. No ancillary costs are charged for subscriptions and redemptions made the same day that have an evident, direct economic link and that therefore entail no ancillary costs for the purchase and sale of investments.

§ 20A Financial statements

The accounting currency of the sub-fund is the CHF.

B. UBS (CH) Institutional Fund 3 - Bonds CHF Exposure

§ 8B Investment policy

2. The investment objective of this sub-fund is principally to achieve a better risk-adjusted return than the representative reference index (benchmark) for Swiss franc (CHF) denominated bonds over a full market cycle, taking into account the risks of investments in Swiss franc (CHF) denominated bonds. The benchmark is listed in prov. 6.1 of this appendix.
3. The sub-fund does not qualify as sustainable and is not managed sustainably. UBS Asset Management classifies this sub-fund as ESG integration funds. The ESG integration approach is applied (**ESG integration**). However, there is no specific sustainability or impact goal. The asset manager can, taking account of all risks and opportunities and with corresponding justification and documentation, invest in securities that have an increased ESG risk.
4. a) The fund management company invests at least 80% of the assets after deducting liquid assets in:
 - aa) bonds and notes denominated in Swiss francs, as well as other fixed-income or floating-rate debt paper and rights issued by private borrowers and borrowers under public law worldwide.
 - ab) units of other collective investments that according to their documentation invest their assets in accordance with the guidelines of this sub-fund or parts thereof.
 - ac) derivatives (including warrants) on the investments mentioned above;
 - ad) structured products denominated in Swiss francs (CHF) such as certificates from issuers worldwide on the above investments.
 - ae) money market instruments denominated in Swiss francs, issued by domestic and foreign borrowers;
 - af) forwards, futures and swaps, where the receiving leg reflects the yield curve in the CHF bond market and the paying leg reflects a Swiss franc money market rate. The timing of the rollover

for the derivative financial instruments used may be structured flexibly. Whereas with exchange-traded instruments counterparty risk is concentrated solely on the respective clearing body, with non-standardised instruments (OTC transactions) the risk is that the counterparty does not fulfil its contractual obligations and payments are defaulted.

For investments in other collective investments pursuant to (ab) above and in structured products pursuant to (ad) above, the fund management company ensures that on a consolidated basis at least 80% of the sub-fund assets are invested in the investments noted under (aa) above.

- b) The fund management company may also invest up to 20% of the sub-fund's assets, after deducting liquid assets, in:
- debt paper and rights issued by domestic and foreign issuers which do not meet the requirements as stated in prov. 4 (aa);
 - convertible bonds, convertible notes and warrant issues denominated in freely convertible currencies worldwide;
 - equities and other equity paper and rights issued by companies worldwide;
 - derivatives (including warrants) on the investments mentioned above;
 - units in other collective investments that do not meet the requirements as stated in prov. 4 ab) above.
- c) In addition, the fund management company must comply with the investment restrictions below, which relate to the fund assets following the deduction of liquid assets:
- no more than 100% in total in other collective investments.
5. The fund management company ensures liquidity is managed appropriately. Detailed information is provided in the appendix.

§ 12B Derivatives

The sub-fund uses commitment approach II.

§ 15B Risk diversification

1. The regulations on risk diversification in accordance with § 15 shall include:
 - a) investments within the meaning of § 8 with the exception of index-based derivatives as long as the index is sufficiently diversified, representative of the market which it covers and published in an appropriate manner;
 - b) liquid assets within the meaning of § 9;
 - c) claims against counterparties from OTC transactions.
2. Companies which form a group based on international accounting standards (IFRS) are deemed as an individual issuer.
3. The fund management company may, including derivatives and structured products, invest no more than 10% of a sub-fund's assets in securities or money market instruments issued by one and the same issuer. The total value of the securities and money market instruments of issuers in whose instruments more than 5% of a sub-fund's assets are invested may not exceed 40% of that sub-fund's assets, subject to prov. 4 and 5.
4. The fund management company may not invest more than 30% of a sub-fund's assets in sight or time deposits at one and 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 no more than 15% of the assets of a sub-fund in OTC transactions with the same counterparty. If the counterparty is a bank which has its registered office in Switzerland or in a member state of the European Union or in another country in which it is subject to supervision equivalent to that in Switzerland, this limit shall be increased to 30% of the assets of the relevant sub-fund. If the claims arising from OTC transactions are hedged using collateral in the form of liquid assets in accordance with the relevant provision of the Swiss Liquidity Ordinance, such claims are not included in the calculation of counterparty risk.
6. Investments, deposits and claims pursuant to prov. 3 to 5 of the same issuer or borrower may not in total exceed 40% of a sub-fund's assets, subject to the higher limits pursuant to prov. 12 and 13 below.

7. Investments according to prov. 3 above from the same group of companies may in total not exceed 20% of a sub-fund's assets, subject to the higher limits pursuant to prov. 12 and 13 below.
8. The fund management company may invest up to 100% of a sub-fund's assets in units of the same target fund. Target funds in which more than 49% of the assets of a sub-fund are invested may not result in an accumulation of fees for investors and must make full transparency possible for the fund management company in respect of investments and fees (X tranche method).
9. The fund management company may not acquire participation rights which represent more than 10% of the voting rights in total or which allow it to exercise a significant influence on the management of an issuer, subject to any exemptions granted by the supervisory authority.
10. The fund management company may not acquire for a sub-fund's assets more than 10% of the non-voting equity, debt and/or money market instruments of a single issuer or more than 25% of the units of other collective investments.
11. These restrictions do not apply if at the time of acquisition the gross amount of debt instruments, money market instruments or the units of other collective investments cannot be calculated.
12. The limits stipulated in prov. 9 and 10 above do not apply if the securities and money market instruments are issued or guaranteed by a state or a public sector entity from the OECD or by international organisations with public-law character to which Switzerland or a member state of the European Union belongs.
13. The limit of 10% stipulated in prov. 3 shall rise to 35% per issuer if the securities or money market instruments are issued or guaranteed by an OECD state, a public-law institution within the OECD or international organisations with public-law character to which Switzerland or a member state of the European Union belongs. The limit of 60% as stipulated in prov. 3 does not apply to the aforementioned securities or money market instruments. The individual limits of prov. 3 and 5 may, however, not be accumulated with this limit of 35%.
The limit of 10% stipulated in prov. 3 shall rise to 35% per issuer if the securities are issued or guaranteed by Pfandbriefbank schweizerischer Hypothekarinstitute AG (Mortgage Bond Bank of the Swiss Mortgage Institutions) or Pfandbriefzentrale der schweizerischen Kantonalbanken AG (Mortgage Bond Centre of the Swiss Cantonal Banks). Up to 30% of the assets of the sub-fund may be invested in instruments of a single issue. The limit of 40% as stipulated in prov. 3 shall not apply to the aforementioned securities. The individual limits of prov. 3 and 5 may, however, not be accumulated with this limit of 35%.
14. The limit of 10% stipulated in prov. 3 shall rise to 100% per issuer if the securities or money market instruments are issued or guaranteed by an OECD state, or by a public-law institution within the OECD or by international organisations with public-law character to which Switzerland or a member state of the European Union belongs. In this case, the sub-fund must hold securities or money market instruments consisting of at least six different issues, and no more than 30% of the relevant sub-fund's assets may be invested in securities or money market instruments of the same issue. The limit of 40% as stipulated in prov. 3 does not apply to the aforementioned securities or money market instruments.
15. The above list of authorised issuers/guarantors is exhaustive. 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).

§ 17B Incidental costs

The issue and redemption prices of units shall be based on the net asset value per unit as defined in § 16 calculated on the valuation day in conjunction with the closing prices of the previous day. When units are issued, an issuing commission may be added to the net asset value pursuant to § 18. When units are redeemed, a redemption commission may be deducted from the net asset value pursuant to § 18.

Incidental costs relating to the purchase and sale of investments (in particular, brokerage fees at standard market rates, commissions, taxes and duties) and incurred by the investment fund in connection with the investment of the amount paid in or with a sale of the redeemed portion of the assets corresponding to the units redeemed will be covered by the application of swinging single pricing as outlined in § 16 prov. 7 of the fund contract. Subscriptions and redemptions made the same day that have an evident, direct economic

link and that therefore entail no ancillary costs for the purchase and sale of investments are excluded from the application of swinging single pricing.

§ 20B Financial statements

The accounting currency of the sub-fund is the CHF.

C. UBS (CH) Institutional Fund 3 - Commodities Constant Maturity Hedged NSL

§ 8C Investment policy

2. The investment objective of the sub-fund is mainly to provide broadly diversified exposure to the commodity markets and to achieve long-term performance derived from the performance of the index mentioned in the appendix. No assurance can be given that the investment objective will be achieved. The sub-fund does not qualify as sustainable and is not managed sustainably. No sustainability risks are taken into consideration in the index selection. Therefore, due to the nature of the investment objective of the sub-fund, sustainability risks are not integrated systematically and the portfolio manager aims to replicate the benchmark in compliance with the limits set out in the investment policy of the respective sub-fund.
3.
 - a) The fund management company invests at least 80% of the assets after deducting liquid assets in:
 - aa) swaps, forwards and futures positions (long) on the commodities index specified in the appendix which are denominated in Swiss francs (CHF) or are hedged against Swiss francs (CHF) (with daily adjustment of the OTC/futures contract);
 - ab) These commitments may be permanently backed by cash/cash equivalents denominated in Swiss francs (CHF).
 - b) The fund management company may also invest up to 20% of the sub-fund's assets, after deducting liquid assets, in:
 - ba) bonds and notes denominated in freely convertible currencies and notes, as well as other fixed-income or floating-rate debt paper and rights issued by private borrowers and borrowers under public law;
 - bb) money market instruments denominated in freely convertible currencies, issued by domestic and foreign borrowers;
 - bc) derivatives (including warrants) on the investments mentioned above;
 - bd) units in other collective investments as defined under § 8 prov. 1 c) and d);
 - be) 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:
 - The average credit rating of these investments as defined under § 8 prov. 2 ba) and bb) is A- (according to the rating agency Standard & Poor's) or an equivalent rating from another recognised rating agency.
 - The sub-fund's assets may not be invested in equity paper or rights, or in convertible bonds or warrant issues.
 - The sub-fund may not invest directly in commodities (spot market) or contracts on commodities.
 - 49% in total in other collective investments.
 - Securities Lending: This sub-fund may not engage in securities lending.
4. The fund management company ensures liquidity is managed appropriately. Detailed information is provided in the appendix.

§ 12C Derivatives

The sub-fund uses commitment approach II.

§ 15C Risk diversification

1. The regulations on risk diversification in accordance with § 15 shall include:
 - a) investments in accordance with § 8, with the exception of index-based derivatives, as long as the index is sufficiently diversified and is representative for the market which it refers to and has been adequately disclosed;
 - b) liquid assets in accordance with § 9;
 - c) claims against counterparties from OTC transactions.
2. Companies which form a group based on international accounting standards (IFRS) are deemed as an individual issuer.
3. The fund management company may, including derivatives and structured products, invest no more than 10% of a sub-fund's assets in securities or money market instruments issued by one and the same issuer. The total value of the securities and money market instruments of issuers in whose instruments more than 5% of a sub-fund's assets are invested may not exceed 40% of that sub-fund's assets, subject to prov. 4 and 5.
4. The fund management company may not invest more than 20% of a sub-fund's assets in sight or time deposits at one and the same bank. This limit includes both cash and cash equivalents as defined in § 9 as well as the investments in bank balances according to § 8. 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 no more than 5% of the assets of a sub-fund in OTC transactions with the same counterparty. If the counterparty is a bank which has its registered office in Switzerland or in a member state of the European Union or in another country in which it is subject to supervision equivalent to that in Switzerland, this limit shall be increased to 15% of the assets of the relevant sub-fund. Where claims from OTC transactions are hedged by collateral in the form of liquid assets in accordance with the provisions of Art. 50 to 55 CISO-FINMA, such claims shall not be taken into account in the calculation of counterparty risk.
6. Investments, deposits and claims pursuant to prov. 3 to 5 of the same issuer or borrower may not in total exceed 20% of a sub-fund's assets, subject to the higher limits pursuant to prov. 12 and 13 below.
7. Investments according to prov. 3 above from the same group of companies may in total not exceed 20% of a sub-fund's assets, subject to the higher limits pursuant to prov. 12 and 13 below.
8. The fund management company may invest up to 20% of the sub-fund's assets in units of the same target fund
The fund management company may not acquire participation rights which represent more than 10% of the voting rights in total or which allow it to exercise a significant influence on the management of an issuer, subject to any exemptions granted by the supervisory authority.
9. The fund management company may not acquire for a sub-fund's assets more than 10% of the non-voting equity, debt and/or money market instruments of a single issuer or more than 25% of the units of other collective investments.
These restrictions do not apply if at the time of acquisition the gross amount of debt instruments, money market instruments or the units of other collective investments cannot be calculated.
10. The limits stipulated in prov. 9 and 10 above do not apply if the securities and money market instruments are issued or guaranteed by a state or a public sector entity from the OECD or by international organisations with public-law character to which Switzerland or a member state of the European Union belongs.
11. The limit of 10% stipulated in prov. 3 shall rise to 35% per issuer if the securities or money market instruments are issued or guaranteed by an OECD state, a public-law institution within the OECD or international organisations with public-law character to which Switzerland or a member state of the European Union belongs. The limit of 40% as stipulated in prov. 3 does not apply to the aforementioned securities or money market instruments. The individual limits of prov. 3 and 5 may, however, not be accumulated with this limit of 35%.
12. The limit of 10% stipulated in prov. 3 shall rise to 100% per issuer if the securities or money market instruments are issued or guaranteed by an OECD state, or by a public-law institution within the OECD or by international organisations with public-law character to which Switzerland or a member

state of the European Union belongs. In this case, the sub-fund must hold securities or money market instruments consisting of at least six different issues, and no more than 30% of the relevant sub-fund's assets may be invested in securities or money market instruments of the same issue. The limit of 40% as stipulated in prov. 3 does not apply to the aforementioned securities or money market instruments.

The above list of authorised issuers/guarantors is exhaustive. 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).

§ 17C Incidental costs

The issue and redemption prices of units shall be based on the net asset value per unit as defined in § 16 calculated on the valuation day in conjunction with the closing prices of the previous day. When units are issued, an issuing commission will be added to the net asset value pursuant to § 18. When units are redeemed, a redemption commission may be deducted from the net asset value pursuant to § 18.

Incidental costs relating to the purchase and sale of investments (namely, brokerage fees at standard market rates, commissions, taxes and duties) and incurred by the investment fund in connection with the investment of the amount paid in or with a sale of a portion of the assets corresponding to the units redeemed will be covered by the application of swinging single pricing as outlined in § 16 prov. 7. Subscriptions and redemptions made the same day that have an evident, direct economic link and that therefore entail no ancillary costs for the purchase and sale of investments are excluded from the application of swinging single pricing.

§ 20C Financial statements

The accounting currency of the sub-fund is the CHF.

D. UBS (CH) Institutional Fund 3 - Bonds CHF Domestic Government Index NSL

§ 8D Investment policy

2. The investment objective of this sub-fund is principally to passively replicate a representative reference index (benchmark) for Swiss franc (CHF) denominated bonds specified in prov. 6 of this appendix and secure performance consistent with the performance of this benchmark. The sub-fund does not qualify as sustainable and is not managed sustainably. No sustainability risks are taken into consideration in the index selection. Therefore, due to the nature of the investment objective of the sub-fund, sustainability risks are not integrated systematically and the portfolio manager aims to replicate the benchmark in compliance with the limits set out in the investment policy of the respective sub-fund.
3.
 - a) The fund management company invests at least 80% of the assets after deducting liquid assets in:
 - aa) bonds and notes denominated in Swiss francs (CHF), as well as other fixed-income or floating-rate debt paper and rights issued by the Swiss Confederation or cantons and municipalities.
 - ab) units in other collective capital investments in accordance with § 8 prov. 1 c) to d), which in accordance with their documents invest their assets according to the guidelines of this sub-fund or parts thereof;
 - ac) derivatives (including warrants) on the investments mentioned above;
 - ad) structured products denominated in Swiss francs such as certificates from issuers worldwide on the above investments.For investments in other collective investments pursuant to (ab) above and in structured products pursuant to (ad) above, the fund management company ensures that on a consolidated basis at least 80% of the sub-fund are invested in the investments noted under (aa) above.
 - b) The fund management company may also invest up to 20% of the sub-fund's assets, after deducting liquid assets, in:

- debt paper and rights issued by domestic and foreign issuers which do not meet the requirements as stated in prov. 3 (aa);
 - convertible bonds, convertible notes and warrant issues denominated in freely convertible currencies worldwide;
 - equities and other equity paper and rights issued by companies worldwide;
 - money market instruments issued by domestic and foreign borrowers in freely convertible currencies;
 - derivatives (including warrants) on the investments mentioned above;
 - units in other collective investments within the meaning of § 8 prov. 1 c) to d) that do not meet the requirements as stated in prov. 3 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:
- no more than 25% in convertible bonds, convertible notes and warrant issues;
 - no more than 10% in total in equities, other equity paper and rights as well as derivatives (including warrants);
 - no more than 10% in total in other collective investments.
 - Securities Lending: This sub-fund may not engage in securities lending.
4. The fund management company ensures liquidity is managed appropriately. Detailed information is provided in the appendix.

§ 12D Derivatives

The sub-fund uses commitment approach I.

§ 15D Risk diversification

1. The regulations on risk diversification in accordance with § 15 shall include:
 - a) investments in accordance with § 8, with the exception of index-based derivatives, as long as the index is sufficiently diversified and is representative for the market which it refers to and has been adequately disclosed;
 - b) liquid assets in accordance with § 9;
 - c) claims against counterparties from OTC transactions.
2. Companies which form a group based on international accounting standards (IFRS) are deemed as an individual issuer.
3. The fund management company may, including derivatives and structured products, invest no more than 20% of a sub-fund's assets in securities or money market instruments issued by one and the same issuer. The total value of the securities and money market instruments of issuers in whose instruments more than 10% of a sub-fund's assets are invested may not exceed 60% of that sub-fund's assets, subject to prov. 4 and 5.
4. The fund management company may not invest more than 20% of a sub-fund's assets in sight or time deposits at one and 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 no more than 5% of the assets of a sub-fund in OTC transactions with the same counterparty. If the counterparty is a bank which has its registered office in Switzerland or in a member state of the European Union or in another country in which it is subject to supervision equivalent to that in Switzerland, this limit shall be increased to 10% of the assets of the relevant sub-fund. Where claims from OTC transactions are hedged by collateral in the form of liquid assets in accordance with the provisions of Art. 50 to 55 CISO-FINMA, such claims shall not be taken into account in the calculation of counterparty risk.
6. Investments, deposits and claims pursuant to prov. 3 to 5 of the same issuer or borrower may not in total exceed 20% of a sub-fund's assets, subject to the higher limits pursuant to prov. 12 and 13 below.
7. Investments according to prov. 3 above from the same group of companies may in total not exceed 20% of a sub-fund's assets, subject the higher limits pursuant to prov. 12 and 13 below.

8. The fund management company may invest up to 10% of a sub-fund's assets in units of the same target fund.
9. The fund management company may not acquire participation rights which represent more than 10% of the voting rights in total or which allow it to exercise a significant influence on the management of an issuer, subject any exemptions granted by the supervisory authority.
10. The fund management company may not acquire for a sub-fund's assets more than 10% of the non-voting equity, debt and/or money market instruments of a single issuer or more than 25% of the units of other collective investments. These restrictions do not apply if at the time of acquisition the gross amount of debt instruments, money market instruments or the units of other collective investments cannot be calculated.
11. The limits stipulated in prov. 9 and 10 above do not apply if the securities and money market instruments are issued or guaranteed by a state or a public sector entity from the OECD or by international organisations with public-law character to which Switzerland or a member state of the European Union belongs.
12. The limit of 20% stipulated in prov. 3 shall rise to 35% per issuer if the securities or money market instruments are issued or guaranteed by an OECD state, a public-law institution within the OECD or international organisations with public-law character to which Switzerland or a member state of the European Union belongs. The limit of 60% as stipulated in prov. 3 does not apply to the aforementioned securities or money market instruments. The individual limits of prov. 3 and 5 may, however, not be accumulated with this limit of 35 %.
13. The limit of 20% stipulated in prov. 3 shall rise to 100% per issuer if the securities or money market instruments are issued or guaranteed by an OECD state, or by a public-law institution within the OECD or by international organisations with public-law character to which Switzerland or a member state of the European Union belongs. In this case, the respective sub-fund must hold the related securities or money market instruments consisting of at least six different issues, and no more than 30% of the relevant sub-fund's assets may be invested in securities or money market instruments of the same issue. The limit of 60% as stipulated in prov. 3 does not apply to the aforementioned securities or money market instruments.
The authorised issuers/guarantors above 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).

§ 17D Incidental costs

The issue and redemption prices of units shall be based on the net asset value per unit as defined in § 16 calculated on the valuation day in conjunction with the closing prices of the previous day. When units are issued, incidental costs (i.e. brokerage commissions in line with the market, other commissions, taxes, and duties) incurred on average by the respective sub-fund in connection with the investment of the amount paid in are added to the net asset value. With unit redemptions, incidental costs incurred on average by the respective sub-fund in connection with the sale of a portion of investments corresponding to the units redeemed are deducted from the net asset value. The applicable maximum rate is stated in the appendix. However, in the event of exceptional circumstances, the fund management company may decide to temporarily apply an adjustment by more than the maximum rate stated in the appendix for every sub-fund and/or valuation day, if it sufficiently substantiates that the adjustment is justified in view of prevailing market conditions and in the best interests of investors. A temporary adjustment will be calculated in accordance with the procedure set out by the fund management company. Existing and new investors will be informed of the sufficiently substantiated decision on the application of this temporary measure and of its expiry by announcement in the umbrella fund's official medium of publication. The supervisory authority will also be notified. No ancillary costs are charged for subscriptions and redemptions made the same day that have an evident, direct economic link and that therefore entail no ancillary costs for the purchase and sale of investments.

In addition, with unit issues, an issuing commission may be added to the net asset value, pursuant to § 18. With unit redemptions, a redemption commission may be deducted from the net asset value, similarly pursuant to § 18.

§ 20D Financial statements

The accounting currency of the sub-fund is the CHF.

E. UBS (CH) Institutional Fund 3 - Bonds USD Emerging Markets Aggregate ESG Index Hedged NSL

§ 8E Investment policy

2. The investment objective of this sub-fund is principally to passively replicate the representative benchmark "70% JPM ESG EMBI Global Diversified (hedged CHF) / 30% JPM ESG CEMBI Broad Diversified (hedged CHF)" and secure performance consistent with the performance of this benchmark.

The benchmark applies the following sustainability approaches:

The representative benchmark consists of a combination of two indices which is constructed by applying a combination of **best-in-class** selection processes and exclusion criteria (**negative screening**) for issuers according to the definition and methodology of index administrator J.P. Morgan.

The J.P. Morgan ESG EMBI Global Diversified Index (JESG EMBIG) tracks liquid, US dollar-denominated fixed-income and floating-rate debt instruments issued by sovereign and quasi-sovereign entities in emerging markets. The index applies an ESG scoring (**best-in-class**) and **negative screening process** (exclusion criteria) to tilt towards issuers ranked higher on ESG criteria and green bonds as defined by the Climate Bonds Initiative, and to underweight and remove issuers ranked lower. The JESG EMBIG is based on the established flagship J.P. Morgan EMBI Global Diversified Index.

The J.P. Morgan ESG CEMBI Broad Diversified Index tracks liquid, US dollar-denominated fixed-income and floating-rate debt instruments issued by companies in emerging markets. The index applies an ESG scoring (**best-in-class**) and **negative screening process (exclusion criteria)** to tilt towards issuers ranked higher on ESG criteria and green bonds as defined by the Climate Bonds Initiative, and to underweight and remove issuers ranked lower. The J.P. Morgan ESG CEMBI Broad Diversified Index is based on the established flagship J.P. Morgan CEMBI Broad Diversified Index.

At the time of the index adjustments, the sub-fund invests 90% of its assets (excluding liquid assets and derivatives) in investments that meet the requirements of the sustainability policy.

Further information can be found under prov. 2 of the appendix.

3. a) The fund management company invests at least 80% of the assets after deducting liquid assets in:
 - aa) bonds, notes and other fixed-income or floating-rate debt paper and rights denominated in US dollars issued by private, public law and public/private issuers which have their registered office in emerging markets or conduct the majority of their business in or issues instruments containing a credit exposure to emerging markets and are hedged against the Swiss franc.
 - ab) units of other collective investments that according to their documentation invest their assets in accordance with the guidelines of this sub-fund or parts thereof.
 - ac) derivatives (including warrants) on the investments mentioned above;
In the case of investments in other collective capital investments in accordance with letter ab above, the fund management company ensures that at least 80% of the sub-fund is invested in assets according to letter aa above.
- b) The fund management company may also invest up to 20% of the sub-fund's assets, after deducting liquid assets, in:

- bonds and notes denominated in freely convertible currencies as well as other fixed-income or floating-rate debt paper and rights issued by Swiss or foreign borrowers which do not meet the criteria specified in prov.3 (aa);
 - money market instruments issued by domestic and foreign borrowers in freely convertible currencies;
 - derivatives (including warrants) on the investments mentioned above;
 - units in other collective investments within the meaning of § 8 prov. 1 c) to d) that do not meet the requirements as stated in prov. 3 ab);
 - sight and time deposits at banks.
- c) In addition, the fund management company must comply with the following restrictions on investments relating to sub-fund assets after deduction of liquid assets:
- Other collective capital investments up to a maximum of 10%;
 - Securities Lending: This sub-fund may not engage in securities lending.
 - Repo transactions: the sub-fund may not engage in any repo transactions.
4. The fund management company ensures liquidity is managed appropriately. Detailed information is provided in the appendix.

§ 12E Derivatives

The sub-fund uses commitment approach II.

§ 15E Risk diversification

1. The regulations on risk diversification in accordance with § 15 shall include:
 - a) investments in accordance with § 8, with the exception of index-based derivatives, as long as the index is sufficiently diversified and is representative for the market which it refers to and has been adequately disclosed;
 - b) liquid assets in accordance with § 9;
 - c) claims against counterparties from OTC transactions.
2. Companies which form a group based on international accounting standards (IFRS) are deemed as an individual issuer.
3. The fund management company may, including derivatives, invest no more than 20% of the sub-fund's assets in securities or money market instruments issued by one and the same issuer. The total value of the securities and money market instruments of issuers in which more than 10% of the assets of a sub-fund are invested may not exceed 60% of the sub-fund concerned, subject to prov. 4 and 5.
4. The fund management company may not invest more than 20% of the sub-fund's assets in sight or time deposits at one and the same bank. Both liquid assets pursuant to § 9 and bank deposits pursuant to § 8 must be included in this limit.
5. The fund management company may not invest more than 5% of the sub-fund's assets in OTC transactions with one and the same counterparty. Should the counterparty be a bank with its headquarters in Switzerland or in a member state of the European Union or in another country in which it is subject to supervision equivalent to that in Switzerland, this limit is increased to 10% of the sub-fund's assets. Where claims from OTC transactions are hedged by collateral in the form of liquid assets in accordance with the provisions of Art. 50 to 55 CISO-FINMA, such claims shall not be taken into account in the calculation of counterparty risk.
6. Investments, deposits and claims pursuant to prov. 3 to 5 above from one and the same issuer or borrower may not exceed 20% of the sub-fund's assets, subject the higher limits pursuant to prov. 12 and 13 below.
7. Investments according to prov. 3 above from the same group of companies may in total not exceed 20% of the sub-fund's assets, subject the higher limits pursuant to prov. 12 and 13 below.
8. The fund management company may invest up to 10% of the sub-fund's assets in units of the same target fund
9. The fund management company may not acquire participation rights which represent more than 10% of the voting rights in total or which allow it to exercise a significant influence on the management of an issuer, subject any exemptions granted by the supervisory authority.

10. The fund management company may not acquire for the sub-fund's assets more than 10% of the non-voting equity, debt and/or money market instruments of a single issuer or more than 25% of the units of other collective investments. These restrictions do not apply if at the time of acquisition the gross amount of debt instruments, money market instruments or the units of other collective investments cannot be calculated.
11. The limits stipulated in prov. 9 and 10 above do not apply if the securities and money market instruments are issued or guaranteed by a state or a public sector entity from the OECD or by international organisations with public-law character to which Switzerland or a member state of the European Union belongs.
12. The limit of 20% stipulated in prov. 3 shall rise to 35% per issuer if the securities or money market instruments are issued or guaranteed by an OECD state, a public-law institution within the OECD or international organisations with public-law character to which Switzerland or a member state of the European Union belongs. The limit of 60% as stipulated in prov. 3 does not apply to the aforementioned securities or money market instruments. The individual limits of prov. 3 and 5 may, however, not be accumulated with this limit of 35 %.
13. The limit of 20% stipulated in prov. 3 shall rise to 100% per issuer if the securities or money market instruments are issued or guaranteed by an OECD state, or by a public-law institution within the OECD or by international organisations with public-law character to which Switzerland or a member state of the European Union belongs. In this case, the respective sub-fund must hold the related securities or money market instruments consisting of at least six different issues, and no more than 30% of the sub-fund's assets may be invested in securities or money market instruments of the same issue. The limit of 60% as stipulated in prov. 3 does not apply to the aforementioned securities or money market instruments.
The authorised issuers/guarantors above 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).

§ 17E Incidental costs

The issue and redemption prices of units shall be based on the net asset value per unit as defined in § 16 calculated on the valuation day in conjunction with the closing prices of the previous day. When units are issued, incidental costs (i.e. brokerage commissions in line with the market, other commissions, taxes, and duties) incurred on average by the respective sub-fund in connection with the investment of the amount paid in are added to the net asset value. With unit redemptions, incidental costs incurred on average by the respective sub-fund in connection with the sale of a portion of investments corresponding to the units redeemed are deducted from the net asset value. The applicable maximum rate is stated in the appendix. However, in the event of exceptional circumstances, the fund management company may decide to temporarily apply an adjustment by more than the maximum rate stated in the appendix for every sub-fund and/or valuation day, if it sufficiently substantiates that the adjustment is justified in view of prevailing market conditions and in the best interests of investors. A temporary adjustment will be calculated in accordance with the procedure set out by the fund management company. Existing and new investors will be informed of the sufficiently substantiated decision on the application of this temporary measure and of its expiry by announcement in the umbrella fund's official medium of publication. The supervisory authority will also be notified. No ancillary costs are charged for subscriptions and redemptions made the same day that have an evident, direct economic link and that therefore entail no ancillary costs for the purchase and sale of investments. In addition, with unit issues, an issuing commission may be added to the net asset value, pursuant to § 18. With unit redemptions, a redemption commission may be deducted from the net asset value, similarly pursuant to § 18.

§ 20E Financial statements

The accounting currency of the sub-fund is the CHF.

F. UBS (CH) Institutional Fund 3 - Bonds USD Emerging Markets Government Index Hedged NSL

§ 8F Investment policy

2. The investment objective of this sub-fund is principally to passively replicate a representative benchmark index for public and mixed-economy debtors from the emerging markets worldwide (benchmark) mentioned in prov. 6 of this Appendix and to achieve a performance (before deduction of fees and transaction costs) that corresponds to its development. Emerging markets are at an early stage of development, which can typically entail highly volatile market prices and temporary liquidity problems. These countries may also be associated with high levels of political or economic risk. The sub-fund does not qualify as sustainable and is not managed sustainably. No sustainability risks are taken into consideration in the index selection. Therefore, due to the nature of the investment objective of the sub-fund, sustainability risks are not integrated systematically and the portfolio manager aims to replicate the benchmark in compliance with the limits set out in the investment policy of the respective sub-fund.
3. a) The fund management company invests at least 80% of the assets after deducting liquid assets in:
 - aa) bonds, notes and other fixed-income or floating-rate debt paper and rights denominated in USD issued by private, public law and public/private issuers from emerging markets that are hedged against the Swiss franc and may be either investment grade, non-investment grade or not rated.
 - ab) units of other collective investments that according to their documentation invest their assets in accordance with the guidelines of this sub-fund or parts thereof;
 - ac) derivatives (including warrants) on the investments mentioned above.In the case of investments in other collective capital investments in accordance with letter ab above, the fund management company ensures that at least 80% of the sub-fund is invested in assets according to letter aa above.
- b) The fund management company may also invest up to 20% of the sub-fund's assets, after deducting liquid assets, in:
 - bonds and notes denominated in USD as well as other fixed-income or floating-rate debt paper and rights issued by public-sector borrowers which do not meet the criteria specified in prov.3 (aa);
 - money market instruments issued by domestic and foreign borrowers in freely convertible currencies;
 - derivatives (including warrants) on the investments mentioned above;
 - units in other collective investments within the meaning of § 8 prov. 1 c) to d) that do not meet the requirements as stated in prov. 3 ab);
 - sight and time deposits at banks.
- c) In addition, the fund management company must comply with the following restrictions on investments relating to sub-fund assets after deduction of liquid assets:
 - bonds and notes denominated in USD as well as other fixed-income or floating-rate debt paper and rights issued by public-sector borrowers which do not meet the criteria specified in prov.3 (aa) up to a maximum of 20%;
 - other collective capital investments up to a maximum of 10%;
 - Securities Lending: This sub-fund may not engage in securities lending.
 - Repo transactions: the sub-fund may not engage in any repo transactions.
4. The fund management company ensures liquidity is managed appropriately. Detailed information is provided in the appendix.

§ 12F Derivatives

The sub-fund uses commitment approach II but without the use of exotic derivatives.

§ 15F Risk diversification

1. The regulations on risk diversification in accordance with § 15 shall include:

- a) investments in accordance with § 8, with the exception of index-based derivatives, as long as the index is sufficiently diversified and is representative for the market which it refers to and has been adequately disclosed;
 - b) liquid assets in accordance with § 9;
 - c) claims against counterparties from OTC transactions.
2. Companies which form a group based on international accounting standards (IFRS) are deemed as an individual issuer.
 3. The fund management company may, including derivatives, invest no more than 20% of the sub-fund's assets in securities or money market instruments issued by one and the same issuer. The total value of the securities and money market instruments of issuers in which more than 10% of the assets of a sub-fund are invested may not exceed 60% of the sub-fund concerned, subject to prov. 4 and 5.
 4. The fund management company may not invest more than 20% of the sub-fund's assets in sight or time deposits at one and 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 not invest more than 5% of the sub-fund's assets in OTC transactions with one and the same counterparty. Should the counterparty be a bank with its headquarters in Switzerland or in a member state of the European Union or in another country in which it is subject to supervision equivalent to that in Switzerland, this limit is increased to 10% of the sub-fund's assets. Where claims from OTC transactions are hedged by collateral in the form of liquid assets in accordance with the provisions of Art. 50 to 55 CISO-FINMA, such claims shall not be taken into account in the calculation of counterparty risk.
 6. Investments, deposits and claims pursuant to prov. 3 to 5 above from one and the same issuer or borrower may not exceed 20% of the sub-fund's assets, subject the higher limits pursuant to prov. 12 and 13 below.
 7. Investments according to prov. 3 above from the same group of companies may in total not exceed 20% of the sub-fund's assets, subject the higher limits pursuant to prov. 12 and 13 below.
 8. The fund management company may invest up to 10% of the sub-fund's assets in units of the same target fund
 9. The fund management company may not acquire participation rights which represent more than 10% of the voting rights in total or which allow it to exercise a significant influence on the management of an issuer, subject any exemptions granted by the supervisory authority.
 10. The fund management company may not acquire for the sub-fund's assets more than 10% of the non-voting equity, debt and/or money market instruments of a single issuer or more than 25% of the units of other collective investments. These restrictions do not apply if at the time of acquisition the gross amount of debt instruments, money market instruments or the units of other collective investments cannot be calculated.
 11. The limits stipulated in prov. 9 and 10 above do not apply if the securities and money market instruments are issued or guaranteed by a state or a public sector entity from the OECD or by international organisations with public-law character to which Switzerland or a member state of the European Union belongs.
 12. The limit of 20% stipulated in prov. 3 shall rise to 35% per issuer if the securities or money market instruments are issued or guaranteed by an OECD state, a public-law institution within the OECD or international organisations with public-law character to which Switzerland or a member state of the European Union belongs. The limit of 60% as stipulated in prov. 3 does not apply to the aforementioned securities or money market instruments. The individual limits of prov. 3 and 5 may, however, not be accumulated with this limit of 35 %.
 13. The limit of 20% stipulated in prov. 3 shall rise to 100% per issuer if the securities or money market instruments are issued or guaranteed by an OECD state, or by a public-law institution within the OECD or by international organisations with public-law character to which Switzerland or a member state of the European Union belongs. In this case, the relevant sub-fund must hold the related securities or money market instruments consisting of at least six different issues, and no more than 30% of the sub-fund's assets may be invested in securities or money market instruments of the same issue. The limit of 60% as stipulated in prov. 3 does not apply to the aforementioned securities or money market instruments.

The authorised issuers/guarantors above 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).

§ 17F Incidental costs

The issue and redemption prices of units shall be based on the net asset value per unit as defined in § 16 calculated on the valuation day in conjunction with the closing prices of the previous day. When units are issued, incidental costs (i.e. brokerage commissions in line with the market, other commissions, taxes, and duties) incurred on average by the respective sub-fund in connection with the investment of the amount paid in are added to the net asset value. With unit redemptions, incidental costs incurred on average by the respective sub-fund in connection with the sale of a portion of investments corresponding to the units redeemed are deducted from the net asset value. The applicable maximum rate is stated in the appendix. However, in the event of exceptional circumstances, the fund management company may decide to temporarily apply an adjustment by more than the maximum rate stated in the appendix for every sub-fund and/or valuation day, if it sufficiently substantiates that the adjustment is justified in view of prevailing market conditions and in the best interests of investors. A temporary adjustment will be calculated in accordance with the procedure set out by the fund management company. Existing and new investors will be informed of the sufficiently substantiated decision on the application of this temporary measure and of its expiry by announcement in the umbrella fund's official medium of publication. The supervisory authority will also be notified. No ancillary costs are charged for subscriptions and redemptions made the same day that have an evident, direct economic link and that therefore entail no ancillary costs for the purchase and sale of investments.

In addition, with unit issues, an issuing commission may be added to the net asset value, pursuant to § 18. With unit redemptions, a redemption commission may be deducted from the net asset value, similarly pursuant to § 18.

§ 20F Financial statements

The accounting currency of the sub-fund is the CHF.

G. UBS (CH) Institutional Fund 3 - Bonds CHF Short Term NSL

§ 8G Investment policy

2. The investment objective of this sub-fund is principally to achieve a better risk-adjusted return than the representative reference index (benchmark) for Swiss franc (CHF) denominated bonds, over a full market cycle. The benchmark is listed in prov. 6.1 of this appendix.
3. The sub-fund does not qualify as sustainable and is not managed sustainably. UBS Asset Management classifies this sub-fund as an **ESG integration fund**. The **ESG integration approach** is applied (**ESG integration**). However, there is no specific sustainability or impact goal. The asset manager can, taking account of all risks and opportunities and with corresponding justification and documentation, invest in securities that have an increased ESG risk.
4. a) The fund management company invests at least 80% of the assets after deducting liquid assets in:
 - aa) bonds denominated in Swiss francs, notes and other fixed interest or variable interest debt instruments and rights of private and public-law issuers worldwide with a minimum rating of BBB- from S&P or Fitch or Baa3 from Moody's or equivalent (investment grade) rating;
 - ab) money market instruments denominated in Swiss francs of Swiss and domestic issuers with a minimum rating of BBB- from S&P or Fitch or Baa3 from Moody's or equivalent (investment grade) rating;

- ac) units in other collective capital investments in accordance with § 8 prov. 1 c) to d), which in accordance with their documents invest their assets according to the guidelines of this sub-fund or parts thereof;
- ad) derivatives (including warrants) on the investments mentioned above;
- ae) structured products denominated in Swiss francs such as certificates from domestic and international issuers on the above investments.

For investments in other collective investments pursuant to (ac) above and in structured products pursuant to (ae) above, the fund management company ensures that on a consolidated basis at least 80% of the sub-fund are invested in the investments noted under (aa) and (ab) above.

- b) The fund management company may also invest up to 20% of the sub-fund's assets, after deducting liquid assets, in:
 - bonds and notes denominated in freely convertible currencies as well as other fixed-income or floating-rate debt paper and rights issued by Swiss or foreign borrowers rated at least BBB- by S&P or Fitch or Baa3 by Moody's or equivalent (investment grade) and which do not meet the criteria specified in prov.4 (aa);
 - money market instruments denominated in freely convertible currencies issued by Swiss or foreign borrowers rated at least BBB- by S&P or Fitch or Baa3 by Moody's or equivalent (investment grade) and which do not meet the criteria specified in prov.4 (ab);
 - derivatives (including warrants) on the investments mentioned above;
 - units in other collective investments within the meaning of §8 prov. 1 c) and d) that do not meet the requirements as stated in prov. 4 ac);
 - sight and time deposits at banks.
- c) In addition, the fund management company must comply with the following restrictions on investments relating to sub-fund assets after deduction of liquid assets:
 - other collective capital investments up to a maximum of 10%;
 - Securities Lending: This sub-fund may not engage in securities lending.

In addition, the average maturity of the sub-fund may not exceed 1.5 years and the maturity of the individual investments 3.5 years.

- 5. The fund management company must ensure appropriate liquidity management. Detailed information is provided in the appendix.

§ 12G Derivatives

The sub-fund uses commitment approach II.

§ 15G Risk diversification

- 1. The regulations on risk diversification in accordance with § 15 shall include:
 - a) investments in accordance with § 8, with the exception of index-based derivatives, as long as the index is sufficiently diversified and is representative for the market which it refers to and has been adequately disclosed;
 - b) liquid assets in accordance with § 9;
 - c) claims against counterparties from OTC transactions.
- 2. Companies which form a group based on international accounting standards (IFRS) are deemed as an individual issuer.
- 3. The fund management company may, including derivatives and structured products, invest no more than 20% of the sub-fund's assets in securities or money market instruments issued by one and the same issuer. The total value of the securities and money market instruments of issuers in which more than 10% of the assets of a sub-fund are invested may not exceed 60% of the sub-fund concerned, subject to prov. 4 and 5.
- 4. The fund management company may not invest more than 20% of the sub-fund's assets in sight or time deposits at one and the same bank. This limit should include liquid assets in accordance with § 9, as well as investments in bank deposits in accordance with § 8
- 5. The fund management company may not invest more than 5% of the sub-fund's assets in OTC transactions with one and the same counterparty. Should the counterparty be a bank with its headquarters in Switzerland or in a member state of the European Union or in another country in which it is subject to supervision equivalent to that in Switzerland, this limit is increased to 10% of the sub-

fund's assets. Where claims from OTC transactions are hedged by collateral in the form of liquid assets in accordance with the provisions of Art. 50 to 55 CISO-FINMA, such claims shall not be taken into account in the calculation of counterparty risk.

6. Investments, deposits and claims pursuant to prov. 3 to 5 above from one and the same issuer or borrower may not exceed 20% of the sub-fund's assets, subject the higher limits pursuant to prov. 12 and 13 below.
7. Investments according to prov. 3 above from the same group of companies may in total not exceed 20% of the sub-fund's assets, subject the higher limits pursuant to prov. 12 and 13 below.
8. The fund management company may invest up to 10% of the sub-fund's assets in units of the same target fund
9. The fund management company may not acquire participation rights which represent more than 10% of the voting rights in total or which allow it to exercise a significant influence on the management of an issuer, subject any exemptions granted by the supervisory authority.
10. The fund management company may not acquire for the sub-fund's assets more than 10% of the non-voting equity, debt and/or money market instruments of a single issuer or more than 25% of the units of other collective investments. These restrictions do not apply if at the time of acquisition the gross amount of debt instruments, money market instruments or the units of other collective investments cannot be calculated.
11. The limits stipulated in prov. 9 and 10 above do not apply if the securities and money market instruments are issued or guaranteed by a state or a public sector entity from the OECD or by international organisations with public-law character to which Switzerland or a member state of the European Union belongs.
12. The limit of 20% stipulated in prov. 3 shall rise to 35% per issuer if the securities or money market instruments are issued or guaranteed by an OECD state, a public-law institution within the OECD or international organisations with public-law character to which Switzerland or a member state of the European Union belongs. The limit of 60% as stipulated in prov. 3 does not apply to the aforementioned securities or money market instruments. The individual limits of prov. 3 and 5 may, however, not be accumulated with this limit of 35%.
The limit of 20% stipulated in prov. 3 shall rise to 35% per issuer if the securities are issued or guaranteed by Pfandbriefbank schweizerischer Hypothekarinstitute AG (Mortgage Bond Bank of the Swiss Mortgage Institutions) or Pfandbriefzentrale der schweizerischen Kantonalbanken AG (Mortgage Bond Centre of the Swiss Cantonal Banks). Up to 30% of the assets of the sub-fund may be invested in instruments of a single issue. The limit of 60% as stipulated in prov. 3 shall not apply to the aforementioned securities. The individual limits of prov. 3 and 5 may, however, not be accumulated with this limit of 35%.
13. The limit of 20% stipulated in prov. 3 shall rise to 100% per issuer if the securities or money market instruments are issued or guaranteed by an OECD state, or by a public-law institution within the OECD or by international organisations with public-law character to which Switzerland or a member state of the European Union belongs. In this case, the relevant sub-fund must hold the related securities or money market instruments consisting of at least six different issues, and no more than 30% of the sub-fund's assets may be invested in securities or money market instruments of the same issue. The limit of 60% as stipulated in prov. 3 does not apply to the aforementioned securities or money market instruments.
The authorised issuers/guarantors above 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).

§ 17G Incidental costs

The issue and redemption prices of units shall be based on the net asset value per unit as defined in § 16 calculated on the valuation day in conjunction with the closing prices of the previous day. When units are issued, an issuing commission may be added to the net asset value pursuant to § 18. When units are redeemed, a redemption commission may be deducted from the net asset value pursuant to § 18.

Incidental costs relating to the purchase and sale of investments (namely, brokerage fees at standard market rates, commissions, taxes and duties) and incurred by the investment fund in connection with the investment of the amount paid in or with a sale of a portion of the assets corresponding to the units redeemed will be covered by the application of swinging single pricing as outlined in § 16 prov. 7. Subscriptions and redemptions made the same day that have an evident, direct economic link and that therefore entail no ancillary costs for the purchase and sale of investments are excluded from the application of swinging single pricing.

§ 20G Financial statements

The accounting currency of the sub-fund is the CHF.

H. UBS (CH) Institutional Fund 3 – Global Aggregate Bonds ESG Passive (CHF hedged) II

§ 8H Investment policy

3. The investment objective of this sub-fund is principally to replicate the representative index Bloomberg MSCI Global Aggregate ex-CHF Sustainability (hedged in CHF) and secure performance consistent with the performance of this benchmark.

The benchmark applies the following sustainability approaches:

The benchmark index is constructed by applying a **best-in-class selection process (positive screening)** as well as **exclusion criteria (negative screening)** to issuers (companies, sovereign/government-related issuers, securitisations) as defined by the independent index administrator Bloomberg Indices using sustainability data from the independent ESG data provider MSCI ESG Research.

The aim is to give greater consideration to companies that are more committed to environmental or social aspects than others.

The benchmark index measures the performance of global bonds taking into account environmental, social and governance factors and is based on the established broad market parent index Bloomberg Global Aggregate (hedged in CHF) Index. The index considers issuers from the existing Bloomberg Global Aggregate Index that have an MSCI ESG rating equal to or better than BBB (**positive screening**) and an ESG Controversy Score equal to or greater than 1 (**negative screening**).

Further information can be found under prov. 2 of the appendix.

At the time of the index adjustments, the sub-fund invests 90% of its assets (excluding liquid assets and derivatives) in investments that meet the requirements of the sustainability policy.

4. a) After deducting liquid assets, the fund management company invests at least 80% of the sub-fund's assets in:
 - aa) bonds and notes denominated in Swiss francs (CHF) or other currencies as well as other fixed-income or floating-rate debt paper and rights issued by private and public law issuers worldwide as well as the above investments, hedged against the Swiss franc (CHF);
 - ab) units of other collective investments as specified under § 8 prov. 1 c) and d) that according to their documentation invest their assets in accordance with the guidelines of this sub-fund or parts thereof;
 - ac) derivatives (including warrants) on the investments mentioned above;
 - ad) structured products denominated in freely convertible currencies such as, in particular, certificates of issuers worldwide on the above-mentioned investments and those hedged against the Swiss franc (CHF).

For investments in other collective investments pursuant to ab) above and in structured products pursuant to ad) above, the fund management company ensures that on a consolidated basis at least 80% of the sub-fund's assets are invested in the investments noted under aa) above.

- b) After deducting liquid assets, the fund management company may also invest up to 20% of the sub-fund's assets in:
 - debt paper and rights issued by domestic and foreign issuers which do not meet the requirements stated in prov. 3 aa);

- convertible bonds, convertible notes and warrant issues denominated in freely convertible currencies worldwide;
 - equities and other equity paper and rights issued by companies worldwide;
 - money market instruments denominated in freely convertible currencies issued by domestic and foreign issuers;
 - derivatives (including warrants) on the investments mentioned above;
 - units in other collective investments in accordance with § 8 prov. 1 c) to d) that do not meet the requirements as stated in prov. 3 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:
- no more than 25% in convertible bonds, convertible notes and warrant bonds;
 - no more than 10% in total in equities, other equity paper and rights as well as derivatives (including warrants);
 - no more than 10% in other collective investment schemes.
 - securities lending: this sub-fund may not engage in securities lending
- d) This sub-fund serves as a target fund for the sub-funds "PF Pension - ESG 25 Fund" and "PF Pension – ESG 50 Fund" (funds of funds). The "PF Pension - ESG 25 Fund" fund of funds may, in accordance with its risk diversification provisions, acquire up to 45% of the units of this target fund. The "PF Pension - ESG 50 Fund" fund of funds may, in accordance with its risk diversification provisions, acquire up to 49% of the units of this target fund.
5. The fund management company ensures liquidity is managed appropriately. Detailed information is provided in the appendix.

§ 12H Derivatives

The sub-fund applies the commitment approach II.

§ 15H Risk diversification

1. The following are to be included in the risk diversification provisions pursuant to § 15:
 - a) investments pursuant to § 8 with the exception of index-based derivatives as long as the index is sufficiently diversified, representative of the market which it covers and 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. The fund management company may, including derivatives, invest no more than 20% of a sub-fund's assets in securities or money market instruments issued by one and the same issuer. The total value of the securities and money market instruments of issuers in whose instruments more than 10% of a sub-fund's assets are invested may not exceed 60% of that sub-fund's assets, subject to prov. 4 and 5.
4. The fund management company may not invest more than 20% of a sub-fund's assets in sight or time deposits at one and the same bank. This limit includes both cash and cash equivalents as defined in § 9 as well as the investments in bank balances according to § 8.
5. The fund management company may not invest more than 5% of the sub-fund's assets in OTC transactions with one and the same counterparty. Should the counterparty be a bank with its headquarters in Switzerland or in a member state of the European Union or in another country in which it is subject to supervision equivalent to that in Switzerland, this limit is increased to 10% of the assets of the relevant sub-fund.

Where claims from OTC transactions are hedged by collateral in the form of liquid assets in accordance with Art. 50 to 55 CISO-FINMA, such claims shall not be taken into account in the calculation of counterparty risk.

6. Investments, deposits and claims pursuant to prov. 3 to 5 of the same issuer or borrower may not in total exceed 20% of a sub-fund's assets, with the exception of the higher limits set out in prov. 12 and 13 below.
7. Investments according to prov. 3 above from the same group of companies may in total not exceed 20% of a sub-fund's assets, with the exception of the higher limits set out in prov. 12 and 13 below.
8. The fund management company may invest up to 10% of a sub-fund's assets in units in the same target fund.
9. The fund management company may not acquire participation rights which in total represent more than 10% of voting rights or which would enable the fund management company to exert a significant influence on an issuer's management.
10. The fund management company may not acquire for a sub-fund's assets more than 10% of the non-voting equity, debt and/or money market instruments of the same issuer or more than 25% of the units of other collective investments. These restrictions do not apply if at the time of acquisition the gross amount of debt instruments, money market instruments or the units of other collective investments cannot be calculated.
11. The restrictions stipulated in prov. 9 and 10 shall not apply if the securities and money market instruments are issued or guaranteed by a state or a public-law institution within the OECD or by international organisations with public-law character to which Switzerland or a member state of the European Union belongs.
12. The limit of 20% stipulated in prov. 3 rises to 35% per issuer if the securities or money market instruments are issued or guaranteed by an OECD state, a public-law institution within the OECD or international organisations with public-law character to which Switzerland or a member state of the European Union belongs. The limit of 60% as stipulated in prov. 3 shall not apply to the aforementioned securities or money market instruments. The individual limits as specified in prov. 3 and 5 may not, however, be accumulated with this limit of 35%.
13. The limit of 20% stipulated in prov. 3 rises to 100% per issuer if the securities or money market instruments are issued or guaranteed by an OECD state, a public-law institution within the OECD or international organisations with public-law character to which Switzerland or a member state of the European Union belongs. In this case, the sub-fund must hold these types of securities or money market instruments consisting of at least six different issues, and no more than 30% of the relevant sub-fund's assets may be invested in securities or money market instruments of the same issue. The limit of 60% as stipulated in prov. 3 shall not apply to the aforementioned securities or money market instruments.

The permitted issuers/guarantors above 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).

§ 17H Incidental costs

The issue and redemption price of units is based on the net asset value per unit, calculated pursuant to § 16 on the valuation date on the basis of the closing prices from the previous day. At the time of issue, the incidental costs (specifically standard brokerage fees, commissions, taxes and duties) incurred by the relevant sub-fund on average from the investment of the amount paid in are added to the net asset value. Upon redemption, the incidental costs incurred by the relevant sub-fund on average from the sale of a portion of the investments corresponding to the terminated unit shall be deducted from the net asset value. The applicable rate is stated in the appendix. However, in exceptional circumstances the fund management company may decide to temporarily apply an adjustment of more than the applicable rate stated in the appendix for each sub-fund and/or valuation day, if it has sufficient grounds to believe that the adjustment is justified in view of prevailing market conditions and in the best interests of investors. A temporary adjustment will be calculated in accordance with the procedure set out by the fund management company. Existing and new investors will be informed of the sufficiently substantiated decision on the application of this temporary measure and of its expiry by announcement in the umbrella fund's official medium of publication. The supervisory authority will also be notified. No incidental costs are charged for subscriptions and redemptions made the same day that have an evident, direct economic link and that

therefore entail no incidental costs for the purchase and sale of investments. In addition, an issuing commission pursuant to § 18 may be added to the issue and redemption of units at the net asset value, or a redemption commission pursuant to § 18 may be deducted from the net asset value.

§ 20H Financial statements

The accounting currency of the sub-fund is the CHF.

Appendix

Status: 25. November 2024

Appendix to the fund contract of UBS (CH) Institutional Fund 3.

Investment fund under Swiss law with multiple sub-funds (umbrella fund) for qualified investors of the category "Other funds for traditional investments".

1. Information on the investment funds, unit classes and remuneration

- Minimum investment I-A2-acc:
For initial investments in I-A2-acc there must be either a transaction for at least CHF 10,000,000 (or the equivalent in another currency) or the total amount of assets managed at UBS within an investment agreement must be more than CHF 30,000,000 (or the equivalent in another currency) at the time of the initial investment;
- Minimum investment I-A3-acc:
For initial investments in I-A3-acc there must be either a transaction for at least CHF 30,000,000 (or the equivalent in another currency) or the total amount of assets managed at UBS within an investment agreement must be more than CHF 100,000,000 (or the equivalent in another currency) at the time of the initial investment;
- All unit classes can be traded at a fractional unit of 0.001;
- All unit classes distribute their earnings once a year, except for those mentioned in the following list:

Payment of retrocessions, rebates and individually agreed upon fees:

The fund management company and its agents may pay retrocessions as compensation for the distribution activities in respect of fund units in and from Switzerland. This compensation may be used in particular to cover the following services:

- any activity aimed at promoting the distribution or transfer of fund units,
- organising road shows,
- attending conferences and trade fairs,
- producing promotional materials and
- training sales staff.

Retrocessions do not constitute discounts even if they are ultimately passed on to investors wholly or in part.

The recipients of retrocessions must ensure transparent disclosure and inform investors, unsolicited and free of charge, about the amount of compensation they may receive for the distribution of the collective investment schemes to these investors

On request, the recipients of retrocessions must disclose the amounts they actually receive for distributing the collective investment schemes to these investors

In connection with the distribution in or from Switzerland, the fund management company and its agents may, on request, pay rebates directly to the investors. Discounts may serve to reduce fees or costs charged to the respective investors. Discounts are permitted provided they:

- are paid from the fund management company's fees and therefore do not represent an additional charge to the fund assets;
- are granted on the basis of objective criteria;
- are granted at the same time and on equal terms to all investors who meet the objective criteria and request discounts.

The objective criteria for the granting of discounts by the fund management company shall be the following:

- the amount subscribed by the investor or the total amount held by the investor in the investment fund, or possibly in the product range of the promoter
- the amount of fees generated by the investor;
- the investment behaviour practised by the investor (e.g. expected duration of their investment);
- investor willingness to provide support during the investment fund's inception phase.

The fund management company shall disclose the amount of each discount free of charge upon request of the investor.

In connection with execution-only mandates, the fund management company and its agents may determine the fees by way of individual agreements with investors for unit classes "I-B-acc", "I-X-acc" and "U-X-acc". The conditions for individually agreed upon fees are based on the conditions governing rebates. Individually agreed upon fees are therefore permissible provided that:

- they do not represent an additional charge to the assets of the sub-fund;
- they are determined based on objective criteria;
- equal treatment is given to all investors who meet these objective criteria and request an individually agreed upon fee within the same timeframe.

If the fund management company and its agents determine the fees individually with investors for the corresponding unit classes, the following objective criteria shall apply:

- the investment volume held by the investor in the umbrella fund or sub-fund;
- if applicable, the total volume and total proceeds held by the investor in the promoter's product range (including UBS Group, UBS Investment Foundations, etc.);
- the investment behaviour shown by the investor (e.g. investment period or investment quarter);
- the investor's willingness to provide support in the launch phase of the sub-fund.

At the request of the investor, the fund management company or its agents shall disclose free of charge the application of the criteria to the investor's situation and the resulting fee.

| Sub-fund | Unit class | Accounting currency | Initial subscription price | Currency of unit class (reference currency) | Commission in b.p. p.a. |
|--|------------|---------------------|----------------------------|---|-------------------------|
| – Real Estate Switzerland Funds Index NSL | I-A-acc | CHF | 1,000 | CHF | 15 |
| | I-A2-acc | CHF | 1,000 | CHF | 15 |
| | I-A3-acc | CHF | 1,000 | CHF | 15 |
| | I-B-acc | CHF | 1,000 | CHF | 5.5 |
| | I-X-acc | CHF | 1,000 | CHF | 0 |
| | U-X-acc | CHF | 100,000 | CHF | 0 |
| | I-W-acc | CHF | 1,000 | CHF | 15 |
| – Bonds CHF Exposure | I-A-acc | CHF | 1,000 | CHF | 105.5 |
| | I-A2-acc | CHF | 1,000 | CHF | |
| | I-A3-acc | CHF | 1,000 | CHF | |
| | I-B-acc | CHF | 1,000 | CHF | 5.5 |
| | I-X-acc | CHF | 1,000 | CHF | 0 |
| | U-X-acc | CHF | 100,000 | CHF | 0 |
| | Q-acc | CHF | 100 | CHF | 117 |
| | I-W-acc | CHF | 1,000 | CHF | 105.5 |
| – Commodities Constant Maturity Hedged NSL | I-A-acc | CHF | 1,000 | CHF | 62 |
| | I-A2-acc- | CHF | 1,000 | CHF | 52 |
| | I-A3-acc | CHF | 1,000 | CHF | 38 |
| | I-B-acc | CHF | 1,000 | CHF | 4.5 |
| | I-X-acc | CHF | 1,000 | CHF | 0 |
| | U-X-acc | CHF | 100,000 | CHF | 0 |
| | Q-acc | CHF | 100 | CHF | 62 |
| | I-W-acc | CHF | 1,000 | CHF | 62 |
| – Bonds CHF Domestic Government Index NSL | I-A-acc | CHF | 1,000 | CHF | 14 |
| | I-A3-acc | CHF | 1,000 | CHF | 14 |
| | I-B-acc | CHF | 1,000 | CHF | 4.5 |
| | I-X-acc | CHF | 1,000 | CHF | 0 |
| | U-X-acc | CHF | 100,000 | CHF | 0 |
| | I-W-acc | CHF | 1,000 | CHF | 14 |
| – Bonds USD Emerging Markets Aggregate ESG Index Hedged NSL | I-A-acc | CHF | 1,000 | CHF | 21 |
| | I-B-acc | CHF | 1,000 | CHF | 8.4 |
| | I-X-acc | CHF | 1,000 | CHF | 0 |
| | U-X-acc | CHF | 100,000 | CHF | 0 |
| | I-W-acc | CHF | 1,000 | CHF | 21 |

| | | | | | |
|---|----------|-----|---------|-----|-----|
| – Bonds USD Emerging Markets Government Index Hedged NSL | I-A-acc | CHF | 1,000 | CHF | 21 |
| | I-B-acc | CHF | 1,000 | CHF | 8.4 |
| | I-X-acc | CHF | 1,000 | CHF | 0 |
| | U-X-acc | CHF | 100,000 | CHF | 0 |
| | I-W-acc | CHF | 1,000 | CHF | 21 |
| – Bonds CHF Short Term NSL | I-A-acc | CHF | 1,000 | CHF | 21 |
| | I-A2-acc | CHF | 1,000 | CHF | 18 |
| | I-A3-acc | CHF | 1,000 | CHF | 15 |
| | I-B-acc | CHF | 1,000 | CHF | 3.5 |
| | I-X-acc | CHF | 1,000 | CHF | 0 |
| | U-X-acc | CHF | 100,000 | CHF | 0 |
| | Q-acc | CHF | 100 | CHF | 24 |
| | I-W-acc | CHF | 1,000 | CHF | 21 |
| – Global Aggregate Bonds ESG Passive (CHF hedged) II | I-A-acc | CHF | 1,000 | CHF | 12 |
| | I-B-acc | CHF | 1,000 | CHF | 4.5 |
| | I-X-acc | CHF | 1,000 | CHF | 0 |
| | U-X-acc | CHF | 100,000 | CHF | 0 |
| | I-W-acc | CHF | 1,000 | CHF | 12 |

Tax regulations relevant for the investment fund

The fund management company may apply for a refund of all Swiss federal withholding tax levied on the fund's domestic income on behalf of the investment fund. Any income realised abroad may be subject to the relevant withholding tax deductions imposed by the country of investment. According to Circular No. 24 of the Swiss Federal Tax Administration (ESTV), these taxes are reclaimed by the fund management company on the basis of double taxation agreements or corresponding agreements for investors domiciled in Switzerland for those sub-funds that consistently have at least 80% foreign earnings.

| UBS (CH) Institutional Fund 3 | Min. 80% foreign earnings |
|--|----------------------------------|
| A. - Real Estate Switzerland Funds Index NSL | No |
| B. - Bonds CHF Exposure | No |
| C. - Commodities Constant Maturity Hedged NSL | No |
| D. - Bonds CHF Domestic Government Index NSL | No |
| E. - Bonds USD Emerging Markets Aggregate ESG Index Hedged NSL | Yes |
| F. - Bonds USD Emerging Markets Government Index Hedged NSL | Yes |
| G. - Bonds CHF Short Term NSL | No |
| H. - Global Aggregate Bonds ESG Passive (CHF hedged) II | Yes |

The international automatic exchange of information on tax matters (automatic exchange of information)

This umbrella fund qualifies as being for the purpose of the automatic exchange of information within the meaning of the collective reporting and due diligence standard prescribed by the Organisation for Economic Co-operation and Development (OECD) for information on finance accounts (GMS) as a non-reporting financial entity.

FATCA

The sub-funds of this umbrella fund were registered with the tax authorities in the United States as Registered Deemed-Compliant Financial Institutions under a Model 2 IGA as provided for by Sections 1471 - 1474 of the U.S. Internal Revenue Code (Foreign Account Tax Compliance Act, including related ordinances, "FATCA").

Partial exemption under the German Investment Tax Act 2018

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

In case of investments in target investment funds, these target investment funds will be considered by the Funds in the calculation of their equity participation ratio. As far as such data is available, the at least weekly calculated and published actual equity ratios of target funds will be considered in this calculation according to Sec. 2 para. 6 respectively 7 GITA.

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

- None (not applicable)

The following Funds will invest at least 25% of their relevant total assets in equity investments (as defined by Sec. 2 para. 8 GITA and associated guidance), on a continuous basis, in order to establish eligibility as a "mixed fund" according to Sec. 2 para. 7 GITA for the partial exemption according to Sec. 20 para. 2 GITA.

- None (not applicable)

All funds other than those specifically named above should be considered as "other funds" under the German Investment Tax Act.

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

2. Investment objectives

A. General part

Sustainability

The asset manager 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.

For sub-funds classified by UBS Asset Management in accordance with its investment policy (§ 8) as "ESG integration", the ESG integration approach is followed. However, there is no sustainability goal. Asset managers of sub-funds that are classified as "ESG integration" can, taking account of all risks and opportunities and with corresponding justification and documentation, invest in securities that have an increased ESG risk.

Sub-funds classified by UBS Asset Management in accordance with its investment policy (§ 8) as "sustainability focused" have one or more specific sustainability goals
<https://www.ubs.com/global/en/asset-management/investment-capabilities/sustainability.html>.

Sustainability focus funds use ESG integration and define binding minimum standards regarding potentially identified increased ESG risks in the portfolio construction.

This UBS Asset Management ESG classification is listed in the investment objective of the specific sub-funds.

ESB approaches

With respect to sustainable investments and risks, the **ESG approaches** listed below, or a combination thereof, may be followed:

ESG integration

ESG integration is implemented by taking account of 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.

The asset manager takes ESG integration into account when allocating to underlying strategies, including of target funds. For strategies managed by UBS, the asset manager identifies ESG-integrated assets using the research process for ESG integration described above.

Similar sustainability criteria are applied to investments in passive strategies, but without specifying the data providers and sources or the precise operationalisation of the criteria. When selecting ESG indices for passive strategies, we ensure that they comply with UBS sustainability standards.

See above for a description of the sustainability focus funds/ESG integration fund categories defined by UBS Asset Management.

Exclusion criteria (negative screening): When the sub-funds invest in actively managed funds or strategies from UBS Asset Management, they use exclusion guidelines. These encompass in particular companies that are involved in the manufacture of controversial weapons, coal production and the energy production based on it, as well as oil sands and gas extraction, and companies for which other exclusion criteria that are considered relevant apply. Data from an external consultant is used to identify companies that are involved in the manufacture of controversial weapons (ISS Ethix - <https://www.issgovernance.com/esg/screening/#controversial-weapons>). The external advisor provides data for a screening list of companies involved in production, sales or distribution in relation to the sub-funds.

The restrictions on the investment universe that apply to all actively managed funds, as well as the applicable exclusion criteria and thresholds, are updated regularly and recorded in the Sustainability Exclusion Policy (<https://www.ubs.com/global/en/asset-management/investment-capabilities/sustainability.html>).

The following exclusions apply to specific sub-funds:

Ethix: No investments are made in issuers covered by the UBS Asset Management exclusion guidelines (exclusion criteria), such as production of controversial weapons (anti-personnel mines, cluster munitions, biological, chemical or nuclear weapons). Data from an external consultant is used to identify such companies (ISS Ethix <https://www.issgovernance.com/esg/scree-ning/#controversial-weapons>).

- UBS (CH) Institutional Fund 3 – Real Estate Switzerland Funds Index NSL
- UBS (CH) Institutional Fund 3 – Commodities Constant Maturity Hedged NSL
- UBS (CH) Institutional Fund 3 – Bonds CHF Domestic Government Index NSL
- UBS (CH) Institutional Fund 3 – Bonds USD Emerging Markets Aggregate ESG Index Hedged NSL
- UBS (CH) Institutional Fund 3 – Bonds USD Emerging Markets Government Index Hedged NSL
- UBS (CH) Institutional Fund 3 – Global Aggregate Bonds ESG Passive (CHF hedged) II

SVVK-ASIR: The sub-funds basically cannot invest in companies that are included in the list of recommendations published by the "Swiss Association for Responsible Investment" ("SVVK-ASIR") for the exclusion of companies classified as problematic (see under: www.svvk-asir.ch). Adjustments of the portfolio to this list will be made as soon as possible, subject to appropriate market conditions and feasibility (such as market liquidity or sanctions). The SVVK-ASIR exclusions apply to all sub-funds of this fund.

Index derivatives and/or investment products that replicate an index (including ETFs) and are used for the efficient implementation of the investment policy – namely for the management of cash flows in the context of fund unit subscriptions and redemptions and/or for the implementation of a tactical investment decision for which direct investments cannot be used at all and/or only with disproportionately high transaction costs and/or only with disproportionately long transaction times, and/or for the implementation of the investment policy for the portion of non-investable withholding tax reclaims – are permitted, provided the aggregate weighting of the companies included in the SVVL list do not account for more than 25% of the index weighting. In any case, these instruments may not be used to circumvent the exclusion criteria.

Best-in-class approach: Sub-funds that use the **best-in-class approach** to select securities invest in such a way that the "asset-weighted" sustainability profile of the sub-fund, based on data and analyses from internal or recognised external data sources (see ESG integration above) is improved compared with a benchmark with no ESG standard (broad market index/reference), measured by an ESG rating or ESG score. A detailed description of the **best-in-class approach** used can be found in the investment objective of each sub-fund in question.

Engagement: The engagement programme aims to prioritise/select companies in respect of which UBS Asset Management has certain reservations or wishes to address issues relating to specific ESG factors. These companies are selected from the entire universe of companies in which UBS Asset Management invests using a top-down approach in accordance with our principles as described in the Global Stewardship Policy. A

prioritisation process determines whether and when engagement with a company is necessary. If a company is selected for the engagement programme, the engagement dialogue is conducted for at least two years. This is not an indication that there has been any engagement on specific UBS Asset Management reservations or ESG issues in relation to companies in this portfolio in any specific period or that the companies in this portfolio have been selected with the intention of engaging actively. Information on the selection of companies, engagement activities, the prioritisation process and UBS Asset Management's understanding of reservations and ESG issues can be found in the UBS Asset Management Stewardship Annual Report.

Sub-funds that are only subject to engagement:

UBS (CH) Institutional Fund 3 – Real Estate Switzerland Funds Index NSL

ESG risks

As the selection of investments is partly dependent on external data and index providers, this may represent an additional risk for investors, as sustainability data is to a large extent shaped by qualitative estimates of the external ESG data providers used, which may lead to different estimates of sustainability levels across the external ESG data providers in the presence of the same objective facts. As there is currently no universally accepted valuation benchmark for sustainability levels, an incorrect estimate of sustainability levels and thus a sub-optimal construction of the sustainability benchmarks on which passive sub-funds are based cannot be ruled out. As a consequence, the risk/return profile of the sub-funds may be disadvantageous for the investor compared with a sustainability benchmark constructed on the basis of correct estimates of sustainability levels and/or cause reporting to deviate from the correct actual position.

Annual sustainability report

The UBS Sustainability Report is the medium for the sustainability reporting of UBS. The report, which is published annually, aims to present UBS's sustainability approach and activities in an open and transparent manner, consistently applying UBS's information policy and disclosure principles.

<https://www.ubs.com/global/en/asset-management/investment-capabilities/sustainability.html>

B. Specific part

A. UBS (CH) Institutional Fund 3 - Real Estate Switzerland Funds Index NSL

The investment objective of this sub-fund is principally to secure long-term performance consistent with the development of the prevailing market indices for Swiss real estate investment funds and investments in Swiss securities from companies whose main activity is owning, buying, selling or developing real estate. In managing the assets of the sub-fund the management company is guided by a representative benchmark for Swiss real estate investment funds and investments in Swiss securities from companies whose main activity is owning, buying, selling or developing real estate, which is listed in prov. 6 of this appendix. The sub-fund does not qualify as sustainable and is not managed sustainably. No sustainability risks are taken into consideration in the index selection.

B. UBS (CH) Institutional Fund 3 - Bonds CHF Exposure

UBS Asset Management classifies this sub-fund as an ESG Integration Fund (for more information, please refer to the appendix, prov. 2). The sub-fund does not qualify as sustainable and is not managed sustainably. The ESG integration approach is applied (**ESG integration**). However, there is no specific sustainability or impact goal. The asset manager can, taking account of all risks and opportunities and with corresponding justification and documentation, invest in securities that have an increased ESG risk.

The sub-fund is actively managed. The investment objective of this sub-fund is principally to achieve a better risk-adjusted return than the representative reference index (benchmark) for Swiss franc (CHF) denominated bonds over a full market cycle, taking into account the risks of investments in Swiss franc (CHF) denominated bonds. The benchmark is listed in prov. 6.1 of this appendix.

C. UBS (CH) Institutional Fund 3 - Commodities Constant Maturity Hedged) NSL

The investment objective of this sub-fund is principally to offer a broadly diversified exposure to the commodity markets and generate a long-term performance reflecting the performance of the index listed in the appendix. There can be no guarantee that the target investment objective is achieved. The sub-fund does not qualify as sustainable and is not managed sustainably. No sustainability risks are taken into consideration in the index selection.

D. UBS (CH) Institutional Fund 3 - Bonds CHF Domestic Government Index NSL

The investment objective of this sub-fund is principally to passively replicate a benchmark as described in prov. 6 of the appendix for bonds denominated in Swiss francs (CHF) and secure a performance consistent with the performance of this benchmark. The sub-fund does not qualify as sustainable and is not managed sustainably. No sustainability risks are taken into consideration in the index selection.

E. UBS (CH) Institutional Fund 3 - Bonds USD Emerging Markets Aggregate ESG Index Hedged NSL

The investment objective of this sub-fund is principally to passively replicate the representative benchmark "70% JPM ESG EMBI Global Diversified (hedged CHF) / 30% JPM ESG CEMBI Broad Diversified (hedged CHF)" (<https://www.jpmorgan.com/insights/research/index-research/composition-docs>) and secure performance consistent with the performance of this benchmark. The benchmark is constructed by applying a **best-in-class selection process** to companies as defined by index administrator J.P. Morgan.

The benchmark applies the following sustainability approaches:

The J.P. Morgan ESG EMBI Global Diversified Index (JESG EMBIG) tracks liquid, US dollar-denominated fixed-income and floating-rate debt instruments issued by sovereign and quasi-sovereign entities in emerging markets. The index applies an ESG scoring (**best-in-class**) and **negative screening process (exclusion criteria)** to tilt towards issuers ranked higher on ESG criteria and green bonds as defined by the Climate Bonds Initiative, and to underweight and remove issuers ranked lower. The JESG EMBIG is based on the established flagship J.P. Morgan EMBI Global Diversified Index. The index applies an **ESG scoring (best-in-class)** and **negative screening methodology (exclusion criteria)** to tilt towards issuers ranked higher on ESG criteria and green bonds as defined by the Climate Bonds Initiative (<https://www.climatebonds.net/standard/taxonomy>), and to underweight and remove issuers ranked lower. The JESG EMBIG is based on the established flagship J.P. Morgan EMBI Global Diversified Index.

The J.P. Morgan JESG EMBI Index applies J.P. Morgan ESG (JESG) issuer scores to adjust the market value of the index constituents of the J.P. Morgan EMBI Global Diversified Index.

The J.P. Morgan ESG CEMBI Broad Diversified Index tracks liquid, US dollar-denominated fixed-income and floating-rate debt instruments issued by companies in emerging markets. The index applies an **ESG scoring (best-in-class)** and **negative screening methodology (exclusion criteria)** to tilt towards issuers ranked higher on ESG criteria and green bonds as defined by the Climate Bonds Initiative (<https://www.climatebonds.net/certification>), and to underweight and remove issuers ranked lower. The J.P. Morgan ESG CEMBI Broad Diversified Index is based on the flagship J.P. Morgan CEMBI Broad Diversified Index. The index applies J.P. Morgan ESG (JESG) issuer scores to adjust the market value of the index constituents of the J.P. Morgan CEMBI Broad Diversified Index. JESG issuer scores are a 0-100 percentile rank calculated using normalised raw ESG data from third-party ESG research providers Sustainalytics and RepRisk based on a methodology defined by index administrator J.P. Morgan. An issuer's finalised JESG scorer incorporates a three-month rolling average. Corporate issuers with no coverage from either third-party ESG research provider default to the JESG score of their region or sector. The JESG scores are divided into five bands that are used to scale each issue's baseline index market value. The bands and the respective index weights are recalculated quarterly. Issuers in Band 5 (= issuers with a JESG score below 20) are excluded from the index and are not eligible for twelve months. In addition, corporate bond issuers in the thermal coal, tobacco and weapons sectors as well as those not in compliance with the UN Global Compact (as identified by RepRisk and Sustainalytics) – (<https://www.jpmorgan.com/insights/research/index-research/composition-docs>) are excluded.

At the time of the index adjustments, the sub-fund invests 90% of its assets (excluding liquid assets and derivatives) in investments that meet the requirements of the sustainability policy.

Notes on investments that do not meet the sustainability requirements:

Interest derivatives and index derivatives and/or investment products that replicate an index (including ETF) and are used for the efficient implementation of the investment policy – namely for the management of cash flows in the context of fund unit subscriptions and redemptions and/or for the implementation of a tactical investment decision for which direct investments cannot be used at all and/or only with disproportionately high transaction costs and/or only with disproportionately long transaction times, and/or for the implementation of the investment policy for the portion of non-investable withholding tax reclaims – are permitted. In addition, for liquidity reasons, the sub-fund can hold debt securities from issuers that have been removed from the benchmark (typically intra-year bonds) or invest in new issues. In any case, these products may not be used to circumvent the exclusion criteria.

F. UBS (CH) Institutional Fund 3 - Bonds USD Emerging Markets Government Index Hedged NSL

The investment objective of this sub-fund is principally to passively replicate a representative benchmark noted in prov. 6 of this appendix for public-sector and public-private emerging market borrowers worldwide and to secure performance consistent with the performance of this benchmark (before deducting fees and transaction costs). Emerging markets are at an early stage of development, which can typically entail highly volatile market prices and temporary liquidity problems. The emerging market countries may also be associated with high levels of political or economic risk. The sub-fund does not qualify as sustainable and is not managed sustainably. No sustainability risks are taken into consideration in the index selection.

G. UBS (CH) Institutional Fund 3 - Bonds CHF Short Term NSL

UBS Asset Management classifies this sub-fund as an ESG Integration Fund (for more information, please refer to the appendix, prov. 2). The sub-fund does not qualify as sustainable and is not managed sustainably. The ESG integration approach is applied (**ESG integration**). However, there is no specific sustainability or impact goal. The asset manager can, taking account of all risks and opportunities and with corresponding justification and documentation, invest in securities that have an increased ESG risk.

The sub-fund is actively managed. The investment objective of this sub-fund is principally to generate a performance that beats the benchmark while offering balanced risk diversification. There is no guarantee that investors will obtain a specific return, or that they will be able to redeem units with the fund management at a specific price.

H. UBS (CH) Institutional Fund 3 – Global Aggregate Bonds ESG Passive (CHF hedged) II

The investment objective of this sub-fund is principally to replicate the representative index Bloomberg MSCI Global Aggregate Sustainability ex- CHF (hedged in CHF) and secure performance consistent with the performance of this benchmark.

The benchmark applies the following sustainability approaches:

The benchmark index is created by applying a **best-in-class selection process (positive screening)** as well as **exclusions** (negative screening) to issuers (companies, sovereign/government-related issuers, securitisations) as defined by the independent index administrator Bloomberg Indices using sustainability data from the independent ESG data provider MSCI ESG Research (<https://www.msci.com/esg-ratings>).

The benchmark measures the performance of global bonds taking into account environmental, social and governance factors. The index considers issuers from the existing Bloomberg Global Aggregate Index that have an MSCI ESG rating equal to or better than BBB (**positive screening**) and an ESG Controversy Score equal to or greater than 1 (negative screening).

MSCI ESG Ratings fundamentally uses a methodology that evaluates long-term environmental, social and governance characteristics of companies and sovereigns. Issuers are rated on a 7 level scale from "AAA" to "CCC", with AAA being the best ESG rating.

The ESG rating criteria used for companies may include the following topics (non-exhaustive list): ecological footprint and operational efficiency, labour standards, supply chain monitoring, boardroom diversity and anti-bribery and anti-corruption standards.

The applied ESG rating criteria for sovereigns and sovereign-related issuers are assessed based on an MSCI model and include over 100 data points in six environmental, social and governance categories.

The MSCI Controversy Score evaluates business practices in terms of their compatibility with established norms and standards. Business practices that MSCI ESG Research evaluates include, among others, child labour, occupational safety, diversity, employee engagement, freedom of association, human rights, environmental aspects, product safety). Controversies result in a score value of 0-10, depending on the severity of their environmental, social, or governance impacts, with a value of 0 assigned to the most serious controversies. Additional information on the index can be found at: [Bloomberg MSCI ESG Fixed Income Indexes](#).

At the time of the index adjustments, the sub-fund invests 90% of its assets (excluding liquid assets and derivatives) in investments that meet the requirements of the sustainability policy.

Notes on investments that do not meet the sustainability requirements:

Interest derivatives and index derivatives and/or investment products that replicate an index (including ETF) and are used for the efficient implementation of the investment policy – namely for the management of cash flows in the context of fund unit subscriptions and redemptions and/or for the implementation of a tactical investment decision for which direct investments cannot be used at all and/or only with disproportionately high transaction costs and/or only with disproportionately long transaction times, and/or for the implementation of the investment policy for the portion of non-investable withholding tax reclaims – are permitted. In addition, for liquidity reasons, the sub-fund can hold debt securities from issuers that have been removed

from the benchmark (typically intra-year bonds) or invest in new issues. In any case, these products may not be used to circumvent the exclusion criteria.

Investments in special purpose acquisition companies (SPACs)

A SPAC is an exchange-listed special purpose company that raises investment capital in order to acquire or merge with an existing company (the "acquisition target"). The acquisition target is typically an existing company that is not listed on an exchange, but that would like to go public, which can be achieved through an acquisition by a SPAC or a merger with a SPAC and not by a traditional IPO. The identity of the acquisition target is generally not known when the SPAC looks for investors. The structure of SPACs can be complex and their features can vary significantly, which can result in different risks, such as dilution, liquidity, a conflict of interests or uncertainty regarding the identification, valuation and eligibility of a target company.

Investors should note that an investment in a SPAC is associated with the risk that an acquisition may not be carried out by the SPAC, e.g. because a suitable acquisition target is not found, because the proposed acquisition or merger does not receive the consent of the SPAC's shareholders, the required government or other approval is not granted or the merger proves unsuccessful after it is completed and results in a loss. Shares of companies that are acquired by a SPAC or that were merged with a SPAC may be volatile and entail a substantial financial risk. As part of investments in SPACs, a UBS Group company may be involved in the establishment, financing and structuring of the SPAC.

As part of investments in SPACs, a UBS Group company may be involved in the establishment, financing and structuring of the SPAC. UBS and its Group companies have ensured that appropriate organisational measures have been taken to identify and avoid conflicts of interest, or to safeguard investors from the disadvantages of such conflicts of interest.

3. Information on the fund management company

3.1 General information on the fund management company

The fund management company is UBS Fund Management (Switzerland) AG. It has been active in the fund business since its formation as a limited company in 1959. 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 paid in full. UBS Fund Management (Switzerland) AG is a wholly owned subsidiary of UBS Group AG. On 31 December 2023, the fund management company managed a total of 423 securities funds and 8 real estate funds in Switzerland with assets totalling CHF 339 301 million.

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 in principle 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 both the individual investments with regard to their marketability and of the sub-funds with regard to meeting redemptions. The fund management company assesses the liquidity of the sub-funds on a monthly basis using various scenarios, and documents these. In particular, the fund management company has defined and implemented processes that, among other things, make it possible to identify, monitor and report these liquidity risks. To identify the liquidity risks of the investments and calculate individual liquidity thresholds at sub-fund level, the fund management company relies on market-tested models that have been examined by specialist units of the UBS Group. The liquidity thresholds are used to monitor stress-reduction scenarios at sub-fund level.

3.2 Delegation of investment decisions

The fund's investment decisions are delegated to UBS Asset Management Switzerland AG, Zurich, UBS Asset Management (Americas) LLC, New York, and UBS Asset Management (UK) Ltd, London. These have many years of experience in asset management services and a broad knowledge of the investment markets of the fund. The precise duties involved are set out in the respective asset management agreements between the parties.

3.3 Delegation of administration

The administration of the investment fund, in particular accounting, calculation of net asset values, tax returns, operation of IT systems and production of reports, 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.

4. Information on the custodian bank

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

As a universal bank, UBS Switzerland AG offers a wide range of banking services.

The custodian bank has been registered with the tax authorities in the United States as a Reporting Financial Institution under a Model 2 intergovernmental agreement (IGA) as provided for by Sections 1471-1474 of the U.S. Internal Revenue Code (Foreign Account Tax Compliance Act (FATCA) and associated decrees).

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 112 842 staff worldwide and has an extensive network of offices. The custodian bank may delegate the safekeeping of the fund assets to third-party or central depositories in Switzerland or abroad, provided that this is in the interests of efficient management. The custodian bank may only delegate the safekeeping of the fund's financial instruments to third-party or central depositories subject to regulatory supervision. In the case of financial instruments, custody of the fund assets is limited to supervised third-party or central securities depositories. This requirement does not apply to compulsory custody in a place where it is not possible to transfer the financial instruments to a regulated third-party or central securities depository, notably due to binding legal constraints.

The custodian bank shall be liable for any losses caused by a third-party or central securities depository unless the bank is able to prove that due care was exercised in the selection, instruction and supervision of the depository.

The use of third-party 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. Moreover, if the third-party and central securities depositories are not supervised, they are unlikely to meet the organisational requirements placed on Swiss banks. When a third-party depository is located outside of Switzerland, the legal provisions and practices of the place where the assets are held in custody shall apply.

5. Information on third parties

5.1 Paying agents

The paying agents are UBS Switzerland AG, Bahnhofstrasse 45, 8001 Zurich, and its offices in Switzerland.

5.2 Distributor

The distributor is UBS Asset Management Switzerland AG, Zurich.

5.3 External auditors

The fund's assets will be audited by Ernst & Young Ltd., Basel.

5.4 Authorised contractual partner

None

6. Further information

6.1 General information

- A. UBS (CH) Institutional Fund 3 - Real Estate Switzerland Funds Index NSL
Benchmark SXI Real Estate® Broad Funds (TR)

| Unit class | Securities no. | ISIN Code |
|------------|----------------|--------------|
| I-A-acc | 4211426 | CH0042114261 |
| I-A2-acc | 25735972 | CH0257359726 |
| I-A3-acc | | |
| I-B-acc | 4211433 | CH0042114337 |
| I-X-acc | 4211437 | CH0042114378 |
| U-X-acc | | |
| I-W-acc | | |

- B. UBS (CH) Institutional Fund 3 - Bonds CHF Exposure
Benchmark SBI® Domestic AAA-BBB (TR)

| Unit class | Securities no. | ISIN Code |
|------------|----------------|--------------|
| I-A-acc | 4394741 | CH0043947412 |
| I-A2-acc | | |
| I-A3-acc | | |
| I-B-acc | 4394749 | CH0043947495 |
| I-X-acc | 4394754 | CH0043947545 |
| U-X-acc | | |
| Q-acc | | |
| I-W-acc | | |

- C. UBS (CH) Institutional Fund 3 - Commodities Constant Maturity Hedged NSL
Benchmark: UBS Bloomberg BCOM Constant Maturity Composite
Hedged CHF Total Return

The UBS Bloomberg DJ-UBS Constant Maturity Composite Index family is a combination of the UBS Bloomberg Constant Maturity Commodity Index family and the Dow Jones-UBS Commodity Index.

Dow Jones-UBS Commodity Index - Disclaimer:

The Dow Jones-UBS Commodity IndexesSM are a joint product of Dow Jones Indexes, the trading names and a licensed brand of CME Group Index Services LLC ("CME Indexes"), and UBS Securities LLC ("UBS Securities") and have been licenced for use. "Dow Jones®", "DJ", "Dow Jones Indexes", "UBS", "Dow Jones-UBS Commodity IndexSM" and "DJ-UBSSM" are service brands of Dow Jones Trademark Holdings, LLC ("Dow Jones") and/or UBS AG ("UBS AG") and have been licenced to CME Indexes. The fund is not sponsored, promoted, sold or marketed by Dow Jones, CME Indexes or any of their subsidiaries or affiliates. Neither Dow Jones, CME Indexes or any of their affiliated companies give any assurance or warranty (explicit or implicit) to the counterparties of the fund or any other person in connection with the advisability of investing in securities or commodities in general or the fund in particular. Before investing in the product, investors should read the current prospect carefully and thoroughly. Units in the UBS funds mentioned here may not be offered, sold or supplied in the USA. The information herein is not an offer or recommendation to buy or sell securities or associated financial instruments. Past performance is not a reliable guide to future performance. The performance shown does not take account of any commission or costs charged when subscribing to and redeeming units. Commissions and costs reduce performance. If the currency of a financial product or service differs from your reference currency, the return may rise or fall due to currency fluctuations. This information does not take specific or future investment goals into account, nor the financial position, tax situation or requirements of particular addressees.

UBS Bloomberg CMCI - Disclaimer:

UBS AG ("UBS") and Bloomberg Finance L.P. ("Bloomberg Finance") (jointly, and/or one or more potential legal successors to the Index sponsors, the "Index Providers") provide no (explicit or implicit) warranty or assurance for the suitability an investment in products related to the UBS Bloomberg Constant Maturity Commodity Index ("CMCI"), commodity products in general or the ability of the CMCI to replicate the performance of the commodity markets. When determining the components of the CMCI and any changes to the Index, the Index Provider shall not be obliged to take account of the needs of potential counterparties who own products based on the CMCI. The Index Provider holds all rights of ownership in the CMCI. Third-part products based on or related to the CMCI ("Product" or "Products") may only be launched with the prior written consent of UBS and Bloomberg and after signature of a licencing agreement between UBS, Bloomberg Finance and the party seeking to launch the product. UBS, Bloomberg Finance, the affiliates thereof and their respective partners, employees, sub-contractors, agents, suppliers and dealers offer no (explicit or implicit) warranty or assurance to owners of the Products or anyone else in connection with the advisability of investing in the Product or commodities in general, especially in futures, or in respect of the results arising from the use of the CMCI or the Product. The past

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| Unit class | Securities no. | ISIN Code |
|------------|----------------|--------------|
| I-A-acc | 12648054 | CH0126480547 |
| I-A2-acc | 12675569 | CH0126755690 |
| I-A3-acc | 12675573 | CH0126755732 |
| I-B-acc | 12648055 | CH0126480554 |
| I-X-acc | 12648056 | CH0126480562 |
| U-X-acc | | |
| Q-acc | | |
| I-W-acc | | |

D. UBS (CH) Institutional Fund 3 - Bonds CHF Domestic Government Index NSL
Benchmark SBI® Domestic Government (TR)

| Unit class | Securities no. | ISIN Code |
|------------|----------------|--------------|
| I-A-acc | 4866647 | CH0048666470 |
| I-A3-acc | 4866649 | CH0048666496 |
| I-B-acc | | |
| I-X-acc | 4866646 | CH0048666462 |
| U-X-acc | 10042216 | CH0100422168 |
| I-W-acc | | |

E. UBS (CH) Institutional Fund 3 - Bonds USD Emerging Markets Aggregate ESG Index Hedged NSL
Benchmark 70% JESG EMBI Global Diversified (hedged CHF) / 30%
JESG CEMBI Broad Diversified (hedged CHF)

| Unit class | Securities no. | ISIN Code |
|------------|----------------|--------------|
| I-A-acc | 24455240 | CH0244552409 |
| I-B-acc | 24455882 | CH0244558828 |
| I-X-acc | 24455883 | CH0244558836 |
| U-X-acc | | |
| I-W-acc | | |

F. UBS (CH) Institutional Fund 3 - Bonds USD Emerging Markets Government Index Hedged NSL
Benchmark JPM EMBI Global Diversified (CHF-hedged)

| Unit class | Securities no. | ISIN Code |
|------------|----------------|--------------|
| I-A-acc | | |
| I-B-acc | | |
| I-X-acc | 25902251 | CH0259022512 |
| U-X-acc | | |

| | | |
|---------|--|--|
| I-W-acc | | |
|---------|--|--|

G. UBS (CH) Institutional Fund 3 - Bonds CHF Short Term NSL
Benchmark SARON 3M compounded

| Unit class | Securities no. | ISIN Code |
|------------|----------------|--------------|
| I-A-acc | 23200406 | CH0232004066 |
| I-A2-acc | 23200607 | CH0232006079 |
| I-A3-acc | 23200608 | CH0232006087 |
| I-B-acc | 23200609 | CH0232006095 |
| I-X-acc | 23200611 | CH0232006111 |
| U-X-acc | 23200612 | CH0232006129 |
| I-W-acc | | |

H. UBS (CH) Institutional Fund 3 – Global Aggregate Bonds ESG Passive (CHF hedged)
II
Benchmark Bloomberg MSCI Global Aggregate ex-CHF
Sustainability (hedged CHF)

| Unit class | Securities number | ISIN Code |
|------------|-------------------|-----------|
| I-A-acc | | |
| I-B-acc | | |
| I-X-acc | | |
| U-X-acc | | |
| I-W-acc | | |

Additional information on the benchmarks

The following applies to the following sub-funds and the corresponding benchmarks:

Sub-funds

- Bonds CHF Domestic Government Index NSL
- Real Estate Switzerland Funds Index NSL

Benchmarks

- Swiss Domestic Bond Gov Index (Total Return)
- SXI Real Estate® Funds (TR)

SIX Swiss Exchange AG (“SIX Swiss Exchange”) and its licensors (the “Licensors”) are not connected with the fund management company, with the exception of the licensing of the benchmarks listed above (the “Benchmarks”) and the associated brands for such use in connection with the sub-funds indicated above (the “Sub-funds”).

SIX Swiss Exchange and its Licensors have no connection with the sub-funds. In particular:

- the sub-funds are in no way supported, assigned, sold or purchased by the aforementioned parties;
- the aforementioned parties do not provide any investment recommendations with regard to the sub-funds or other financial instruments;
- the aforementioned parties have no responsibility or liability for and make no decisions with regard to the scheduling, volume or pricing of the sub-funds;
- the aforementioned parties have no responsibility or liability for the administration, management or marketing of the sub-funds;
- the interests of the sub-funds or of the holders of the sub-funds are not considered when determining, compiling or calculating the benchmarks listed above, nor is there any obligation to take such into consideration.

SIX Swiss Exchange and its Licensors do not provide any warranty of any kind and do not accept any liability (either by reason of negligence or any other conduct) in connection with the sub-funds and their performance.

SIX Swiss Exchange shall not enter into a contractual relationship with the buyers of the sub-funds or other third parties.

In particular,

- SIX Swiss Exchange and its Licensors do not provide warranty of any kind (either explicitly or implicitly) and do not accept any liability for:
 - the results that may be achieved by the sub-funds, the holders of the sub-funds or any other persons in connection with the use of the benchmarks and the data contained in the benchmarks;
 - the accuracy, timeliness and completeness of the benchmarks and their data;
 - the marketability of the benchmarks and their data, as well as their suitability for a specific purpose or for a specific use;
 - the performance of the sub-funds in general.
- SIX Swiss Exchange and its Licensors do not provide warranty of any kind and do not accept any liability for any errors, omissions or gaps in the benchmarks and their data;
- SIX Swiss Exchange and its Licensors accept no liability (either by reason of negligence or any other conduct) under any circumstances for any loss of profits or any indirect, specific or consequential damage, fines or losses incurred as a result of any such errors, omissions or gaps in the benchmarks or their data or generally in connection with the sub-funds. This also applies if SIX Swiss Exchange or its Licensors are aware that such losses or damage may occur.

The following applies to the sub-funds below and the corresponding benchmarks:

Sub-funds

– Global Aggregate Bonds ESG Passive (CHF hedged) II

Benchmarks

Bloomberg MSCI Global Aggregate ex CH Sustainability (hedged in CHF)

The licence agreement between the fund management company and SIX Swiss Exchange is solely for their benefit and not for the benefit of the holders of the sub-funds or other third parties.

The following information applies to all sub-funds:

Accounting year

April 1 to 31 March

6.2 Possible reporting obligations and compliance with non-disclosure obligations

In light of local laws or regulatory provisions, listing and contractual conditions, self-regulation provisions, market practices and compliance standards, for example in the sub-funds' investment markets/countries, the fund management company and/or custodian bank may be obligated to disclose information and personal data about fund investors and third persons associated with these fund investors (e.g. beneficial owners), both among themselves and to third parties, for example to authorities in Switzerland or abroad, third-party custodians and central securities depositories, brokers, stock exchanges, registers, agents of the fund management company and/or custodian bank, and other third parties.

By subscribing and holding units, the investor releases the fund management company and the custodian bank in full from the obligation to observe the applicable Swiss and international non-disclosure provisions (e.g. business secrecy, bank-client and fund-client confidentiality). Neither the investor nor any affected third parties will be notified of such disclosure, either in advance or retroactively. Furthermore, the investor shall support the fund management company and/or custodian bank in fulfilling these requirements.

If the investor is simultaneously the beneficiary or beneficial owner, the investor shall be obligated to notify the beneficiary or beneficial owner in a timely manner about being released from the non-disclosure obligations specified above and to obtain their prior consent for such release, insofar as this is required on the basis of applicable legal or regulatory provisions or the contractual relationship agreed between both parties.

By subscribing and holding units, the investor agrees to notify the fund management company and/or the custodian bank if they or one of the third parties for whom they hold units in the capacity of financial intermediary holds and/or controls 5% or more of the net asset value of a sub-fund. This does not imply that a disclosure will be issued only or in all cases when this threshold is exceeded.

Detailed information on how the fund management company and the custodian bank process personal data in connection with this fund contract with appendix can be found at: <https://www.ubs.com/global/de/legal/privacy/switzerland.html>.

6.3 Issue, redemption and settlement

6.3.1 Issues and redemptions

- a) Subscription or redemption orders for units are accepted until 3 p.m. on each bank business day with the exception of the cases referred to under b) (trading day). No subscription or redemption orders are accepted on Swiss public holidays (Easter, Whitsun, Christmas, New Year, the Swiss national holiday [1 August], etc.). For all sub-funds no subscription or redemption orders are accepted on 24 and 31 December. In addition no issue or redemption will take place on days when the stock exchanges/markets in the fund's principal investment countries are closed, or when 50% or more of the fund's investments cannot be valued in an adequate manner, or under the exceptional circumstances defined under § 17 prov. 4 of the fund contract. The price used for the issue and redemption of units shall be calculated on the bank business day (valuation day) following the trading day (forward pricing). Orders processed by the custodian bank after this date will be processed using the net asset value on the following bank business day. Each day that the banks in Basel or Zurich are open for business shall be deemed to be a bank business day.
- b) Subscription or redemption orders for units of the following sub-funds are accepted until 2:30 p.m. in order to be settled on the bank business day following the trading day (valuation day):
 - Bonds CHF Exposure
 - Commodities Constant Maturity Hedged NSL

6.3.2 Settlement

The issue and redemption price is settled with a valuation of three bank business days at the most following the trading day.

6.4 Terms for the issue and redemption of fund units

Currently there is no issuing commission or redemption commission for the issuing or redemption of units.

Based on § 18 prov. 3 of the fund contract, the following incidental costs will be charged (in the form of a maximum percentage of the subscription or redemption volume). This is done as protection against dilution on behalf of existing or remaining unit holders.¹

| | |
|---------------------|---------------|
| Subscription costs: | maximum of 2% |
| Redemption costs: | maximum of 2% |

¹ In the event of exceptional circumstances cf. §17 fund contract Part II.

No ancillary costs are charged for subscriptions and redemptions made the same day that have an evident, direct economic link and that therefore entail no ancillary costs for the purchase and sale of investments

Sub-funds affected:

- Real Estate Switzerland Funds Index NSL
- Bonds CHF Domestic Government Index NSL
- Bonds USD Emerging Markets Aggregate ESG Index Hedged NSL
- Bonds USD Emerging Markets Government Index Hedged NSL
- Global Aggregate Bonds ESG Passive (CHF hedged) II

Gating:

The following information applies to the sub-funds set out below:

UBS (CH) Institutional Fund 3 - Bonds CHF Domestic Government Index NSL
UBS (CH) Institutional Fund 3 - Bonds CHF Short Term NSL
UBS (CH) Institutional Fund 3 - Bonds USD Emerging Markets Aggregate ESG Index Hedged NSL
UBS (CH) Institutional Fund 3 - Bonds USD Emerging Markets Government Index Hedged NSL
UBS (CH) Institutional Fund 3 – Bonds CHF Exposure
UBS (CH) Institutional Fund 3 - Real Estate Switzerland Funds Index NSL
UBS (CH) Institutional Fund 3 - Global Aggregate Bonds ESG Passive (CHF hedged) II

In exceptional circumstances, such as if the investments in the fund assets are insufficiently liquid or insufficient funds can be redeemed from target funds to adequately service redemptions, the fund management company reserves the right to reduce all redemption requests (gating) in the interests of the investors remaining in the sub-fund on days on which the total net amount of redemptions (not taking into account in-kind contributions or deliveries) exceeds **10% of the fund assets or 50 Mio. in the sub-fund's unit of account** (or 15 million Swiss francs in the case of the Swiss Real Estate Securities Selection Passive II sub-fund) or one of the target funds introduces gating or does not fulfil redemptions on time or at all for other reasons.

In such circumstances, the fund management company may decide to reduce **redemption applications proportionally and in the same proportion** at its own discretion. The remaining part of the redemption orders shall be deemed to have been received for the next valuation day and settled at the terms applicable on that day. This means there is no preferential treatment of deferred redemption requests. The fund management company will immediately inform the audit firm and the supervisory authority of any decision to apply or waive gating. It must also inform the investors in a suitable manner.

Risk warning in connection with gating:

The financial markets in which the fund assets are invested can become temporarily illiquid. This means that, depending on the volume, the fund investments cannot be sold at the expected prices at all times or that target fund investments no longer fulfil their redemptions or not on time. Under such circumstances, it may not be possible or in the interests of investors to sell or redeem fund investments. Such market conditions may lead to liquidity bottlenecks for the sub-fund. Consequently, the fund management company may postpone the redemption of units in accordance with § 17 prov. 4, reduce redemptions on a proportional basis (gating) or place the sub-fund in liquidation. This may lead to a long delay in the redemption of units and the payment of redemption or liquidation proceeds. Fund investment illiquidity may also lead to impairments or deviations with regard to achieving the investment objectives or implementing the investment strategy (e.g. replicating an index).

6.5 Sales restrictions

When units of this investment fund are issued or redeemed abroad, the provisions valid in the country in question shall apply.

Investors who are US persons must not be offered, sold or supplied with any units of this umbrella fund. A US person is someone who:

- (i) is a United States person within the meaning of paragraph 7701(a)(30) of the US Internal Revenue Code of 1986 (as amended) and the Treasury Regulations enacted in the Code;
- (ii) is a US person within the meaning of regulation S in the US Securities Act of 1933 (17 CFR § 230.902(k));
- (iii) is a non-US 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 of America within the meaning of rule 202(a)(30)-1 of the US Investment Advisers Act of 1940 (as amended); or
- (v) is a trust, a legal entity or another structure founded for the purpose of enabling US persons to invest in this umbrella fund.

Units of the sub-funds may not be offered, sold or delivered to investors deemed "Resident Indians", "Non-Resident Indians" or "Overseas Citizens of India" pursuant to the rules applicable in India to foreign portfolio investors.

6.6 Conversion of units

The unit holders may switch from one sub-fund to another at any time. The same provisions apply to the submission of conversion applications as apply to the issue and redemption of units (see § 17). The number of units into which the investor would like to convert his or her units is calculated using the following formula:

$$A = (B \times C) / D$$

where:

A = number of units of the sub-fund unit class into which the investor wants to convert

B = number of units of the sub-fund unit class from which the investor wants to convert

C = net asset value of the units presented for conversion

D = net asset value of the units of the sub-fund unit class in which the conversion is to take place

6.7 Due diligence when acquiring target funds

Target funds are selected using quantitative and qualitative criteria. As part of quantitative analysis, the historical relationship between risk and return is analysed over various time periods. On the qualitative side, an in-depth assessment of the fund company's profile is carried out, looking at its corporate infrastructure, investment style, investment processes and internal risk controls. The results of both qualitative and quantitative evaluations are subject to regular reviews.

6.8 Issuer and counterparty risk

With regard to indirect investments via derivatives, it should be noted that such investments may result in an accumulation of risk. In addition to the market risk of the underlying, there is the risk stemming from the issuer of the derivative. This risk cumulation can be of particular significance where derivatives on market indices are used systematically instead of a broadly diversified portfolio of direct investments.

6.9 Official publication

The official publication for the umbrella fund shall be Swiss Fund Data AG (www.swissfunddata.ch).

6.10 Information on sub-funds which are considered to be a fund of fund

Sub-funds in the form of funds of funds invest primarily in other investment funds and make direct investments to a limited extent only.

Advantages of a fund of funds structure:

- The sub-funds of the fund of funds seek to invest in target funds that have a low correlation to each other, thereby achieving a higher degree of diversification when compared to many target funds.

- The comprehensive selection process, performed by the manager of the sub-funds of the fund of funds using qualitative and quantitative criteria, makes it possible to identify the most appropriate target funds worldwide.
- As a result of ongoing monitoring and control (due diligence) performed by the manager of the sub-fund of the fund of funds, and the related supervisory function performed by the fund management company, assets can be monitored regularly with regard to the investment objective and the investments adjusted in line with market changes as necessary.

Disadvantages of a fund of funds structure:

- The investment in a sub-fund of the fund of funds means that the investor must pay not only the commissions of the sub-fund, but also the commissions of the target funds in which the sub-fund of the fund of funds invests.
- The sub-funds of the fund of funds invest in hedge funds, over which the sub-funds of the fund of funds have very little or no influence. The target hedge funds can build up leverage -- in other words, create an exposure -- that clearly exceeds their own net assets. Since the sub-funds of the fund of funds have little or no impact on the target hedge funds, it cannot influence the activities of the target hedge funds.

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

The custodian bank: UBS Switzerland AG, Zurich