

# UBS (CH) Money Market Fund

Investment fund under Swiss law with multiple sub-funds (umbrella fund) of the category **“Other funds for Traditional Investments”**

Prospectus with integrated fund contract, Status: 23 August 2024

## Part I Prospectus

This prospectus, together with the fund contract which forms an integral part thereof, the key information document and the latest annual or semi-annual report (if published after the latest annual report), serves as the basis for all subscriptions of units of the sub-funds.

Only the information contained in the prospectus, the key information document or the fund contract shall be deemed to be valid.

### 1. Information on the umbrella fund and the sub-funds

#### 1.1 Foundation of the umbrella fund or its sub-funds in Switzerland

The fund contract for the UBS (CH) Money Market Fund was drawn up by UBS Fund Management (Switzerland) AG, Basel, as the fund management company and, with the agreement of UBS Switzerland AG as the custodian bank, submitted to the Swiss Financial Market Supervisory Authority (FINMA) for the first time and approved by it for the first time in 2011.

#### 1.2 Tax regulations relevant to the sub-funds

The umbrella fund and sub-funds have no legal personality in Switzerland. They are not subject to tax on either income or capital.

The fund management company may apply for a refund of all Swiss federal withholding tax levied on domestic income in the sub-funds on behalf of the corresponding sub-fund.

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

Net income retained and reinvested by the sub-funds is subject to Swiss federal withholding tax (tax at source) at a rate of 35%. Investors domiciled in Switzerland may reclaim the deducted withholding tax via their tax returns or by submitting a separate application for a refund.

Investors domiciled abroad who benefit from the affidavit process will be credited the withholding tax on presentation of the declaration of domicile. To this end, a bank must provide confirmation that the units held by foreign investors are held in safe-keeping at the bank and that the income will be credited to their accounts (residence declaration or affidavit). No guarantee can be given that at least 80% of a sub-fund's income originates from foreign sources.

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

**The umbrella fund has the following tax status:**

#### **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 umbrella fund is registered with the US tax authorities as a Registered Deemed-Compliant Financial Institution 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 tax exemption under the German Investment Tax Act 2018**

All sub-funds count as "other funds" for the purposes of the German Investment Tax Act (InvStG), hence partial exemption under § 20 InvStG is not possible.

**1.3 Financial year**

The financial year shall run from 1 October to 30 September.

**1.4 Audit firm**

The audit firm is Ernst & Young AG, Basel.

**1.5 Units**

In accordance with the fund contract, the fund management company is entitled to establish, liquidate or merge unit classes for each sub-fund at any time, subject to the agreement of the custodian bank and the approval of the supervisory authority.

Each sub-fund is currently subdivided into the following unit classes:

**UBS (CH) Money Market Fund – EUR**

Unit class	Currency of account	Initial subscription price	Launch period/date*	Minimum subscription	Minimum amount	Smallest tradable lot	Commission p.a.	Form of custody	Appropriation of income
P	EUR	1 000	Not yet known	–	–	0.001	0.50% <sup>2</sup> (0.40%)	Bearer	Accumulating
K-1	EUR	3 000 000 <sup>10</sup>	02.04.2012	n/a <sup>10</sup>	–	0.001	0.05% <sup>2</sup> (0.04%)	Bearer	Accumulating
Q	EUR	1 000	Not yet known	–	–	0.001	0.24% <sup>3</sup> (0.19%)	Bearer	Accumulating
QL	EUR	1 000	Not yet known	–	200,000,000 <sup>11</sup>	0.001	0.10% <sup>3</sup> (0.08%)	Registered <sup>7</sup>	Accumulating
F	EUR	1 000	Not yet known	–	–	0.001	0.05% <sup>4</sup> (0.04%)	Registered <sup>7</sup>	Accumulating
INSTITUTIONAL	EUR	1 000	02.04.2012	5,000,000 <sup>9</sup>	–	0.001	0.18% <sup>2</sup> (0.14%)	Registered <sup>7</sup>	Accumulating
PREFERRED	EUR	1 000	27.03.2023	10,000,000 <sup>9</sup>	–	0.001	0.14% <sup>2</sup> (0.11%)	Registered <sup>7</sup>	Accumulating
PREMIER	EUR	1 000	27.03.2023	30,000,000 <sup>9</sup>	–	0.001	0.10% <sup>2</sup> (0.08%)	Registered <sup>7</sup>	Accumulating
I-B <sup>8</sup>	EUR	1 000	18.02.2016	–	–	0.001	0.035% <sup>5</sup>	Registered <sup>7</sup>	Accumulating
I-X <sup>8</sup>	EUR	1 000	02.04.2012	–	–	0.001	0.00% <sup>6</sup>	Registered <sup>7</sup>	Accumulating
U-X	EUR	100 000	Not yet known	–	–	0.001	0.00% <sup>6</sup>	Registered <sup>7</sup>	Accumulating

**UBS (CH) Money Market Fund – USD**

Unit class	Currency of account	Initial subscription price	Launch period/date*	Minimum subscription	Minimum amount	Smallest tradable lot	Commission p.a.	Form of custody	Appropriation of income
P	USD	1 000	19.12.2016	–	–	0.001	0.50% <sup>2</sup> (0.40%)	Bearer	Accumulating
K-1	USD	5 000 000 <sup>10</sup>	24.08.2017	n/a <sup>10</sup>	–	0.001	0.24% <sup>2</sup> (0.19%)	Bearer	Accumulating
Q	USD	1 000	05.12.2016	–	–	0.001	0.24% <sup>3</sup> (0.19%)	Bearer	Accumulating
QL	USD	1 000	Not yet known	–	200,000,000 <sup>11</sup>	0.001	0.10% <sup>3</sup> (0.08%)	Registered <sup>7</sup>	Accumulating
F	USD	1 000	10.01.2017	–	–	0.001	0.10% <sup>4</sup> (0.08%)	Registered <sup>7</sup>	Accumulating
INSTITUTIONAL	USD	1 000	07.12.2011	5,000,000 <sup>9</sup>	–	0.001	0.18% <sup>2</sup> (0.14%)	Registered <sup>7</sup>	Accumulating
PREFERRED	USD	1 000	31.10.2011	10,000,000 <sup>9</sup>	–	0.001	0.14% <sup>2</sup> (0.11%)	Registered <sup>7</sup>	Accumulating
PREMIER	USD	1 000	10.11.2011	30,000,000 <sup>9</sup>	–	0.001	0.10% <sup>2</sup> (0.08%)	Registered <sup>7</sup>	Accumulating
I-B <sup>8</sup>	USD	1 000	Not yet known	–	–	0.001	0.035% <sup>5</sup>	Registered <sup>7</sup>	Accumulating
I-X <sup>8</sup>	USD	1 000	14.12.2011	–	–	0.001	0.00% <sup>6</sup>	Registered <sup>7</sup>	Accumulating
U-X	USD	100 000	Not yet known	–	–	0.001	0.00% <sup>6</sup>	Registered <sup>7</sup>	Accumulating

**UBS (CH) Money Market Fund – CHF**

Unit class	Currency of account	Initial subscription price	Launch period/date*	Minimum subscription	Minimum amount	Smallest tradable lot	Commission p.a.	Form of custody	Appropriation of income
P	CHF	1 000	Not yet known	–	–	0.001	0.50% <sup>2</sup> (0.40%)	Bearer	Accumulating
K-1	CHF	5 000 000 <sup>10</sup>	Not yet known	n/a <sup>10</sup>	–	0.001	0.05% <sup>2</sup> (0.04%)	Bearer	Accumulating
Q	CHF	1 000	Not yet known	–	–	0.001	0.24% <sup>2</sup> (0.19%)	Bearer	Accumulating
QL	CHF	1 000	Not yet known	–	200,000,000 <sup>11</sup>	0.001	0.10% <sup>2</sup> (0.08%)	Registered <sup>7</sup>	Accumulating
F	CHF	104.22	07.05.2010	–	–	0.001	0.10% <sup>2</sup> (0.08%)	Registered <sup>7</sup>	Accumulating
INSTITUTIONAL	CHF	995.14	07.05.2010	5,000,000 <sup>9</sup>	–	0.001	0.18% <sup>2</sup> (0.14%)	Registered <sup>7</sup>	Accumulating
PREFERRED	CHF	1 000	27.03.2023	10,000,000 <sup>9</sup>	–	0.001	0.10% <sup>2</sup> (0.08%)	Registered <sup>7</sup>	Accumulating
PREMIER	CHF	1 000	27.03.2023	30,000,000 <sup>9</sup>	–	0.001	0.08% <sup>2</sup> (0.06%)	Registered <sup>7</sup>	Accumulating
I-B <sup>8</sup>	CHF	970.75	07.05.2010	–	–	0.001	0.035% <sup>5</sup>	Registered <sup>7</sup>	Accumulating
I-X <sup>8</sup>	CHF	971.79	07.05.2010	–	–	0.001	0.00% <sup>6</sup>	Registered <sup>7</sup>	Accumulating
U-X	CHF	100 000	Not yet known	–	–	0.001	0.00% <sup>6</sup>	Registered <sup>7</sup>	Accumulating

<sup>2</sup> Flat fee charged by the fund management company. This is appropriated for the management, asset management and distribution activities for the sub-funds and also for all tasks carried out by the custodian bank. The amount in brackets indicates the level of the management fee, which accounts for 80% of the flat fee.

<sup>3</sup> Flat fee charged by the fund management company. This is appropriated for the management and asset management of the sub-fund and for all tasks of the custodian bank. The amount in brackets indicates the level of the management fee, which accounts for 80% of the flat fee.

<sup>4</sup> Flat fee charged by the fund management company. This is appropriated for the management, asset management and distribution activities for the sub-funds and also for all tasks carried out by the custodian bank. An additional fee is charged as stated in the written asset management mandate which the investor has concluded with group companies of UBS Group AG or a contracting partner authorised by UBS Group AG (see § 6 prov. 4). The amount in brackets indicates the level of the management fee, which accounts for 80% of the flat fee.

<sup>5</sup> Commission charged by the fund management company. The costs incurred in fund administration (including fund management company, administration and custodian bank) are charged to the sub-fund's assets via commission. The costs incurred in asset management and for distribution activities are charged to investors under a separate agreement with UBS or one of its authorised contracting partners (see § 6 prov. 4).

<sup>6</sup> Commission charged by the fund management company. Costs arising in connection with the services provided for class "I-X" and "U-X" units are covered by payments due to UBS under a separate agreement with the investor (cf. § 6 prov. 4).

<sup>7</sup> The registered units must be booked and held in custody at UBS Switzerland AG.

<sup>8</sup> The allocation to a unit class shall take place in consultation with the investor based on their mandate relationship with UBS or one of its authorised contracting partners.

<sup>9</sup> In order to invest in this unit class, investors must

- (i) either comply with the minimum subscription as specified in the table,
- (ii) or have a minimum holding as specified in the table.
- (iii) or conclude a written agreement with UBS or one of its authorised contracting partners.

The minimum subscription/holding represents the sum of the capital that is invested in one or more sub-funds of this umbrella fund and that is held in one or several accounts/custody accounts that the same investor holds with UBS Switzerland AG. These custody accounts must show that the investor is the beneficial owner.

If an investor invests in several sub-funds of this umbrella fund at the same time, the currency of account taken as a basis for determining the minimum holding/subscription is the currency of account which permits the investor to use the lowest-cost class of units. If any investors no longer satisfy the minimum holding requirement during the holding period, they can transfer to the unit class which applies to them.

<sup>10</sup> Investors who wish to invest in this unit class must subscribe to units for an amount equal to the initial subscription price. For further subscriptions, they must subscribe at least the difference between the value of the units they already hold and the initial subscription price. If an investor holds units of the unit class in the value of the mentioned initial issue price, any subsequent subscription shall be accepted.

<sup>11</sup> Clients who wish to invest in this unit class must demonstrate to the respective financial intermediary that they are in possession of the entire minimum amount indicated in the table. The minimum amount is calculated taking the total sum of the capital invested by all the investors of the financial intermediary in the relevant sub-funds of the umbrella fund which are held in one or more accounts/custody accounts of the relevant financial intermediary at UBS Switzerland AG. If during the holding period the financial intermediary no longer meets the minimum amount required, its clients with existing investments in the "QL" unit class may still retain their units. However, under such circumstances subscriptions of new units are excluded.

\* In the table above, the note "not yet known" refers to those unit classes which were not yet launched on the date this prospectus was published, or for which a launch date has not yet been set. Investors should contact their investment advisor for further details.

Detailed information on the unit classes is contained in the fund contract (see Part II, § 6 prov. 4).

**Conversion of units**

The unitholders of a sub-fund may switch into another sub-fund at any time, as long as they fulfil the requirements of the unit class into which they wish to switch. 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 investors might want to convert their 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 = the net asset value of the units presented for conversion

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

The unit classes are not segmented assets. Accordingly, the possibility that a unit class may be liable for the liabilities of another unit class cannot be ruled out, even though costs as a rule may be charged only to the specific unit class benefiting from a specific service.

### 1.6 Listing and trading

The units are not listed on an exchange.

### 1.7 Terms for the issue and redemption of units of the sub-funds

Units of the sub-funds will be issued and redeemed on every bank working day (Monday to Friday). No issues or redemptions will take place on Swiss public holidays (Easter, Whitsun, Christmas including 24 December, 31 December, New Year's Day, 1 August, etc.), or on days when the exchanges and markets in a sub-fund's main investment countries are closed or on days when 50% or more of the investments of a sub-fund cannot be appropriately valued, or under the exceptional circumstances defined under § 17.4 of the fund contract.

The fund management company and the custodian bank are entitled to reject applications for subscription at their own discretion.

Issue and redemption orders entered at the custodian bank by 15:00 (Central European time) (cut-off time) on a bank business day (order day) will be settled on the basis of the net asset value calculated on the following bank business day (valuation date).

For orders placed with distributors in Switzerland and abroad, earlier cut-off times to submit the orders may apply in order to ensure timely forwarding to the custodian bank. These can be obtained from the respective distributor. The net asset value taken as the basis for the settlement of the order is therefore not known when the order is placed (forward pricing). The net asset value will be calculated on the valuation date based on closing prices on the order day or, if these do not reflect appropriate market values in the fund management company's view, at the latest available prices at the time of the valuation. The fund management company is entitled to apply other generally recognised and verifiable valuation criteria in order to make an appropriate valuation of a sub-fund's net assets if, due to extraordinary circumstances, a valuation in accordance with the regulations stated above proves to be unfeasible or inaccurate.

Incidental costs for the purchase and sale of investments (bid-ask spread, standard brokerage charges, commissions, fees, etc.) incurred by a sub-fund in connection with the investment of the amount paid in or with the sale of a portion of investments corresponding to the redeemed unit(s) on average will be covered by the application of swinging single pricing as described in § 16.7 of the fund contract.

Issue and redemption prices will be rounded to the smallest unit of the accounting currency of the respective sub-fund. Payment is at the latest 2 bank business days after the valuation date (value date maximum 2 days).

Instead of certificates, unit ownership is recorded as book entries.

#### Gating:

Applicable to the following sub-funds:

" - EUR "

" - USD "

" - CHF "

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 million Swiss francs in the sub-fund's unit of account, 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).

### 1.8 Appropriation of income

The net income will be added on an annual basis to the sub-fund's assets for reinvestment within four months of the close of the accounting year. Capital gains are not distributed, but are retained in the sub-fund's assets for the purpose of reinvestment.

### 1.9 Investment objective and investment policy of the sub-funds

#### 1.9.1 Investment objective

##### a. UBS (CH) Money Market Fund – EUR

The investment objective of UBS (CH) Money Market Fund – EUR is principally to generate long-term performance consistent with the development of the prevailing market indices for money market instruments denominated in euros (EUR).

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.

##### b. UBS (CH) Money Market Fund – USD

The investment objective of UBS (CH) Money Market Fund – USD is principally to generate long-term performance consistent with the development of the prevailing market indices for money market instruments denominated in US dollars (USD).

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.

##### c. UBS (CH) Money Market Fund – CHF

The investment objective of UBS (CH) Money Market Fund – CHF is principally to generate long-term performance consistent with the development of the prevailing market indices for money market instruments denominated in Swiss francs (CHF).

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.

#### 1.9.2 Investment policy

##### a. UBS (CH) Money Market Fund – EUR

This sub-fund invests primarily in money market instruments that are denominated in euros (EUR), are issued by governments, other public-law institutions or private borrowers worldwide and are of top-grade quality. A money market instrument is of top-grade quality if only if it has one of the two highest short-term credit ratings awarded by each rating agency rating the relevant instrument and recognised by the relevant supervisory authority. If one of the rating agencies should subdivide its highest short-term credit rating into two categories, both of these categories shall be interpreted as a single category and deemed as the highest short-term credit rating. If no short-term credit rating has been awarded, an equivalent long-term credit rating is used; if the instrument has no corresponding rating, the money market instrument must be of an equivalent grade as assessed according to the fund management company's in-house rating system. This sub-fund also invests in other investments as permitted under the fund contract.

When selecting the investments, the "ESG integration" approach in accordance with section 1.9.3 is followed. However, there is no specific sustainability or impact goal.

##### b. UBS (CH) Money Market Fund – USD

This sub-fund invests primarily in money market instruments that are denominated in US dollars (USD), are issued by governments, other public-law institutions or private borrowers worldwide and are of top-grade quality. A money market instrument is rated as first-class only if it has been assigned one of the two highest short-term credit ratings from each rating agency recognised by the supervisory authority and issuing the rating for the relevant instrument. If one of the rating agencies should subdivide its highest short-term credit rating into two categories, both of these categories shall be interpreted as a single category and deemed as the highest short-term credit rating. If no short-term credit rating has been awarded, an equivalent long-term credit rating is used; if the instrument has no corresponding rating, the money market instrument must be of an equivalent grade as assessed according to the fund management company's in-house rating system. This sub-fund also invests in other investments as permitted under the fund contract.

When selecting the investments, the “ESG integration” approach in accordance with section 1.9.3 is followed. However, there is no specific sustainability or impact goal.

### c. **UBS (CH) Money Market Fund – CHF**

This sub-fund invests primarily in money market instruments that are denominated in Swiss francs (CHF), are issued by governments, other public-law institutions or private borrowers worldwide and are of top-grade quality. A money market instrument is of top-grade quality if only if it has one of the two highest short-term credit ratings awarded by each rating agency rating the relevant instrument and recognised by the relevant supervisory authority. If one of the rating agencies should subdivide its highest short-term credit rating into two categories, both of these categories shall be interpreted as a single category and deemed as the highest short-term credit rating. If no short-term credit rating has been awarded, an equivalent long-term credit rating is used; if the instrument has no corresponding rating, the money market instrument must be of an equivalent grade as assessed according to the fund management company’s in-house rating system. This sub-fund also invests in other investments as permitted under the fund contract.

When selecting the investments, the “ESG integration” approach in accordance with section 1.9.3 is followed. However, there is no specific sustainability or impact goal.

### **1.9.3 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 (see below). 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.

### **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.

When allocating funds to the underlying strategies, including target funds, the asset manager takes into account the concept of ESG integration. For underlying 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 or rule-based strategies, but without specifying the data providers and sources or the precise operationalisation of the criteria. The asset manager assesses the passive or rules-based strategies to ensure they meet the UBS sustainability standards.

See above for a description of the ESG integration fund category defined by UBS Asset Management.

### **Exclusions (negative screening):**

Where the sub-funds invest in actively managed funds 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.

The restrictions on the investment universe that apply to all actively managed sub-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/capabilities/sustainable-investing.html#policies>).

**SVVK-ASIR:** All sub-funds of this umbrella fund basically cannot invest in securities of companies and sovereigns that are included in the list of recommendations for exclusion published by the “Swiss Association for Responsible Investment” (“SVVK-ASIR”) (see [www.svkk-asir.ch](http://www.svkk-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).

### 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 assessments 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 UBS's sustainability reporting. 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>

### 1.9.4 Investment restrictions on the sub-funds

The fund management company may invest no more than 10% of the sub-funds' assets, including derivatives, in securities or money market instruments issued by one and the same issuer.

The fund management company can invest up to 35% of the sub-fund assets in securities or money market instruments of the same issuer if these are issued or guaranteed by an OECD country 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.

The fund management company may invest up to 100% of the assets for the sub-funds in securities or money market instruments of the same issuer if these are issued or guaranteed by an OECD country 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. In this case, the corresponding sub-fund must invest in securities or money market instruments from at least six different issues; no more than 30% of the corresponding sub-fund assets may be invested in securities or money market instruments from the same issue.

The following organisations are permitted as issuers or guarantors:

The European Union (EU), OECD states, the Council of Europe, the International Bank for Reconstruction and Development (World Bank), the European Bank for Reconstruction and Development, the European Investment Bank, the Inter-American Development Bank, the Asian Development Bank and Eurofima (European Company for the Financing of Railroad Rolling Stock).

### Collateral strategy for securities lending or transactions with derivative financial instruments:

Counterparty risks may arise in connection with securities lending or transactions with derivative financial instruments. These risks are minimised as follows:

#### Level of collateral:

All loans relating to securities lending transactions must be collateralised in full, and the value of the collateral must amount to at least 105% of the market value of the loaned securities. In addition, individual collateral may be valued at a discount. This discount is based on the volatility of the markets and the forecast liquidity of the security. Derivative transactions are collateralised in line with the applicable provisions governing the settlement of these types of transactions. Derivative transactions that are processed centrally are always subject to collateralisation. The scope and extent are geared toward the relevant provisions of the central counterparty or the clearing agent.

In the case of derivative transactions that are not settled centrally, the fund management company or its agents may conclude mutual collateral agreements with the counterparties. The value of the collateral exchanged must at all times be at least equivalent to the replacement value of the outstanding derivative transactions. In addition, individual collateral may be valued at a discount. This discount is based on the volatility of the markets and the forecast liquidity of the security.

#### The following types of collateral are permitted:

1. Shares, provided they are traded on a stock exchange or another market open to the public, have a high level of liquidity, and are part of a representative index.
2. The following are deemed equivalent to shares: listed ETFs in the form of securities funds, other funds for traditional investments pursuant to Swiss law or UCITS, provided they track one of the indices above and physically replicate the index. Swap-based, synthetically replicated ETFs are not permitted.

3. Bonds, provided they are traded on a stock exchange or another market open to the public and the issuer has a first-class credit rating. No rating is required for sovereigns from the USA, Japan, UK, Germany, Switzerland (incl. federal states and cantons).
4. The following are deemed equivalent to sovereigns: tradable treasury savings notes and treasury bills with a state guarantee, provided the country or the issue has a first-class credit rating or is issued by the US, Japan, the UK, Germany or Switzerland (including the federal states and cantons).
5. Money market funds, provided they comply with the SFAMA guideline or the CESR guideline for money market funds, can be redeemed on a daily basis, and the investments are of high quality or are classified as first-class by the fund management company.
6. Cash collateral, provided this is in a freely convertible currency.

**The collateral margins are defined as follows:**

The following minimum discounts apply when collateralising lending within the scope of securities transactions (% discount versus the market value):

Listed shares and ETFs	8%
Sovereigns (including treasury bills and treasury savings notes) issued or guaranteed by the US, the UK, Japan, Germany or Switzerland (including the cantons and municipalities)	0%
Other sovereigns (incl. treasury bills and treasury savings notes)	2%
Corporate bonds	4%
Cash collateral, provided it is not in the fund currency	3%
Money market funds	4%

The following minimum discounts apply when collateralising derivatives that are not settled centrally (% discount versus the market value), provided a collateral agreement has been concluded with the counterparty:

Cash	0%
Sovereigns with a residual term of up to 1 year	1-3%
Sovereigns with a residual term of 1-5 years	3-5%
Sovereigns with a residual term of 5-10 years	4-6%
Sovereigns with a residual term of more than 10 years	5-7%

**Cash collateral can be reinvested as follows and subject to the following risks:**

Sight deposits or deposits that can be terminated at short notice, sovereigns with a high credit rating, money market instruments with counterparties that have a high credit rating, and money market funds that are subject to the SFAMA guideline or the CESR guideline for money market funds.

Cash collateral must always be invested in the same currency in which the collateral was accepted.

The fund management company monitors the risks arising from reinvesting the cash collateral on a regular basis. Nevertheless, these investments are prone to credit risk and the value can be adversely impacted by fluctuations in value. In addition, a certain level of liquidity risk cannot be excluded.

**1.9.5 Use of derivatives**

The fund management company may make use of derivatives. However, even under extraordinary market circumstances the use of derivatives must not alter the sub-funds' investment goals or lead to a change in their investment profile. Commitment approach II (extended procedure) shall be used for the measurement of risk, with the exception that short-selling is not permitted for any sub-funds of this umbrella fund.

Derivatives form part of the investment strategy and may be used for purposes other than simply to hedge investment positions. With regard to collective investment schemes, derivatives may be used only for currency hedging purposes, with the exception of the hedging of market, interest rate and credit risks in the case of collective investment schemes for which the risks can be determined and measured unequivocally.

Both basic and exotic forms of derivatives may be used in a negligible amount as described in detail in the fund contract (cf. § 12), provided their underlying securities are permissible investments in accordance with the investment policy. The derivatives can be traded on a stock exchange or another regulated market open to the public or concluded as over-the-counter (OTC) transactions. Besides market risk, derivatives are also subject to counterparty risk, i.e. the risk that the contracting party is unable to meet its obligations and causes a financial loss as a result.



For OTC transactions a sub-fund can reduce counterparty risk by the counterparty being required to provide collateral in the form of liquid assets. The same possibility exists for the counterparty, in that it requests collateral from the sub-fund. This collateral provided by the sub-fund is exposed to a counterparty risk to the extent that the collateral provided by the sub-fund exceeds the scale of the outstanding claims of the counterparty. However, the collateral received shall not be taken into account for the purposes of the risk diversification provision of § 15 of the fund contract.

Besides credit default swaps (CDSs), all other forms of credit derivatives (e.g. total return swaps [TRSs], credit spread options [CSOs], credit linked notes [CLNs]) may also be acquired, which can be used to transfer credit risks to third parties, so-called risk buyers. These risk buyers are compensated with a premium. The level of this premium depends on a number of factors, including the likelihood of a loss occurring and the maximum loss; as a rule, both of these factors are difficult to assess, which in turn increases the risk associated with credit derivatives. The sub-funds may act as a risk buyer or seller.

The use of derivatives may result in a sub-fund's assets being leveraged but may not be tantamount to a short sale. The overall investment of a sub-fund in derivatives may reach up to 100% of its net assets, taking the sub-fund's total investment to up to 200% of its net assets.

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.

Detailed information on the investment policy and its restrictions, as well as the permitted investment techniques and instruments (in particular derivative financial instruments and their scope) are contained in the fund contract (see Part II, §§ 7–15).

### 1.10 Net asset value

The net asset value of a unit of a given class of a sub-fund is determined by the proportion of the market value of the sub-fund's assets attributable to that unit class, less any of the sub-fund's liabilities that are attributed to that unit class, divided by the number of units of that class in circulation. It will be rounded to the smallest unit of the accounting currency of the respective sub-fund.

The issue price of a class of units corresponds to the net asset value of this class calculated on the valuation date, plus any issuing commission. The amount of the issuing commission is specified in prov. 1.11 below.

The redemption price of a class of units corresponds to the net asset value of this class calculated on the valuation date.

### 1.11 Fees and incidental costs

#### 1.11.1 Fees and incidental costs charged to the sub-funds' assets (excerpt from § 19 of the fund contract)

Detailed information on the fees and incidental costs charged to the sub-funds' assets is presented in prov. 1.5 of this prospectus.

The commission is used for the management, asset management and if necessary, distribution of the sub-funds and the performance of the duties outlined in § 6.4 ltr. B e)-g) of the fund contract, and for all duties of the custodian bank, such as the safekeeping of the sub-funds' assets, handling payment transactions and other duties listed under § 4.

A detailed breakdown of the remuneration and incidental costs not included in the commission is set out in § 19 prov. 2 of the fund contract.

To ensure ease of comparability with the remuneration rules of different fund providers that are not familiar with the flat fee, the term "management fee" is taken as being equivalent to 80% of the flat fee.

#### 1.11.2 Total expense ratio

The coefficient of the entire costs charged on an ongoing basis to the sub-fund assets (total expense ratio or TER) was:

#### UBS (CH) Money Market Fund – EUR

Unit classes	2020/2021	2021/2022	2022/2023
INSTITUTIONAL	0.06%	0.06%	0,15%
I-X	0.03%	0.01%	0,00%
I-B	0.04%	0.05%	0,04%

#### UBS (CH) Money Market Fund – USD

Unit classes	2020/2021	2021/2022	2022/2023
F	0.10%	0.10%	0,10%
INSTITUTIONAL	0.18%	0.15%	0,18%
PREFERRED	0.14%	0.13%	0,14%

PREMIER	0.10%	0.10%	0,10%
I-X	0.00%	0.00%	0,00%
K-1	0.15%	0.17%	0,24%
P	0.15%	0.18%	0,45%
Q	0.15%	0.18%	0,24%

**UBS (CH) Money Market Fund – CHF**

Unit classes	2020/2021	2021/2022	2022/2023
F	0.05%	0.05%	0,05%
INSTITUTIONAL	0.05%	0.05%	0,05%
I-B	0.04%	0.04%	0,04%
I-X	0.00%	0.00%	0,00%

**1.11.3 Payment of retrocessions, rebates and individually agreed upon fees**

The fund management company and its agents as well as the custodian bank may pay retrocessions as compensation for the distribution and placement activities in respect of sub-fund units. Distribution and brokering includes, in particular, any activity aimed at promoting the distribution activities or brokering of fund units, such as organising road shows, participation in events and trade fairs, producing promotional material, training marketing staff, etc.

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

The fund management company and its agents, as well as the custodian bank, may pay rebates directly to investors for the purpose of reducing the fees or costs charged to the sub-fund. Rebates are permitted provided that

- they are paid from fees which have been charged to the assets of the sub-funds and therefore do not represent an additional charge on the assets of the sub-funds;
- they are granted on the basis of objective criteria;
- all investors who meet these objective criteria and request rebates are also granted these within the same timeframe and to the same extent.

The objective criteria for the granting of rebates by the fund management company are as follows:

- the amount subscribed by the investor or the total amount held by the investor in the collective investment scheme, 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 the investment);
- the investor's willingness to provide support during the inception phase of a collective investment scheme.

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", "I-X" and "U-X". 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 in and total proceeds held by the investor from the promoter's product range (including UBS Group, UBS Investment Foundations, etc.);
- the investment behaviour practised by the investor (e.g. expected duration of their investment);
- 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.

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

Issuing commission accruing to the fund management company, custodian bank and/or distributors in Switzerland and abroad: maximum of 3%.

#### **1.11.5 Commission sharing agreements and soft commissions**

The fund management company has not concluded any commission sharing agreements. The fund management company has not concluded any agreements relating to soft commissions.

#### **1.11.6 Investments in associated collective investment schemes**

No issuing and redemption commission is charged for investments in collective investments that are managed directly or indirectly by the fund management company itself or by a company with which it is associated through common management or by control or by a significant direct or indirect shareholding.

#### **1.12 Viewing the reports**

The prospectus with integrated fund contract, the key information document and the annual or semi-annual reports, may be obtained free of charge from the fund management company, the custodian bank and all distributors.

#### **1.13 Legal form of the umbrella fund and its sub-funds**

UBS (CH) Money Market Fund is a contractually based umbrella fund governed by Swiss law established under the "Other funds for traditional investments" category of the Swiss Collective Investment Schemes Act (CISA) of 23 June 2006 and subdivided into the following sub-funds:

- EUR
- USD
- CHF

The sub-funds are based upon a collective investment contract (fund contract) under which the fund management company is obliged to provide investors with a stake in the relevant sub-fund in proportion to the fund units acquired by them and to manage this sub-fund at its discretion and in its own name in accordance with the provisions of the law and the fund contract. The custodian bank is party to the contract in accordance with the tasks conferred upon it by law and the fund contract.

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.

#### **1.14 The material risks**

Although the sub-funds offer a relatively stable performance, there is no guarantee that the investor will achieve a given rate of return or that the units can be redeemed at a specific price. The sub-funds are "money market funds" as defined by the SFAMA guideline for money market funds of 4 May 2016.

#### **1.15 Liquidity risk management/information regarding the process of liquidity risk management**

The fund management company ensures liquidity is managed appropriately. In order to be able to guarantee the right of investors to redeem their units at any time (Art. 78 para. 2 CISA), the fund management company regularly monitors the liquidity risks of the individual investments with regard to their saleability and of the sub-funds with regard to the fulfilment of 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 that make it possible to identify, monitor and report these liquidity risks, among other things. To identify the liquidity risks of the investments and to calculate individual liquidity thresholds at sub-fund level, the fund management company relies on market-proven models that have been tested by specialist units of the UBS Group. The liquidity thresholds are used to monitor stress-reduction scenarios at sub-fund level.

## **2. Information on the fund management company**

### **2.1 General information on the fund management company**

The fund management company, UBS Fund Management (Switzerland) AG, is domiciled in Basel and has been active in the fund business since its formation as a limited company in 1959.

### **2.2 Further information on the fund management company**

As of 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 339,30 million.

Furthermore, the fund management company provides the following specific services:

- administration services for collective investment schemes;
- representation of foreign collective investments.

UBS Fund Management (Switzerland) AG, Aeschenvorstadt 1, 4051 Basel, <https://www.ubs.com/ch/de.html>

## 2.3 Board of Directors and decision-making bodies

### Board of Directors

Michael Kehl Chairman	Dr Daniel Brüllmann Vice Chairman	Francesca Gigli Prym Member
Dr Michèle Sennhauser Member	Franz Gysin Member	Werner Strebel Member
Andreas Binder Member		

### Executive Board

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

## 2.4 Subscribed and paid-up capital

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

## 2.5 Exercising membership and creditors' rights

The fund management company exercises the membership and creditors' rights associated with the investments of the managed sub-funds independently and exclusively in the interests of investors. Upon request, the fund management company shall provide investors with details concerning the exercise of membership and creditors' rights.

Regarding existing routine business, it is up to the fund management company to exercise the membership and creditors' rights itself or to delegate them to the custodian bank or a third party, and to choose not to exercise the membership and creditors' rights.

For all other matters that could affect the long-term interests of investors, for example when exercising membership and creditors' rights accruing to the fund management company as shareholder or creditor of the custodian bank or any other related legal entity, the fund management company shall exercise the voting right itself or give clear instructions. In so doing, it may use information received from the custodian bank, the asset manager, the company, voting rights advisors or other third parties, or information that has appeared in the press.

## 3. Information on the custodian bank

### 3.1 General 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.

### 3.2 Further information on the custodian bank

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

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, with an extensive network of offices.

The custodian bank can delegate the safekeeping of the fund's assets to third-party or central depositories in Switzerland and abroad, provided this is in the interests of proper safekeeping.

## UBS (CH) Money Market Fund

The custodian bank may transfer financial instruments only to third-party or central depositories subject to regulatory supervision. 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 depository, notably due to binding legal constraints or the particularities of the investment product.

This is accompanied by the following risks: The effect of the use of third-party and central depositories is that the fund management company no longer has sole ownership of deposited securities, but only co-ownership. Moreover, if the third-party and central depositories are not supervised, they are unlikely to meet the organisational requirements placed on Swiss banks. The custodian bank shall be liable for losses caused by the agent unless it can demonstrate that it exercised due care and diligence in selecting, instructing and monitoring the latter.

The custodian bank is registered with the tax authorities in the United States as a Reporting Financial Institution 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").

### 4. Information on third parties

#### 4.1 Paying agents

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

#### 4.2 Distributor

UBS Asset Management Switzerland AG, Zurich, is responsible for distribution activities for the sub-funds.

#### 4.3 Delegation of investment decisions

Investment decisions in respect of the sub-funds have been delegated to UBS Asset Management Switzerland AG, Zurich. UBS Asset Management Switzerland AG is an asset management company, and as such is subject to the supervision of the Swiss Financial Market Supervisory Authority (FINMA) in Switzerland.

UBS Asset Management Switzerland AG has 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 an asset management agreement between UBS Fund Management (Switzerland) AG and UBS Asset Management Switzerland AG.

#### 4.4 Delegation of administration

The administration of the Investment funds, in particular accounting, calculation of the net asset value, tax settlement, operation of IT systems and preparation of statements of accounts, has been delegated to Northern Trust Global Services SE, Leudelange, Luxembourg, Basel branch. The precise duties involved are set out in a contract between the parties. All other fund management duties and the monitoring of other delegated duties are carried out in Switzerland.

### 5. Further information

#### 5.1 Key data

##### a. UBS (CH) Money Market Fund – EUR

Benchmark	JP Morgan Cash (EUR) (cust.) (until July 29, 2021) / FTSE EUR 3M Eurodeposits (from July 30, 2021)		
Swiss securities no.	Unit class	"P»	124208634
		"K-1 "	14090928
		"Q"	30087507
		"QL"	128231012
		"F"	
		"INSTITUTIONAL"	14090922
		"PREFERRED"	125592406
		"PREMIER"	125592438
		"I-B"	14090925
		"I-X"	14090929
		"U-X"	
ISIN	Unit class	"P"	CH1242086341
		"K-1 "	CH0140909281
		"Q"	CH0300875074
		"QL"	CH1282310122
		"F"	
		"INSTITUTIONAL"	CH0140909224
		"PREFERRED"	CH1255924065
		"PREMIER"	CH1255924388
		"I-B"	CH0140909257
		"I-X"	CH0140909299

## UBS (CH) Money Market Fund

"U-X"	
Listing	None; units of the fund are issued and redeemed daily.
Financial year	1 October to 30 September
Term to maturity	Unlimited
Accounting currency	Euro (EUR)
Units	Unit classes "P", "K-1" and "Q" are made out to the bearer; units are not certificated, but exist purely as book entries. Unit classes "F", "QL", "INSTITUTIONAL", "PREFERRED", "PREMIER", "I-B", "I-X" and "U-X" registered in the name of the unitholder; units are not certificated, but exist purely as book entries.
Appropriation of income	Net income is added to the assets of the sub-fund for reinvestment once a year, at the latest within four months of the close of the financial year. Capital gains are not distributed but are retained as part of the assets of the sub-fund for reinvestment.

### b. UBS (CH) Money Market Fund – USD

Benchmark	JP Morgan Cash (USD) (cust.) (until July 29, 2021) / FTSE USD 3M Eurodeposits (from July 30, 2021)		
Swiss securities no.	Unit class		
		«P"	14090935
		"K-1 "	14090936
		"Q"	34766026
		"QL"	128231024
		"F"	35155077
		"INSTITUTIONAL"	14090931
		"PREFERRED"	14090932
		"PREMIER"	14090933
		"I-B"	
		"I-X"	14090937
		"U-X"	
ISIN	Unit class		
		"P"	CH0140909356
		"K-1 "	CH0140909364
		"Q"	CH0347660265
		"QL"	CH1282310247
		"F"	CH0351550774
		"INSTITUTIONAL"	CH0140909315
		"PREFERRED"	CH0140909323
		"PREMIER"	CH0140909331
		"I-B"	
		"I-X"	CH0140909372
		"U-X"	
Listing	None; units of the fund are issued and redeemed daily.		
Financial year	1 October to 30 September		
Term to maturity	Unlimited		
Accounting currency	USD-Dollar (USD)		
Units	Unit classes "P", "K-1" and "Q" are made out to the bearer; units are not certificated, but exist purely as book entries. Unit classes "F", "QL", "INSTITUTIONAL", "PREFERRED", "PREMIER", "I-B", "I-X" and "U-X" registered in the name of the unitholder; units are not certificated, but exist purely as book entries.		
Appropriation of income	Net income is added to the assets of the sub-fund for reinvestment once a year, at the latest within four months of the close of the financial year. Capital gains are not distributed but are retained as part of the assets of the sub-fund for reinvestment.		

### c. UBS (CH) Money Market Fund – CHF

Benchmark	JP Morgan Cash (CHF) (cust.) (until July 29, 2021) / FTSE CHF 3M Eurodeposits (from July 30, 2021)		
Swiss securities no.	Unit class		
		"P"	124209294
		"K-1 "	

		"Q"	121822537
		"QL"	128231000
		"F"	10662787
		"INSTITUTIONAL"	4879909
		"PREFERRED"	125592454
		"PREMIER"	125592468
		"I-B"	4879913
		"I-X"	4879915
		"U-X"	
ISIN	Unit class	"P"	CH1242092943
		"K-1"	
		"Q"	CH1218225378
		"QL"	CH1282310007
		"F"	CH0106627877
		"INSTITUTIONAL"	CH0048799099
		"PREFERRED"	CH1255924545
		"PREMIER"	CH1255924685
		"I-B"	CH0048799131
		"I-X"	CH0048799156
		"U-X"	
Listing	None; units of the fund are issued and redeemed daily.		
Financial year	1 October to 30 September		
Term to maturity	Unlimited		
Accounting currency	Swiss Franc (CHF)		
Units	Unit classes "P", "K-1" and "Q" are made out to the bearer; units are not certificated, but exist purely as book entries. Unit classes "F", "QL", "INSTITUTIONAL", "PREFERRED", "PREMIER", "I-B", "I-X" and "U-X" registered in the name of the unitholder; units are not certificated, but exist purely as book entries.		
Appropriation of income	Net income is added to the assets of the sub-fund for reinvestment once a year, at the latest within four months of the close of the financial year. Capital gains are not distributed but are retained as part of the assets of the sub-fund for reinvestment.		

## 5.2 Publications of the umbrella fund and the sub-funds

Further information on the umbrella fund and the sub-funds may be found in the latest annual or semi-annual report. Up-to-date information is also available on the Internet at [www.ubs.com/funds](http://www.ubs.com/funds).

The prospectus with integrated fund contract, the k information document and the annual and semi-annual reports may be obtained free of charge from the fund management company, custodian bank and all distributors.

Notification of changes to the fund contract, a change of fund management company or custodian bank, or the liquidation of the sub-funds shall be published by the fund management company with Swiss Fund Data AG ([www.swissfunddata.ch](http://www.swissfunddata.ch)).

Prices for all unit classes of each sub-fund are published on each day units are issued or redeemed (daily) on the website of Swiss Fund Data AG, on the Internet at [www.ubs.com/funds](http://www.ubs.com/funds) and potentially in other electronic media and in Swiss and foreign newspapers.

## 5.3 Sales restrictions

When issuing and redeeming units of the sub-funds abroad, the provisions valid in the country in question shall apply.

Units of this umbrella fund may not be offered, sold or delivered within the United States.

Investors who are US persons must not be offered, sold or supplied with any units of this 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 not 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.

**6. Further investment information**

**6.1 Profile of the typical investor**

This umbrella fund and the sub-funds are appropriate for investors with low risk tolerance who wish to access their invested assets at short notice.

**6.2 Detailed regulations**

Further information on the umbrella fund and on the sub-funds such as the valuation of the sub-funds' assets, a list of all remuneration and incidental costs charged to investors and the sub-funds, and the appropriation of net income, is set out in detail in the fund contract.



## Part II Fund contract

### I. Basis

#### § 1 Name and domicile of the fund management company, custodian bank and asset manager

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) Money Market Fund in accordance with Art. 25 in association with Art. 68 ff. in association with Art. 92 f. of the Swiss Collective Investment Schemes Act (CISA) of 23 June 2006, which is divided into the following sub-funds:

**2. EUR**

**3. USD**

**4. CHF**

2. The fund management company is UBS Fund Management (Switzerland) AG, Basel.

3. The custodian bank is UBS Switzerland AG, Zurich.

4. The asset manager is UBS Asset Management Switzerland AG, Zurich.

### II. Rights and obligations of the contracting parties

#### § 2 Fund contract

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

#### § 3 Fund management company

1. The fund management company manages the sub-funds at its own discretion and in its own name, but for the account of the investors. In particular, it shall make all decisions relating to the issuing of units, the investments and their valuation. It calculates the net asset value of the sub-funds, sets the issue and redemption prices of units and also determines the distribution of income. The fund management company exercises all rights associated with the umbrella fund and the sub-funds.

2. The fund management company and its agents shall act in good faith and have a duty to exercise due diligence and provide information. They shall 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 shall report on the collective investment schemes they manage and provide information regarding the umbrella fund and the sub-funds. They shall disclose all fees and costs charged, directly or indirectly, to investors and the compensation received from third parties, in particular commissions, discounts and other non-cash benefits.

3. The fund management company may delegate investment decisions and specific tasks for all or some of the sub-funds to third parties, provided that this is in the interests of efficient management. It shall delegate responsibilities only to individuals who have the necessary skills, knowledge and experience for this activity and the required authorisation. It must carefully instruct and supervise the third parties it uses.

Investment decisions may only be delegated to asset managers who have the necessary authorisation.

The fund management company remains responsible for fulfilling its supervisory duties and safeguards the interests of investors when delegating tasks.

The fund management company shall be liable for the actions of the persons to whom it has delegated the fund management duties as if they were its own.

4. The fund management company may, subject to the consent of the custodian bank, submit amendments to this fund contract to the supervisory authority for approval (cf. § 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, convert them into another legal form of collective investment scheme in accordance with the provisions set down under § 25, and may liquidate individual sub-funds pursuant to the provisions set down under § 26.

6. The fund management company is entitled to receive the remuneration stipulated in §§ 18 and 19. It 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.

**§ 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.
2. The custodian bank and its agents shall act in good faith and have a duty to exercise due diligence and provide information. They shall 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 shall report on the collective investment schemes they manage and provide information on all fees and costs charged, directly or indirectly, to investors and on compensation received from third parties, in particular commissions, discounts and other non-cash benefits.
3. The custodian bank shall be responsible for the umbrella fund's account and custody account maintenance, but may not independently access its assets or those of the sub-funds.
4. In the case of transactions that relate to the assets of the sub-funds, the custodian bank shall ensure that the countervalue is transferred within the customary periods. It shall inform the fund management company if the countervalue is not provided within the customary period and requesting that the counterparty provide compensation for the fund assets concerned where this is possible.
5. 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.

Where assets cannot be held in safekeeping, the custodian bank shall check the fund management company's ownership and maintain corresponding records.

6. The custodian bank may delegate the safekeeping of the assets of sub-funds to third-party or central depositories in Switzerland or abroad, provided that this is in the interests of efficient management. It shall check and monitor whether the third-party or central depository to which it has delegated the safekeeping of the fund's assets:
  - 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 losses/damage caused by its agents where it cannot be demonstrated that it exercised due care and diligence in selecting, instructing and monitoring the agent in question. Information on the risks associated with the transfer of the safekeeping of assets to third-party and central depositories is set out in the prospectus.

For financial instruments, the fund's assets may be transferred only to third-party or central depositories. This requirement does not apply to compulsory custody in a place where it is not possible to transfer the safekeeping of assets to supervised third-party or central depositories, which may be necessitated in particular by requirements imposed by law or the specific characteristics of an investment product. Investors shall be informed in the prospectus about the safekeeping of assets by third-party or central depositories which are not subject to supervision.

7. 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.
8. The custodian bank shall be entitled to receive the remuneration stipulated in §§ 18 and 19. It 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.
9. The custodian bank shall not be responsible for the safekeeping of assets of the target funds in which the sub-funds invest unless it has been assigned this task.

**§ 5 Investors**

1. There are no restrictions as regards investors. Restrictions for individual classes are possible in accordance with § 6 prov. 4.  
  
The fund management company and custodian bank shall together ensure that investors satisfy the requirements relating to the type of investor.
2. Upon execution of the contract and remittance of a cash payment, the investor acquires 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 payment in cash, at the investor's request and with the consent of the fund management company, a contribution in kind may be made in accordance with the provisions of § 17.7. The investor's claim is evidenced in the form of fund 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. Investors 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, or risk management to any investor claiming an interest in such matters at any time. 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 payment in cash, at the investor's request and with the consent of the fund management company, a redemption in kind may be made in accordance with the provisions of § 17.7.
7. Upon request, investors are 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 umbrella fund or a unit class may be subject to a soft closing, under which investors cannot subscribe to units if the fund management company believes the closing is necessary to protect the interests of existing investors. In reference to this umbrella fund or unit class, the soft closing shall apply to new subscriptions or switches into the umbrella fund or unit class, but not to redemptions, transfers or switches out of the umbrella fund or unit class. An umbrella 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. If in the meantime a financial intermediary no longer meets the minimum amount required for the "QL" unit class during the holding period, its clients with existing investments in the relevant unit class may retain their units.
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 prospectus 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).

**§ 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 are entitled to a share in the undivided assets of the relevant sub-fund, which are not segmented. This share may vary due to class-specific costs charged or distributions 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 specified for the fund. 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 be charged only 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.
4. There are currently the following unit classes for the sub-funds "- EUR", "- USD" and "- CHF" designated "P", "K-1", "Q", "QL", "F", "INSTITUTIONAL", "PREFERRED", "PREMIER", "I-B", "I-X" and "U-X".
  - A. The following unit classes are not restricted to certain types of investors:
    - a. "P": Class "P" units are offered to all investors. No minimum subscription or holding is required. Unit class "P" differs from unit class "K-1" in the level of the flat fee and the initial subscription (see prov. 1.5, table in the prospectus). Class "P" units are only issued in the form of bearer shares. The issue and redemption of units through contributions and redemptions in kind (cf. § 17.7) is excluded for units in unit class "P".
    - b. "K-1": Class "K-1" units are offered to all investors. No minimum subscription or holding is required. Investors who wish to invest in this unit class must subscribe to units for an amount equal to the initial issue price. For further subscriptions, they must subscribe at least the difference between the value of the units they already hold and the initial subscription price. If an investor holds units of the unit class in the value of the mentioned initial issue price, any subsequent subscription shall be accepted. Unit class "K-1" differs from unit classes "P" in the level of the flat fee and the initial subscription price (see prov. 1.5, table in the prospectus). Class "K-1" units are issued only in the form of bearer shares. The issue and redemption of units through contributions and redemptions in kind (cf. § 17.7) is excluded for units in unit class "K-1".
  - B. The following unit classes are restricted to certain types of investors:
    - a. "Q": Units in unit class "Q" are exclusively offered to financial intermediaries that act 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 or agreements with them about fund savings plans, may only offer them classes without retrocession, if available in the relevant investment fund.

Unit class "Q" differs from unit classes "QL", "F", "INSTITUTIONAL", "PREFERRED", "PREMIER", "I-B", "I-X" and "U-X" with regard to the amount of the commission, and from unit classes "F", "INSTITUTIONAL", "PREFERRED" and "PREMIER", "I-B", "I-X" and "U-X" with regard to the commission structure. Further, unit class "Q" differs from unit classes "QL", "INSTITUTIONAL", "PREFERRED" and "PREMIER" in that no minimum subscription or minimum amount is required; finally, unit class "Q" differs from unit classes "F", "INSTITUTIONAL", "I-B", "I-X" and "U-X" in sub-fund "- CHF" with regard to the initial issue price, which is listed in the prospectus (1.5, table). In the "- EUR" and "- USD" sub-funds, unit class "Q" differs from unit class "U-X" in the initial subscription price as set out in the prospectus (prov. 1.5, table). Class "Q" units are only issued as bearer units. The issue and redemption of units through contributions and redemptions in kind (cf. § 17.7) is excluded for units in unit class "Q".

- b. "QL": Class "QL" units are only offered to clients of financial intermediaries who may not receive any sales commissions pursuant to regulatory requirements and/or who under written contracts with their clients may only offer their clients classes without retrocessions, provided they are available in the respective investment fund.
 

Unit class "QL" differs from unit classes "Q", "INSTITUTIONAL", "PREFERRED", "I-B", "I-X" and "U-X" in the sub-funds "- EUR" and "- USD" with regard to the amount of the commission. The unit class "QL" in the sub-fund "- CHF" also differs from the unit classes "Q", "F", "INSTITUTIONAL", "PREFERRED", "I-B", "I-X" and "U-X" with regard to the amount of the commission. Furthermore, unit class "QL" has a different commission structure to unit classes "F", "INSTITUTIONAL", "PREFERRED", "PREMIER", "I-B", "I-X" and "U-X". Unit class "QL" also differs from unit classes "Q", "F", "INSTITUTIONAL", "PREFERRED", "PREMIER", "I-B", "I-X" and "U-X" in that a minimum holding of clients of the financial intermediary is required. In addition, unit class "QL" differs from "F", "INSTITUTIONAL", "I-B", "I-X" and "U-X" in the sub-fund "- CHF" with regard to the initial issue price, which is listed in the prospectus (1.5, table). For the sub-funds "- EUR" and "- USD", unit class "Q" differs from unit class "U-X" with regard to the initial

issue price, which is listed in the prospectus (1.5, table). The units in unit class "QL" are only issued as registered units. The issue and redemption of units through contributions and redemptions in kind (cf. § 17 prov.7) is excluded for class "QL" units.

- c. "F": Units in unit class "F" may only be offered to investors who have entered into a written investment management mandate with group companies of UBS Group AG

Unit class "F" differs from unit classes "Q", "QL", "INSTITUTIONAL", "PREFERRED", "PREMIER", "I-B", "I-X" and "U-X" with regard to the amount of the commission. Furthermore, unit class "F" has a different commission structure to unit classes "Q", "QL", "I-B", "I-X" and "U-X". Unit class "F" differs from unit classes "QL", "INSTITUTIONAL", "PREFERRED" and "PREMIER" in that no minimum subscription or holding is required and from unit classes "Q" and "QL" in that a written asset management agreement with group companies of UBS Group AG is required. In addition, unit class "F" differs from "Q", "QL", "INSTITUTIONAL", "PREFERRED", "PREMIER", "I-B", "I-X" and "U-X" in the sub-fund "- CHF" with regard to the initial issue price, which is listed in the prospectus (1.5, table). For the sub-funds "- EUR" and "- USD", unit class "F" differs from unit class "U-X" with regard to the initial issue price, which is listed in the prospectus (1.5, table). In the "- EUR" and "- USD" sub-funds unit class "F" differs from unit class "U-X" in the initial subscription price as set out in the prospectus (prov. 1.5, table). Class "F" units are issued only in the form of registered units. The issue and redemption of units through contributions and redemptions in kind (cf. § 17.7) is excluded for units in unit class "F".

- d. "INSTITUTIONAL", "PREFERRED", "PREMIER": A written agreement must be concluded with UBS or with one of its authorised contracting partners or the requirement of a minimum subscription or holding must be fulfilled in order to invest in one of these unit classes. With the exception of the unit classes "PREMIER" and "F" of the sub-fund "- USD", the unit classes differ from each other and from the unit classes "Q", "QL", "F", "I-B", "I-X" and "U-X" with regard to the amount of commission. Furthermore, the unit classes "INSTITUTIONAL", "PREFERRED", "PREMIER" differ from each other and from the unit classes "Q", "QL", "I-B", "I-X" and "U-X" with regard to the amount of commission. Furthermore, the unit classes "QL", "INSTITUTIONAL", "PREFERRED" and "PREMIER" differ from the unit classes "Q", "F", "I-B", "I-X" and "U-X" in that they require a minimum subscription or minimum holding. In addition, with the exception of the unit classes "Q", "QL", "PREFERRED" and "PREMIER", the unit classes "INSTITUTIONAL", "PREFERRED" and "PREMIER" differ from "F", "I-B", "I-X" and "U-X" in the sub-fund "- CHF" with regard to the initial issue price, which is listed in the prospectus (1.5, table). An exception applies in relation to the unit classes "Q", "QL", "P", "PREFERRED" and "PREMIER", whose initial issue price is the same. For the sub-funds "- EUR" and "- USD", the unit classes "Q", "QL", "F", "INSTITUTIONAL", "PREFERRED", "PREMIER", "I-B", "I-X" differ from the unit class "U-X" with regard to the initial issue price, which is listed in the prospectus (1.5, table). These classes of units are issued only as registered shares. The issue and redemption of units through contributions and redemptions in kind (cf. § 17.7) is excluded for units in unit classes "INSTITUTIONAL", "PREFERRED" and "PREMIER".

- e. "I-B": Class "I-B" units are exclusively available to qualified investors in accordance with Art. 10 para. 3 to 3ter CISA who have signed a written agreement with UBS or one of its authorised contracting partners for the purposes of investing in one or more of the sub-funds of this investment fund. The costs incurred for the fund administration (consisting of the fund management company, administrator and custodian bank) are charged directly to the fund's assets in the form of a commission. The additional costs incurred in asset management and for distribution activities are charged directly to the investor under the written agreement. The fee schedule set out in this agreement can vary depending on the investor (cf. prov. 1.11.3 of the prospectus).

Unit class "I-B" differs from unit classes "Q", "QL", "F", "INSTITUTIONAL", "PREFERRED", "PREMIER", "I-X" and "U-X" in the amount and structure of the commission, from unit classes "QL", "INSTITUTIONAL", "PREFERRED", "PREMIER" in that there is no minimum subscription or minimum holding, and from unit classes "Q" and "F" in that a written agreement with UBS Asset Management Switzerland AG or one of its authorised contracting partners is required for the purposes of investing in one or more of the sub-funds of this investment fund. In addition, unit class "I-B" differs from "Q", "QL", "F", "INSTITUTIONAL", "PREFERRED", "PREMIER", "I-X" and "U-X" in the sub-fund "- CHF" with regard to the initial issue price, which is listed in the prospectus (1.5, table). In the "- EUR" and "- USD" sub-funds unit class "I-B" differs from unit class "U-X" in the initial subscription price as set out in the prospectus (prov. 1.5, table). Class "I-B" units are only issued as registered shares.

- f. "I-X": Class "I-X" units are exclusively available to qualified investors in accordance with Art. 10 para. 3 to 3ter CISA who have signed a written agreement with UBS or one of its authorised contracting partners for the purposes of investing in one or more of the sub-funds of this investment fund. The costs incurred in asset management and fund administration (including fund management company, administrator and custodian bank) and for distribution activities are charged directly to the investor under the written agreement. The fee schedule set out in this agreement can vary depending on the investor (cf. prov. 1.11.3 of the prospectus).

Unit class "I-X" differs from the unit classes "Q", "QL", "F", "INSTITUTIONAL", "PREFERRED", "PREMIER" and "I-B" in the amount and structure of the commission, from the unit classes "QL", "INSTITUTIONAL", "PREFERRED" and "PREMIER" in that no minimum subscription or minimum holding is required, as well as from the unit classes "Q" and "F" in that a written agreement with UBS Asset Management Switzerland AG or one of its authorised contracting

partners is required for the purposes of investing in one or more of the sub-funds of this investment fund. In addition, unit class "I-X" differs from "QL", "Q", "F", "INSTITUTIONAL", "PREFERRED", "PREMIER", "I-B" and "U-X" in the sub-fund "- CHF" with regard to the initial issue price, which is listed in the prospectus (1.5, table). In the "- EUR" and "- USD" sub-funds unit class "I-X" differs from unit class "U-X" in the initial subscription price as set out in the prospectus (prov. 1.5, table). Class "I-X" units are issued only in the form of registered shares.

- g. "U-X": Class "U-X" units are exclusively available to qualified investors in accordance with Art. 10 para. 3 to 3ter CISA who have signed a written agreement with UBS or one of its authorised contracting partners for the purposes of investing in one or more of the sub-funds of this investment fund. The costs incurred in asset management and fund administration (including fund management company, administrator and custodian bank) and for distribution activities are charged directly to the investor under the written agreement. The fee schedule set out in this agreement can vary depending on the investor (cf. prov. 1.11.3 of the prospectus). This unit class is geared exclusively towards financial products (i.e. funds of funds or other pooled structures in accordance with varying legislation in different countries).

Unit class "U-X" differs from unit classes "Q", "QL", "F", "INSTITUTIONAL", "PREFERRED", "PREMIER" and "I-B" in the amount and structure of the commission, from unit classes "QL", "INSTITUTIONAL", "PREFERRED", "PREMIER" that no minimum subscription or minimum holding is required and from unit classes "Q" and "F" in that a written agreement with UBS Asset Management Switzerland AG or one of its authorised contracting partners is required for the purposes of investing in one or more of the sub-funds of this investment fund. In addition, for the sub-funds "- CHF", "- EUR" and "- USD", the unit class "U-X" differs from the unit classes "Q", "QL", "F", "INSTITUTIONAL", "PREFERRED", "PREMIER", "I-B" and "I-X" with regard to the initial issue price, which is listed in the prospectus (1.5, table). Class "U-X" units are issued only in the form of registered shares.

Fees for investors in unit classes "I-B", "I-X" and "U-X" who have entered into a written agreement may vary on the basis of the individually agreed fee arrangements (cf. prov. 1.11.3 of the prospectus).

5. Units shall not take the form of actual certificates but shall exist purely as book entries. The investor shall not be entitled to request the issue of a unit certificate in his or in the owner's name.
6. 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. If in the meantime a financial intermediary no longer meets the minimum amount required for the "QL" unit class during the holding period, its clients with existing investments in the relevant unit class may retain their units. However, under such circumstances subscriptions of new units are excluded.

### 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 must adhere to the principle of balanced risk diversification and must 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 (inception).
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 limits in connection with derivatives pursuant to § 12 below are exceeded through a change in the delta, the permitted levels must be restored within three bank business days at the latest, taking due account of the investors' interests.

##### § 8 Investment policy

1. Within the scope of each sub-fund's specific investment policy and as specified in prov. 2, the fund management company may invest the individual sub-funds' assets in the following investments. The risks associated with these investments shall be disclosed in the prospectus.
- 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 or the right to acquire such securities and rights via subscription or exchange, such as warrants.

Investments in securities from new issues shall only be permitted 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 must be sold within one month or included under the restrictions set out in prov. 1 e.

- b. Derivatives, if (i) they are based on underlying financial instruments in the form of collective investment schemes as specified in b), money market instruments under c) or financial indices, interest rates, exchange rates, loans, currencies or similar and if (ii) the underlying securities are permitted investments under the fund contract. Derivatives are 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, the valuations of such instruments must be reliable and transparent. The use of derivatives shall be subject to the provisions of § 12.

- c. The types of collective investment schemes specified below that meet the definition of a “money market fund” or “short-term money market fund” (under the SFAMA guideline for money market funds of 6 June 2012):
  - ca. Units of other collective investment schemes (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 securities 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 investment schemes in the country of domicile and supervision in that country is equivalent to that in Switzerland in respect of the protection afforded to investors and international official assistance is granted.
  - cb. Units of other collective investment schemes that belong to the category “Other funds for traditional investments” or correspond to this category and supervision in that country is equivalent to that in Switzerland in respect of the protection afforded to investors and international official assistance is granted

The fund management company may not acquire any funds of funds (funds whose fund contracts or articles of association permit investments of more than 49% in other collective investment schemes).

- d. 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 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 CISO.
- e. 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.
- f. Investments other than the investments specified in a) to d) above not exceeding 10% of an individual sub-fund’s assets in aggregate, with the exception that (i) direct investments in precious metals, precious metal certificates, commodities and commodities certificates and (ii) genuine short selling in relation to investments of all kinds shall not be permitted.

**a. UBS (CH) Money Market Fund – EUR**

- 2. a. The investment objective of UBS (CH) Money Market Fund – EUR is principally to generate a long-term performance consistent with the development of the prevailing market indices for money market instruments denominated in euros (EUR). The sub-fund does not qualify as sustainable and is not managed sustainably.
- b. 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. Further information can be found in section 1.9.3 of the prospectus.
- c. This sub-fund is a “money market fund” as defined by the SFAMA guideline for money market funds of 6 June 2012. The fund management company shall invest the sub-fund’s assets in:
  - ca. money market instruments that are denominated in euros (EUR), are issued by governments, other public-law institutions or private borrowers worldwide and are of top-grade quality. A money market instrument is of top-grade quality if only if it has one of the two highest short-term credit ratings awarded by each rating agency rating the relevant instrument and recognised by the relevant supervisory authority. If one of the rating agencies should subdivide its highest short-term credit rating into two categories, both of these categories shall be interpreted as a single category and deemed as the highest short-term credit rating. If no short-term credit rating has been awarded, an equivalent long-term credit rating is used; if the instrument has no corresponding rating, the money market instrument must be of an equivalent grade as assessed according to the fund management company’s in-house rating system.

- cb. bank deposits denominated in euros (EUR) held at domestic and foreign banks.
  - cc. bonds denominated in euros (EUR) (excluding convertible bonds, convertible notes and warrant issues), notes as well as other fixed-income or floating-rate debt paper and rights issued by private borrowers and borrowers under public law worldwide, where there is a minimum rating of Baa1/BBB+ or equivalent.
  - cd. units of other collective investment schemes that invest their assets exclusively in investments referred to above and meet the definition of a "money market fund" (under the SFAMA guideline for money market funds of 6 June 2012).
  - ce. derivatives (including warrants) on the investments referred to above.
- d. Investments in securities are restricted to those having a residual maturity of less than or equal to two years to final term, provided that the residual maturity up to the forthcoming date when the interest rate is reset is shorter than or equal to 397 days. Floating-rate securities must be adjusted to a money market rate or index. The fund management company must also ensure that:
- da. the sub-fund portfolio has a weighted average maturity (WAM) of six months at most, taking into account investments in derivatives pursuant to § 12. For purposes of calculating the WAM for floating-rate investments, the next interest rate adjustment date is deemed to be the maturity date.
  - db. the sub-fund portfolio must have a weighted average maturity (WAM) of twelve months at most, taking into account investments in derivatives pursuant to § 12. For purposes of calculating the WAL for floating-rate investments, the security's redemption date is deemed, in contrast to ba), to be the maturity date.
- e. 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:
- ea. no more than 10% in other collective investment schemes.

**b. UBS (CH) Money Market Fund – USD**

- 2.
- a. The investment objective of UBS (CH) Money Market Fund – USD is principally to generate a long-term performance consistent with the development of the prevailing market indices for money market instruments denominated in US dollars (USD). The sub-fund does not qualify as sustainable and is not managed sustainably.
  - b. 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. Further information can be found in section 1.9.3 of the prospectus.
  - c. This sub-fund is a "money market fund" as defined by the SFAMA guideline for money market funds of 6 June 2012. The fund management company shall invest the sub-fund's assets in:
    - ca. money market instruments that are denominated in US dollars (USD), are issued by governments, other public-law institutions or private borrowers worldwide and are of top-grade quality. A money market instrument is of top-grade quality if only if it has one of the two highest short-term credit ratings awarded by each rating agency rating the relevant instrument and recognised by the relevant supervisory authority. If one of the rating agencies should subdivide its highest short-term credit rating into two categories, both of these categories shall be interpreted as a single category and deemed as the highest short-term credit rating. If no short-term credit rating has been awarded, an equivalent long-term credit rating is used; if the instrument has no corresponding rating, the money market instrument must be of an equivalent grade as assessed according to the fund management company's in-house rating system.
    - cb. bank deposits denominated in US dollars (USD) held at domestic and foreign banks.
    - cc. bonds denominated in US dollars (USD) (excluding convertible bonds, convertible notes and warrant issues), notes as well as other fixed-income or floating-rate debt paper and rights issued by private borrowers and borrowers under public law worldwide, where there is a minimum rating of Baa1/BBB+ or equivalent.
    - cd. units of other collective investment schemes that invest their assets exclusively in investments referred to above and meet the definition of a "money market fund" (under the SFAMA guideline for money market funds of 6 June 2012).
    - ce. derivatives (including warrants) on the investments referred to above.



- d. Investments in securities are restricted to those having a residual maturity of less than or equal to two years to final term, provided that the residual maturity up to the forthcoming date when the interest rate is reset is shorter than or equal to 397 days. Floating-rate securities must be adjusted to a money market rate or index. The fund management company must also ensure that:
  - da. the sub-fund portfolio has a weighted average maturity (WAM) of six months at most, taking into account investments in derivatives pursuant to § 12. For purposes of calculating the WAM for floating-rate investments, the next interest rate adjustment date is deemed to be the maturity date.
  - db. the weighted average life (WAL) of the sub-fund portfolio does not exceed twelve months, taking into account investments in derivatives pursuant to § 12. For purposes of calculating the WAL for floating-rate investments, the security's redemption date is deemed, in contrast to ba), to be the maturity date.
- e. 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:
  - ea. no more than 10% in other collective investment schemes.

**c. UBS (CH) Money Market Fund – CHF**

- 2. a. The investment objective of UBS (CH) Money Market Fund – CHF is principally to generate a long-term performance consistent with the development of the prevailing market indices for money market instruments denominated in Swiss francs (CHF). The sub-fund does not qualify as sustainable and is not managed sustainably.
- b. 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. Further information can be found in section 1.9.3 of the prospectus.
- c. This sub-fund is a "money market fund" as defined by the SFAMA guideline for money market funds of 6 June 2012. The fund management company shall invest the sub-fund's assets in:
  - ca. money market instruments that are denominated in Swiss francs (CHF), are issued by governments, other public-law institutions or private borrowers worldwide and are of top-grade quality. A money market instrument is of top-grade quality if only if it has one of the two highest short-term credit ratings awarded by each rating agency rating the relevant instrument and recognised by the relevant supervisory authority. If one of the rating agencies should subdivide its highest short-term credit rating into two categories, both of these categories shall be interpreted as a single category and deemed as the highest short-term credit rating. If no short-term credit rating has been awarded, an equivalent long-term credit rating is used; if the instrument has no corresponding rating, the money market instrument must be of an equivalent grade as assessed according to the fund management company's in-house rating system.
  - cb. bank deposits denominated in Swiss francs (CHF) held at domestic and foreign banks.
  - cc. bonds denominated in Swiss francs (CHF) (excluding convertible bonds, convertible notes and warrant issues), notes as well as other fixed-income or floating-rate debt paper and rights issued by private borrowers and borrowers under public law worldwide, where there is a minimum rating of Baa1/BBB+– or equivalent.
  - cd. units of other collective investment schemes that invest their assets exclusively in investments referred to above and meet the definition of a "money market fund" (under the SFAMA guideline for money market funds of 6 June 2012).
  - ce. derivatives (including warrants) on the investments referred to above.
- d. Investments in securities are restricted to those having a residual maturity of less than or equal to two years to final term, provided that the residual maturity up to the forthcoming date when the interest rate is reset is shorter than or equal to 397 days. Floating-rate securities must be adjusted to a money market rate or index. The fund management company must also ensure that:
  - da. the sub-fund portfolio has a weighted average maturity (WAM) of six months at most, taking into account investments in derivatives pursuant to § 12. For purposes of calculating the WAM for floating-rate investments, the next interest rate adjustment date is deemed to be the maturity date.
  - db. the weighted average life (WAL) of the sub-fund portfolio does not exceed twelve months, taking into account investments in derivatives pursuant to § 12. For purposes of calculating the WAL for floating-rate investments, the security's redemption date is deemed, in contrast to ba), to be the maturity date.

- e. 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:
  - ea. no more than 10% in other collective investment schemes.
3. Subject to § 19, for each sub-fund the fund management company may acquire units of target funds managed directly or indirectly by itself or by a company with which it is affiliated through common management or control or by a significant direct or indirect shareholding.
4. The fund management company must ensure appropriate liquidity management for each sub-fund. Detailed information is contained in the prospectus.

## **§ 9 Liquid assets**

For each sub-fund, the fund management company may also hold liquid assets in an appropriate amount in the sub-fund's accounting currency and in any other currency in which investments are permitted for that particular sub-fund. Liquid assets comprise 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 all types of securities which are listed on an exchange or are traded on another regulated market open to the public for the sub-funds' account. However, it may not lend securities that have been taken over as part of a reverse repo transaction.
2. The fund management company may lend the securities to a borrower in its own name and for its own account ("principal transaction") or may appoint an intermediary to put the securities at the disposal of a borrower either indirectly on a fiduciary basis ("agent transaction") or directly ("finder transaction").
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 business 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 comply with the duties and requirements under Art. 52 CISO-FINMA. In particular, they must adequately diversify the collateral in terms of countries, markets, and issuers. Adequate diversification of issuers is deemed to have been achieved if the collateral of a single issuer held does not correspond to more than 20% of the net asset value. 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 responsible for ensuring the prompt, unconditional payment of any income accruing during the securities lending period, for asserting other financial rights and for the return of securities of the same type, amount and quality such that the contractual terms are complied with.
7. The custodian bank shall ensure that the securities lending transactions are conducted in a secure manner and that the contractual terms are complied with and shall monitor compliance with the collateral requirements. For the duration of the lending transactions it shall also be responsible for the administrative duties assigned to it under the custody account regulations and for asserting all rights pertaining to the securities lent, unless they have been assigned in line

with the applicable framework agreement.

8. The prospectus has further details on the collateral strategy.

#### **§ 11 Securities repurchase agreements**

1. The fund management company may enter into securities repurchase agreements (“repos”) for the sub-funds’ account. Securities repurchase agreements can be concluded as either repos or reverse repos.

A repo is a legal transaction in which one party (lender) temporarily transfers ownership of securities in return for payment to another party (borrower); the borrower undertakes to reimburse securities of the same type, quantity and quality as well any income accrued throughout the course of the repurchase agreement to the lender upon maturity. The lender bears the price risk of the securities throughout the course of the repurchase agreement. From the perspective of the counterparty (borrower), a repo is a reverse repo. Reverse repos are an instrument used by the fund management company to invest cash, whereby it buys securities and at the same time agrees to reimburse securities of the same type, amount and quality as well any income accrued throughout the course of the repurchase agreement.

2. The fund management company may conclude repo transactions with a counterparty in its own name and for its own account (“principal transaction”) or may instruct an intermediary to conclude repo transactions with a counterparty either indirectly in a fiduciary capacity (“agent transaction”) or directly (“finder transaction”).
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 or approved, recognised securities central counterparties and collective depositories which can ensure the proper execution of the repo transactions.
4. The custodian bank shall ensure that the securities lending transactions are conducted in a secure manner and the contractual terms are complied with. It shall ensure that fluctuations in the value of securities used in the repo transactions are compensated daily in cash or securities (mark-to-market), and shall also be responsible for the administrative duties assigned to it under the custody account regulations during the period in which repo transactions are carried out and for asserting all rights pertaining to the securities used in the repo transactions unless they have been assigned in line with the applicable framework agreement.
5. The fund management company may use all types of securities which are listed on an exchange or are traded on another regulated market open to the public. However, securities that were taken over as part of a reverse repo transaction may not be used for repos.
6. If the fund management company must observe a period of notice (which may not exceed seven bank business days) before it may again legally repossess the securities used in the repo transaction, it may not lend for repos more than 50% of its holdings of a particular security eligible for lending for each sub-fund. However, if the counterparty or the intermediary provides the fund management company with a contractual assurance that the latter may legally repossess the securities used in the repo transaction on the same or the next bank business day, the fund management company may use its entire holdings of a particular security eligible for repo transactions.
7. Engaging in repo transactions is deemed to be taking up a loan pursuant to § 13, unless the money received is used to acquire securities of the same type, quality, credit rating and maturity in conjunction with the conclusion of a reverse repo.
8. With regard to reverse repos, 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, traded at a transparent price on an exchange or other regulated market open to the public, and must be valued at least on each trading day. In managing the collateral, the fund management company and its agents must comply with the duties and requirements under Art. 52 CISO-FINMA. In particular, they must adequately diversify the collateral in terms of countries, markets, and issuers. Adequate diversification of issuers is deemed to have been achieved if the collateral of a single issuer held does not correspond to more than 20% of the net asset value. 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 arising from reverse repos are deemed to be liquid assets pursuant to § 9 and not loan extensions pursuant to § 13.

10. The prospectus has further details on the collateral strategy.

## § 12 Derivatives

1. The fund management company may make use of derivatives. It shall ensure that the effect of such derivatives does not alter the investment objectives as stated in this fund contract and the prospectus or the sub-funds' investment profile even in exceptional market circumstances. In addition, the securities underlying the derivatives must be permitted investments under this fund contract for the relevant sub-fund.
2. Commitment approach II shall be used to measure risk. The aggregate derivatives-related investments of a sub-fund may not exceed 100% of its net assets and the total investments may not exceed 200% of its net assets. Given the possibility of a sub-fund's temporary borrowing not exceeding 10% of its net assets, as described in § 13 prov. 2, the total investments of the sub-fund may amount to a maximum of 210% of its net assets. The total investment amount is calculated on the basis of Art. 35 CISO-FINMA.
3. The fund management company may in particular use basic forms of derivatives such as call or put options where the value on expiration has a linear dependence on the positive or negative difference between the market value of the underlying and the strike price and is zero if the difference has the opposite sign (+ or -), credit default swaps (CDSs), swaps with non-path dependent payoffs which have a linear dependence on the value of the underlying or an absolute value and futures and forwards whose value has a linear dependence on 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. Furthermore, the derivative must result in a demonstrable reduction in risk, the risks of the derivative must be balanced out, the derivatives, underlyings, or assets that are to be netted must relate to the same class of financial instruments, and the hedging strategy must remain effective even under exceptional market conditions.
  - c. If mainly interest rate derivatives are used, the amount of the total investment to be offset by derivative positions can 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 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 may 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 engage in derivatives transactions on a stock 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 its 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 it out with an opposite transaction at market value at any time.
  - c. If no market prices are available for an OTC derivative, the price must be verifiable at any time based on the market value of the underlyings, using an appropriate valuation model that is 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. Furthermore, and by way of exception, the requirement to obtain offers from at least two potential counterparties may be dispensed with if this is in the investors' best interests. The reasons for doing so must be clearly documented, as must the conclusion of the contract and pricing.
  - d. 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 comply with the duties and requirements under Art. 52 CISO-FINMA. In particular, they must adequately diversify the collateral in terms of countries, markets, and issuers. Adequate diversification of issuers is deemed to have been achieved if the collateral of a single issuer held does not correspond to more than 20% of the net asset value. 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 prescribed in the legislation concerning collective investment schemes when complying with statutory and contractual investment restrictions (maximum and minimum limits).
  8. The prospectus contains further details on:
    - the implications of derivatives within the investment strategy;
    - the effect of using derivatives on the sub-fund's risk profile;
    - the counterparty risks associated with derivatives;
    - the risk measurement model that is used;
    - the expected gross total exposure to derivatives;
    - the higher volatility arising from the use of derivatives and the increased total investment (leverage);
    - credit derivatives;
    - the collateral strategy.

### **§ 13 Borrowing and lending**

1. The fund management company may not grant loans for the account of the sub-funds. Securities lending transactions pursuant to § 10 and repurchase agreements as reverse repos in accordance with § 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 10% of net assets. Repurchase agreements as repos in accordance with § 11 are deemed to be borrowing within the meaning of this paragraph, unless the money received is used as part of an arbitrage transaction to acquire securities of the same type, quality, 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 60% of the sub-fund's net assets.
2. The sub-fund assets may not be encumbered with guarantees. An exposure-increasing credit derivative is not deemed to be a guarantee within the meaning of this paragraph.

### **C. Investment restrictions**

#### **§ 15 Risk diversification**

1. The following are to be included in the risk diversification provisions:

- 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 from OTC transactions.

The risk diversification provisions apply to each sub-fund individually.

- b. EUR**
- c. USD**
- d. CHF**

2. Companies that make up a group according to international accounting standards are viewed as a single issuer.
3. The fund management company may invest no more than 10% of a sub-fund's assets, including derivatives, in securities and 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 the respective 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 restriction includes both liquid assets pursuant to § 9 and investments in bank assets pursuant to § 8.
5. The fund management company may not invest more than 5% of a 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 the supervision in Switzerland, this restriction 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 provs. 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 specified in prov. 12 and 13 below.
7. Investments pursuant to prov. 3 above in the same group of companies may not in total exceed 20% of a sub-fund's assets subject to the higher limits specified in 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 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 a single issuer or more than 25% of the units of other collective investment schemes.  
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 investment schemes cannot be calculated.
11. The restrictions as set out under prov. 9 and 10 above do not apply if the securities and money market instruments are issued or guaranteed by a state or public-law institution 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 10% stipulated in prov. 3 rises to 35% if the securities or money market instruments are issued or guaranteed by an OECD state, 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. The limit of 40% as stipulated in prov. 3 does not apply to the aforementioned 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 10% stipulated in prov. 3 rises to 100% if the securities or money market instruments are issued or guaranteed by an OECD state, 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 money market instruments consisting of at least six different issues, and no more than 30% of the sub-fund 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 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).

**IV. Calculation of net asset values and issue and redemption of units**

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

1. Each sub-fund's net asset value (valuation net asset value) and the proportions of the individual classes (percentages) shall be calculated in the currency units of the respective sub-fund at market value as of the close of the financial year and for each day on which units are issued or redeemed. The individual sub-fund's assets are not calculated on days when the stock exchanges or markets in the sub-fund's main investment countries are closed (e.g. bank and stock exchange holidays) However, the fund management company may also calculate the net asset value of a unit class ("non-tradable NAV") on days on which no units are issued or redeemed (see prov. 1.7 of the Prospectus). Such non-tradable NAVs may be published, but may only be used for the calculation of performance, statistics or commissions. Under no circumstances may they be used as a basis for subscription or 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 are 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 investment schemes are 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 valuation price of such investments is based on the respective interest rate curve. The valuation based on the yield curve comprises the two components of interest rate and spread. The following principles are applied: For each money market instrument, the next rates of interest in respect of the residual term are intrapolated. The rate of interest thus established is converted into a market rate, adding a spread which reflects the creditworthiness of the underlying borrower. This spread is 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 is adjusted in line with the new conditions.
6. 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 unit of the accounting currency of the individual sub-fund.
7. If, on any one order day, the sum of subscriptions and redemptions of units in a sub-fund results in a net inflow or outflow, the sub-fund's valuation net asset value will be increased or reduced accordingly (swinging single pricing). The maximum adjustment level generally amounts to 2% of the valuation net asset value. However, in exceptional circumstances, the fund management company may decide to temporarily apply an adjustment of more than 2% of the prevailing net asset value 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. A modified valuation net asset value covers incidental costs (bid/ask spread, brokerage 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 adjustment results in an increase of the valuation net asset value if net movements result in an increase in the number of units in the sub-fund. Conversely, the adjustment results in a reduction of the valuation net asset value if net movements lead to a reduction in the number of units. The valuation net asset value calculated on the basis of swinging single pricing is thus a modified, or "swung", valuation net asset value as set out in the first sentence of this paragraph.
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 the respective unit classes are determined for the first time with 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 in any of the following events:
  - a. upon issue and redemption of units;

- b. on the cut-off date for distributions, provided (i) such distributions accrue only to individual unit classes (distribution classes) or provided (ii) the distributions of various unit classes as a percentage of the respective net asset value differ, or provided (iii) different commission or cost charges accrue on the distributions of various unit classes as a percentage of the distribution;
- c. 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;
- d. 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 in the interest of one unit class or in the interest of several unit classes, but not in proportion to their share of net assets of a sub-fund.

### **§ 17 Issue and redemption of units**

1. Subscription or redemption orders for units will be accepted on the order day up to a specific time mentioned in the prospectus. The price used for the issue and redemption of units is calculated at the earliest on the bank business day (valuation date) following the order day (forward pricing). The prospectus sets out the details.
2. 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 date in conjunction with the closing prices of the previous day. Upon issuing units, an issuing commission may be added to the net asset value pursuant to § 18.

Incidental costs relating to the purchase and sale of investments (in particular bid/ask spreads, brokerage at standard market rates, commissions, taxes and duties, etc.) and incurred by a sub-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.

Additional costs, such as stamp duties, which may arise in connection with contributions or redemptions in kind instead of cash (see § 5) must be borne by the investor.

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 jeopardise the interests of the remaining investors in this sub-fund.
5. The fund management company shall immediately apprise the external auditors and the supervisory authority of any decision to suspend redemptions. It shall also notify the investors in an appropriate manner.
6. No units shall be issued as long as the redemption of units is suspended for the reasons stipulated under prov. 5 a to c.
7. For unit classes exclusively offered to qualified investors pursuant to Art. 10 para. 3 and 3ter CISA, in the event of a subscription and provided that this is not excluded in the provisions of a unit class, every investor may apply to make deposits into the sub-fund's portfolio instead of making payment in cash (contribution in kind). In the event of a termination, every investor may apply to have assets transferred to them instead of payment in cash (redemption in kind). The application must be submitted together with the subscription/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 sub-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 sub-fund's 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 cash payments made to cover peak equalisation. 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.

Transactions relating to contributions and redemptions in kind must be disclosed in the annual report.

## 8. Gating:

Applicable to the following sub-funds:

“- EUR”

“- USD”

“- CHF”

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 million Swiss francs in the sub-fund's unit of account, 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 redemption requests 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).

## V. Remuneration and incidental costs

### § 18 Remuneration and incidental costs charged to the investor

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 current maximum applicable rate is stated in the prospectus.

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

- For the management, asset management and, where applicable, distribution activities for the sub-funds and the performance of the duties outlined in § 6 prov. 4 ltr. B e) to g) and for all tasks of the custodian bank such as the safe-keeping of the assets of the sub-funds, the arrangement of payment transactions and the other duties assigned to it as described in § 4, the fund management company charges the sub-funds a maximum flat-rate fee or commission based on the net assets of the sub-funds as stated below, which is charged to the fund's assets pro rata temporis each time the fund's net asset value is calculated and paid monthly (flat fee or commission).

#### Class "P" units

Flat fee charged by the fund management company for management, asset management, distribution activities and remuneration of the custodian bank (p.a.)

0.92%

#### Class "K-1" units

Flat fee charged by the fund management company for management, asset management, distribution activities and remuneration of the custodian bank (p.a.)

0.34%

#### Class "Q" units

Flat fee charged by the fund management company for management, asset management and remuneration of the custodian bank (p.a.)

0.24%

<b>Class "QL" units</b>	
Flat fee charged by the fund management company for management, asset management and remuneration of the custodian bank (p.a.)	0.15%
<b>Class "F" units</b>	
Flat fee charged by the fund management company for management, asset management, distribution activities and remuneration of the custodian bank (p.a.)	0.30%
<b>Class "INSTITUTIONAL" units</b>	
Flat fee charged by the fund management company for management, asset management, distribution activities and remuneration of the custodian bank (p.a.)	0.28%
<b>Class "PREFERRED" units</b>	
Flat fee charged by the fund management company for management, asset management, distribution activities and remuneration of the custodian bank (p.a.)	0.25%
<b>Class "PREMIER" units</b>	
Flat fee charged by the fund management company for management, asset management, distribution activities and remuneration of the custodian bank (p.a.)	0.22%
<b>Class "I-B" units</b>	
Commission for fund administration (fund management company, administrator and custodian bank) (p.a.)	0.07%
The costs to be borne by the investor for asset management and distribution activities are additionally covered by an individually negotiated, written agreement between UBS and the investor (max. 0.28% p.a., see § 6 prov. 4).	
<b>Class "I-X" units</b>	
Commission for all sub-funds (p.a.)	0.00%
The costs to be borne by the investor arising in connection with the services provided for the "I-X" unit class are covered by an individually negotiated, written agreement between UBS and the investor (max. 0.28% p.a., see § 6 prov. 4).	
<b>Class "U-X" units</b>	
Commission for all sub-funds (p.a.)	0.00%
The costs to be borne by the investor arising in connection with the services provided for the "U-X" unit class are covered by an individually negotiated, written agreement between UBS and the investor (max. 0.28% p.a., see § 6 prov. 4).	

The actual rate applying to the flat fee or commission for each sub-fund is stated in the prospectus as well as the annual and semi-annual reports.

2. The following remuneration and incidental costs, which are also charged to the assets of the respective sub-fund, are not included in the flat fee or commission:
  - a. Costs relating to the purchase and sale of investments (specifically, bid/ask spread, brokerage at standard market rates, commissions, taxes and duties). With the exception of 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.
  - b. Fees paid to the supervisory authority for the foundation, amendment, liquidation or merger of sub-funds;
  - c. Annual fee paid to the supervisory authority;
  - d. Fees paid to external auditors for annual audits and for certificates in connection with the foundation, amendment, liquidation or merger of the umbrella fund and/or sub-funds;
  - e. Fees paid to legal and tax advisors in connection with the foundation, amendment, liquidation or merger of the umbrella fund and/or of sub-funds and for the general representation of the interests of the sub-funds and their investors;
  - f. The costs of publishing the net asset value of the sub-funds and all costs associated with notifications to the investors, including translation costs, where such costs were not necessitated by misconduct on the part of the fund management company;
  - g. The costs for the translation of the prospectuses with integrated fund contracts as well as semi-annual and annual reports;
  - h. The costs of printing legal documents as well as the semi-annual and annual reports of the umbrella fund and sub-funds;
  - i. Costs paid for the possible registration of the umbrella fund and sub-funds with a foreign supervisory authority, in particular commission and translation costs charged by the foreign supervisory authority as well as the compensation of the representative or paying agent abroad;

- j. Costs in connection with the exercising of voting and creditors' rights by the umbrella fund and sub-funds, including fees for external advisors;
  - k. Costs and fees associated with intellectual property registered in the name of the umbrella fund and/or the sub-funds or with rights of use of the umbrella fund and/or sub-funds;
  - l. All costs which arise from the performance of extraordinary measures to protect the interests of investors by the fund management company, the asset manager of collective investment schemes or the custodian bank;
  - m. Third-party costs (e.g. attorneys' fees and custodian bank fees) arising from participation in class actions in the interest of investors may be charged to the assets of the sub-funds by the fund management company. Furthermore, the fund management company may charge all administrative costs, provided these can be proven and are reported and included in the disclosure of the TER of the sub-funds.
3. The costs according to prov. 2 ltr. a are directly added to the cost value or deducted from the sales value.
4. The fund management company and its agents as well as the custodian bank may pay retrocessions to cover distribution and placement activities in respect of fund units. The fund management company and its agents, as well as the custodian bank, may pay discounts directly to investors for the purpose of reducing the fees or costs charged to the sub-funds. The fund management company shall disclose in the prospectus whether and under which conditions discounts are granted.
5. If the fund management company invests in units of other collective investment schemes managed directly or indirectly by itself or by a company with which it is affiliated through common management or control or by a significant direct or indirect shareholding ("affiliated target funds"), it may not charge any issuing or redemption commission of the affiliated target funds to the fund's assets for such investments.

The management fee charged by the target funds in which fund assets are invested may not exceed 3%, factoring in any retrocessions and discounts. The annual report shall indicate the maximum rate for the management fee of the target funds invested in, factoring in any retrocessions and discounts.

6. Remuneration is only charged to the sub-funds which receive 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 external audits**

### **§ 20 Financial statements**

1. The accounting currencies of the individual sub-funds are as follows:

UBS (CH) Money Market Fund	EUR	Euro (EUR)
UBS (CH) Money Market Fund	USD	US dollar (USD)
UBS (CH) Money Market Fund	CHF	Swiss franc (CHF)

2. The financial year shall run from 1 October to 30 September.
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 fund management company shall publish a semi-annual report for the umbrella fund and the sub-funds within two months of the close of the first half of the financial year.
5. The foregoing does not affect the investor's right to information as specified under § 5 prov. 5.

### **§ 21 Audits**

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 with the code of professional ethics of the Asset Management Association Switzerland applicable to them. The annual report shall contain a short report by the external auditors on the published annual financial statements.

## **VII. Appropriation of net income**

### **§ 22**

The net income of the sub-funds is added to the assets of the sub-funds for each unit class for reinvestment once a year, at the latest within four months of the close of the financial year.

The fund management company may also decide to reinvest income at other intervals. Exceptions apply to any taxes and duties levied on the reinvestment of these funds.

Capital gains realised on the sale of assets and rights may be distributed by the fund management company or retained for the purpose of reinvestment.

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. Official notices regarding the umbrella fund and the sub-funds are published in the print or electronic medium mentioned in the prospectus. A change of official publication must 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. Each time units are issued or redeemed, the fund management company publishes, for each sub-fund, the issue and redemption prices or the net asset value (modified valuation net asset value when swinging single pricing pursuant to § 16 prov. 7 has been applied) for all unit classes together with the footnote "excluding commission" in the print or electronic medium specified in the prospectus. The prices shall be published at least twice per month. The weeks and weekdays on which such prices shall be published shall be specified in the prospectus.
4. The prospectus with integrated fund contract, the key information document and the current annual and semi-annual reports may be obtained free of charge from the fund management company, the custodian bank and from any distributor.

### **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 funds by transferring the assets and liabilities of the sub-fund(s) or fund(s) being acquired to the acquiring sub-fund or fund. The investors in the sub-fund or fund being acquired receive the corresponding number of units in the acquiring sub-fund or fund. The sub-fund or fund being acquired is terminated without liquidation when the merger takes place, and the fund contract of the acquiring sub-fund or fund also applies to the sub-fund or fund being acquired.
2. Sub-funds or funds may only be merged provided that:
  - a. the applicable fund contracts provide for such a 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:
    - 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, value and method of calculating any remuneration, issuing and redemption commission and incidental costs relating to the purchase and sale of investments (brokerage, fees, duties) which may be charged to the fund's or 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 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 funds or the investors. The aforementioned shall be 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 funds concerned.
4. The fund management company must submit the proposed merger together with the merger schedule to the supervisory authority for review at least one month before the planned publication of the intended changes to the fund contract. The merger schedule must contain detailed information on the reasons for the merger, the investment policies of the sub-funds or funds involved and any differences between the acquiring sub-fund or fund and the sub-fund or fund being acquired, the calculation of the exchange ratio, any differences with regard to remuneration, any tax implications for the sub-funds or funds and a statement from the competent statutory external auditors.
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-fund or fund in question. Such notice must advise investors that they may lodge an objection to the proposed amendments to the fund contract with the supervisory authority within 30 days of the most recent notice published, or request redemption of their units in cash or submit application for a redemption in kind in accordance with § 17.7.
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 notifies the supervisory authority that the merger has been completed and publishes 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 funds concerned.
8. The fund management company must make reference to the merger in the next annual report of the acquiring sub-fund or 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 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 agreements 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 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.
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 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 for the fund.
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 made to this fund contract, or in the event of a proposed merger of unit classes or change of fund management company or custodian bank, the 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, subject to the approval of the supervisory authorities, exempted from the duty of disclosure.

#### **XI. Applicable law and place of jurisdiction**

##### **§ 28**

1. The umbrella fund and the individual sub-funds are 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 takes effect on 23 August 2024.
4. This fund contract replaces the fund contract dated 16 June 2023.
5. In approving the fund contract, FINMA shall examine only the provisions pursuant to Art. 35a (1) lit a-g CISO and shall establish their compliance with the law.

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