

UBS (CH) Vitainvest

**Umbrella fund under Swiss law
(Category Other Funds for Traditional Investments)**

Prospectus with integrated fund contract

September 2020

Part I Prospectus

This prospectus, together with the fund contract which forms an integral part thereof, the Key Investor 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 Investor Information Document or the fund contract shall be deemed to be valid.

1 Information on the umbrella fund and the sub-funds

1.1 General information on the umbrella fund and the sub-funds

UBS (CH) Vitainvest 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. The fund includes, on the one hand, the sub-funds listed below; the numbers in their names indicate the long-term average of the percentage share of equities per sub-fund on a consolidated basis, although any real estate fund units held are not taken into account in the long-term average percentage shares given. By way of derogation, the number in the name of the sub-fund UBS (CH) Vitainvest – World 100 Sustainable indicates the maximum value of the percentage share of equities on a consolidated basis. The names of the individual sub-funds also indicate the regional focus of the investments within the sub-funds. The suffix "World" indicates that a significant proportion of the investments are made in foreign securities:

- World 25 Sustainable
- World 50 Sustainable
- World 75 Sustainable
- World 100 Sustainable

It also includes the following sub-funds; the numbers in their names indicate the long-term average of the percentage share of equities per sub-fund on a consolidated basis, although any real estate fund units held are not taken into account in the long-term average percentage shares given. The names of the individual sub-funds also indicate the regional focus of the investments within the sub-funds. The suffix "Swiss" indicates that a significant proportion of the investments are made in Swiss securities.

- Swiss 25 Sustainable
- Swiss 50 Sustainable
- Swiss 75 Sustainable

The fund contract was drawn up by the fund management company with the agreement of the custodian bank and approved by the then Swiss Federal Banking Commission for the first time in 2005.

The sub-funds are based upon a collective investment 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.

Within the framework of the sub-funds' investments, the fund management company complies with the prevailing investment guidelines for the financial investments of pension schemes as set out in the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG) and its ordinances [currently in particular Article 54 ff. of the Ordinance on Occupational Retirement, Survivors' and Disability Pension Plans (BVV2)]. The fund may be used, inter alia, within fund-linked life insurance plans and pillar 3a retirement savings accounts. The provisions of the legislation concerning collective investment schemes shall take precedence provided those of the BVG and its ordinances (BVV 2) are not stricter. For the sub-funds UBS (CH) Vitainvest – World 50 Sustainable, UBS (CH) Vitainvest – World 75 Sustainable, UBS (CH) Vitainvest – World 100 Sustainable, UBS (CH) Vitainvest – Swiss 50 Sustainable and UBS (CH) Vitainvest – Swiss 75 Sustainable the equity portion deviates from that in accordance with Section 55 (b) BVV 2 in application of Section 50 (4) BVV 2. For the sub-funds UBS (CH) Vitainvest – World 50 Sustainable, UBS (CH) Vitainvest – World 75 Sustainable and UBS (CH) Vitainvest – World 100 Sustainable the foreign currency portion deviates from that in accordance with Section 55 (e) BVV 2 up to 35% in application of Section 50 (4) BVV 2.

The current unit classes are:

- A) The following unit classes are not restricted to certain types of investors:
- a) Class "U" units are offered to all investors.
- B) The following unit classes are restricted to certain types of investors:
- a) Class "Q" units are exclusively offered to financial intermediaries that make investments for their own account and/or to clients of such financial intermediaries who, in accordance with regulatory requirements, are not permitted to receive a distribution commission and/or who, under written agreements with their clients, may only offer them classes without retrocession, if available in the relevant investment fund.
 - b) Class "D" units are offered to investors who subscribe their units via
 - banks or
 - insurance companies or
 - foundations for vested pension benefits and pension fund foundations or
 - securities dealers

that have concluded an agreement with UBS Asset Management Switzerland AG or with one of its authorised contractual partners for distribution pursuant to the Guidelines on the Distribution of Collective Investment Schemes issued by the Swiss Funds & Asset Management Association (SFAMA).

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 only be charged to the specific unit class benefiting from a specific service.

1.2 Investment objective and policy of the fund

1.2.1 Investment objective

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

- World 25 Sustainable
- World 50 Sustainable
- Swiss 25 Sustainable
- Swiss 50 Sustainable

The investment objective of the sub-funds is principally to achieve an optimum overall return within the individual sub-funds by using a balanced risk strategy via investments in other investment funds (target funds) and by taking into account aspects of sustainability.

The fund management company may acquire for the assets of the sub-funds "– World 25 Sustainable" and "– World 50 Sustainable" up to 60% of the units of "UBS (CH) Manager Selection Fund – Bonds Global XT 2" and "UBS (CH) Manager Selection Fund – Bonds Global XT 3".

The fund management company may also acquire for the assets of the sub-fund "– World 50 Sustainable" up to 70% of the units of "UBS (CH) Manager Selection Fund – Equities Global XT 1", "UBS (CH) Manager Selection Fund – Equities Global XT 2" and "UBS (CH) Institutional Fund – Equities Global (ex Switzerland) Sustainable" and up to 60% of the units of "UBS (CH) Manager Selection Fund – Equities Global XT 3" and "UBS (CH) Investment Fund – Equities Global Climate Aware II".

For the sub-fund "– Swiss 25 Sustainable", the fund management company may invest up to 65% and for the sub-fund "– Swiss 50 Sustainable" up to 40% of the sub-fund's assets in units of the target fund "UBS (CH) Bond Fund – Bonds CHF Sustainable". The fund management company may also acquire for the sub-fund "– Swiss 50 Sustainable" up to 49% of the units of "UBS (CH) Manager Selection Fund – Equities Switzerland XT 1", "UBS (CH) Manager Selection Fund – Equities Switzerland XT 2" and "UBS (CH) Manager Selection Fund – Equities Switzerland XT 3".

These target funds must have the same redemption frequency. They must not entail an accumulation of fees for investors and must make full transparency possible for the fund management company in respect of investments and fees.

- World 75 Sustainable
- World 100 Sustainable
- Swiss 75 Sustainable

The sub-funds' investment objective is primarily to achieve an optimal overall return within the individual sub-funds by means of a risk strategy focusing on equities by investing in other investment funds (target funds) and by taking into account aspects of sustainability.

For the sub-funds "– World 75 Sustainable" and "– World 100 Sustainable", the fund management company may invest up to 49% of the sub-fund's assets in units of the target fund "UBS (CH) Investment Fund – Equities Global Climate Aware II".

These target funds must have the same redemption frequency. They must not entail an accumulation of fees for investors and must make full transparency possible for the fund management company in respect of investments and fees.

Using an appropriate selection of target funds, the overall risk of the individual sub-funds corresponds to a diversified asset allocation portfolio with an average proportion of equities in line with the number in the respective name of the sub-fund. The overall risk of the sub-fund UBS (CH) Vitainvest – World 100 Sustainable corresponds to a diversified asset allocation portfolio with a maximum proportion of equities in line with the number in the name of the sub-fund. In addition, the individual sub-funds differ in the proportion of foreign currency (all investment currencies which differ from the Swiss franc).

Aspects of sustainability

Companies that have a suitable sustainability profile are those that show above-average commitment to environmental and social aspects compared with other companies and that are more progressive than other companies in

terms of corporate governance. Sustainability is assessed through internal analysis provided by UBS Asset Management Switzerland AG and recognised agencies. The fundamental analysis of sustainability/ESG criteria may, amongst others, include the following aspects: environment, employees and suppliers, buyers and customers, management.

These sub-funds invest, for example, in companies whose business model takes into account objectives such as socially responsible investing (SRI) and which are involved in areas such as energy efficiency, the environment, health and demographics or social improvements. Conversely, these sub-funds may exclude companies or even sectors whose business activities have negative social or environmental impacts. The sustainability profile of each sub-fund is based on the sum of the individual investments.

These sub-funds do not make direct investments in companies that generate a substantial portion of their revenue from the production of tobacco, adult entertainment and coal or companies that derive a substantial portion of their revenue from thermal coal-fired power stations.

1.2.2 Investment policy

- World 25 Sustainable
- World 50 Sustainable

The individual sub-funds invest at least 51% of their assets after deducting liquid assets in other collective investment schemes (target funds) of the type “securities funds” or “other funds for traditional investments” or units of undertakings for collective investment in transferable securities (UCITS) which correspond to the European Union’s applicable guidelines, as well as units of undertakings for collective investment (UCIs) authorised for public distribution in and from Switzerland in accordance with Article 119 ff. of the CISA or these target funds have been approved as collective investments 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. The fund management company may also invest in units in other collective investment schemes which are equivalent to other funds for traditional investments, other funds for alternative investments or real estate funds (where equivalent supervision exists).

- World 75 Sustainable
- World 100 Sustainable
- Swiss 25 Sustainable
- Swiss 50 Sustainable
- Swiss 75 Sustainable

The individual sub-funds invest at least 51% of their assets after deducting liquid assets in other collective investment schemes (target funds) of the type “securities funds”, “other funds for traditional investments”, “other funds for alternative investments” or “real estate funds” as well as other collective investment schemes which correspond to this type.

The target funds must be able to fundamentally guarantee the redemption frequency of the fund of funds. The fund management company may also invest in units of other collective investments that correspond to other funds for traditional investments, other funds for alternative investments or real estate funds (with equivalent supervision).

The target funds must be able to guarantee the redemption frequency of the fund of funds. The target funds must have been approved as collective investments in the country of domicile and investors must enjoy equivalent regulatory protection in that country to that in Switzerland and international official assistance must be granted. The target funds are open-end and/or listed collective investments, i.e. contractually based investment funds as well as investment companies with variable capital.

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:

- 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.
- 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.
- 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 US, Japan, the UK, Germany and Switzerland (incl. the federal states and cantons).

- The following are deemed equivalent to sovereigns: treasury warrants 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).
- 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.
- Cash collateral, provided this is in a freely convertible currency.

Collateral margins

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 (incl. treasury bills and treasury warrants) issued or guaranteed by the US, Germany or Switzerland (incl. the cantons and municipalities)	0%
– Other sovereigns (incl. treasury bills and treasury warrants)	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%

1.2.3 Material risks

Investments are subject to normal market fluctuations and security-specific risks depending on the selection decisions taken by the portfolio manager. With an investment of up to 80% of the assets of a sub-fund in units of the same target fund, balanced risk diversification can already be achieved at target-fund level through suitable diversification.

The situation where sub-funds invest up to 80% in units of the same target fund can arise if a specific asset class is heavily overweighted at the asset allocation stage or if the asset class involves investment in a single target fund.

Balanced risk diversification is achieved through appropriate diversification at asset class and fund manager level. The sub-funds' main risks are as follows: the sub-funds' investments are subject to normal market volatility and other risks associated with securities investments. There is no guarantee that the investments will rise in value. Both the value and return of the investments can rise or fall. There is no guarantee that the investment objective will actually be reached. There is no guarantee that investors will achieve a specific return, or that they will be able to submit units to the fund management company for redemption at a specific price.

Investments can also be in equities of companies from emerging markets. Prices of emerging markets assets are generally strongly dependent on the assessment of the financial situation of a company and the general economic and political trends in the country in question. For equities listed on a recognised emerging markets country stock exchange or traded another regulated market in the country, such stock exchanges or markets have in part a lower degree of organisation, transparency and liquidity than the stock exchanges and markets in developed nations.

1.2.4 Use of derivatives

- World 25 Sustainable
- World 50 Sustainable
- World 75 Sustainable
- World 100 Sustainable
- Swiss 25 Sustainable
- Swiss 50 Sustainable
- Swiss 75 Sustainable

The fund management company may make use of derivatives. Even under extraordinary market circumstances, this use of derivatives may not alter the sub-funds' investment goals or lead to a change in their investment profile. Commitment approach II shall be used for the measurement of risk, with the exception that leveraging and short selling are not permitted for the sub-funds on the basis of the provisions of the aforementioned BVG and its ordinances. Derivatives form part of the investment strategy and may be used for purposes other than simply to hedge investment positions. In relation to collective investment schemes the fund management company may use derivatives 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.

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)) which can be used to transfer credit risks to third parties, so-called risk buyers, may be acquired. 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 not result in the sub-funds' assets being leveraged or be tantamount to a short sale.

With regard to indirect investments via derivatives, it should be noted that such investments may result in 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 accumulation can be of particular significance where derivatives on market indices are used systematically instead of a broadly diversified portfolio of direct investments.

1.3 The fund-of-funds structure

Since the individual sub-funds invest predominantly in other collective investment schemes and carry out direct investments to a limited extent only, UBS (CH) Vitainvest is considered to be a fund of funds.

The specific structure of UBS (CH) Vitainvest means that, in particular, it has the following **advantages** over funds which make direct investments:

- By investing in a few existing units of other collective investment schemes which have considerable assets it is possible for the fund to offer an investment instrument in line with the provisions of the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG) and its ordinances more cost-effectively than would be possible with a newly issued fund with smaller fund assets making direct investments.
- Even with a direct investment of the investor's available assets in units of existing collective investments, the various collective investments would have to be put together in what is known as a managed portfolio in order to comply with the provisions of the BVG and its ordinances. In contrast to the managed portfolio, a fund-of-funds structure enables investors to acquire a specific number of units of a single collective investment with a single net asset value, which makes it transparent. Further, regular adjustments to comply with the provisions mentioned in the case of managed portfolios involve much greater administrative expense as each investor's managed portfolio has to be adjusted separately. Investors would ultimately end up covering this additional expenditure.

The **disadvantage** of a fund-of-funds structure compared to funds which make direct investments is, in particular:

- Certain remuneration, incidental costs and expenses may accrue twice as a result of investing in units of existing collective investments (for example, commission to the custodian bank and central administrative unit, administrative and advisory commissions and issuing/redemption commissions of target funds in which investments were made). Such remuneration, incidental costs and expenses are charged at both the target fund and the fund-of-funds levels.

The section **Remuneration and incidental costs (5.3)** provides detailed information on general remuneration and incidental costs as well as remuneration and incidental costs in connection with investments in units of existing collective investments.

Due diligence when acquiring target funds

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

1.4 Profile of the typical investor

The sub-funds are appropriate for investors who do not themselves wish to implement the investment strategy for their assets, but want to delegate this task to the fund manager.

1.5 Tax regulations relevant for the sub-funds

The umbrella fund and sub-funds have no legal personality in Switzerland. They are subject neither to income tax nor to capital gains tax. In contrast, income distributions made by the sub-funds are subject to Swiss federal withholding tax (tax at source of 35% on the income from movable capital assets). Capital gains realised by the sub-funds on the sale of assets are not subject to withholding tax provided they are distributed with a separate coupon or listed separately in the statement sent to investors.

The fund management company may apply for a full refund of all Swiss federal withholding tax levied on domestic income in the sub-funds. Any income and capital gains realised abroad may be subject to the relevant withholding tax deductions imposed by the country of investment. These taxes will, as far as possible, be reclaimed by the fund management company on behalf of investors resident in Switzerland under the terms of double taxation treaties or other such agreements.

Investors domiciled in Switzerland may reclaim Swiss withholding tax by declaring it in tax returns, or by submitting a separate application for a refund.

Taxation and other tax implications for an investor who holds, buys or sells units in the sub-funds are defined by the tax laws and regulations relevant for the investor, namely those of the investor's country of domicile. This can result in different tax consequences for the investor depending on the country involved. Potential investors are therefore advised to ask their tax advisors or fiduciaries for advice on the relevant tax consequences. Under no circumstances can the fund management company and custodian bank assume any responsibility for any particular tax consequences for the investor in connection with the buying, selling or holding of fund units.

The tax information stated above is based on the current legal situation and practice. This tax information is expressly subject to changes in legislation, jurisdiction and ordinances and the practices of tax authorities.

Taxation and other tax implications for investors who hold, buy or sell 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 advisors.

The investment 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 investment fund is registered with the tax authorities in the United States 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).

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.

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

Board of Directors

Reto Ketterer, Chairman

Managing Director, UBS Asset Management Switzerland AG, Zurich

Thomas Rose, Vice Chairman

Managing Director, UBS Asset Management Switzerland AG, Zurich

André Valente, Delegate

Managing Director, UBS Fund Management (Switzerland) AG, Basel

Franz Gysin

Independent Director

Christian Maurer, Member

Executive Director, UBS Asset Management Switzerland AG, Zurich

Executive Board

André Valente, Managing Director and Delegate of the Board of Directors

Eugène Del Cioppo, Deputy Managing Director and Head of Business Development & Client Management

Dr Daniel Brüllmann, Head of Real Estate Funds

Christel Müller, Head of Corporate Governance & Change Management

Thomas Reisser, Head of Compliance

Beat Schmidlin, Head of Legal Services

Georg Pfister, Head of Process, Platform, Systems and Head of Finance

As at 31 December 2019, the fund management company managed a total of 318 securities funds and 7 real estate funds in Switzerland with total assets of CHF 270,240 million.

The fund management company also provides the following services:

- administration services for collective investments;
- representation of foreign collective investments

2.2 Delegation of investment decisions

Investment decisions in respect of the umbrella fund have been delegated to UBS Asset Management Switzerland AG, Zurich.

UBS Asset Management Switzerland AG has many years of experience in asset management services and a broad knowledge of the investment markets of the umbrella 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.

2.3 Delegation of administration

The administration of the investment funds, particularly accounting, the calculation of net asset values, tax statements, the operation of IT systems and the drafting of performance reports, has been delegated to Northern Trust Switzerland AG, Basel. The precise duties involved are set out in an agreement between the parties.

All other fund management duties and the monitoring of other delegated duties are carried out in Switzerland.

2.4 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 whether to exercise the membership and creditors' rights itself or whether to delegate them to the custodian bank or a third party.

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. It may use information received from the custodian bank, the portfolio manager, the company, voting rights advisors or other third parties, or information that has appeared in the press. It is up to the fund management company to decide whether to waive its entitlement to exercise membership and creditors' rights.

3 Information on the custodian bank

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

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

UBS Switzerland AG is a Group company of UBS Group AG. With consolidated total assets of USD 972,183 million and published capital and reserves of USD 54,707 million as at 31 December 2019, UBS Group AG is financially one of the strongest banks in the world. It employs 68,601 staff worldwide and has an extensive network of offices.

The custodian bank may delegate the safekeeping of the fund's assets to third-party or collective depositaries in Switzerland or abroad, provided this is in the interests of proper safekeeping. The custodian bank may only delegate the safekeeping of the fund's financial instruments to third-party or collective depositaries 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 collective depositary, notably due to binding legal constraints or the particularities of the investment product.

Third-party and collective depositaries mean that the fund management company no longer has sole ownership of deposited securities, but only co-ownership. Moreover, if the third-party and collective depositaries 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 due care was exercised in the selection, instruction and supervision of the agent.

The custodian bank is registered with the tax authority 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 the distribution of the sub-funds.

4.3 External auditors

The fund assets will be audited by Ernst & Young AG, Basel.

5 Further information

5.1 Key data

UBS (CH) Vitainvest – World 25 Sustainable

Securities no.	Unit class "D" 2247647 Unit class "U" 2247646 Unit class "Q" 28698111
ISIN	Unit class "D" CH0022476474 Unit class "U" CH0022476466 Unit class "Q" CH0286981110
Listing	None; units of the fund are issued and redeemed daily
Financial year	1 January to 31 December
Term to maturity	Unlimited
Accounting currency	Swiss franc (CHF)
Units	made to the bearer; units are not certificated, but are dealt with on a book-entry basis only.
Appropriation of income	In principle, net income will be distributed to investors within four months of the close of the financial year at no charge. As a rule, capital gains are not distributed but are retained in the fund for reinvestment.

UBS (CH) Vitainvest – World 50 Sustainable

Securities no.	Unit class "D" 2247651 Unit class "U" 2247650 Unit class "Q" 28698167
ISIN	Unit class "D" CH0022476516 Unit class "U" CH0022476508

Listing	Unit class "Q" CH0286981672
Financial year	None; units of the fund are issued and redeemed daily
Term to maturity	1 January to 31 December
Accounting currency	Unlimited
Units	Swiss franc (CHF)
Appropriation of income	made to the bearer; units are not certificated, but are dealt with on a book-entry basis only.
	In principle, net income will be distributed to investors within four months of the close of the financial year at no charge.
	As a rule, capital gains are not distributed but are retained in the fund for reinvestment.

UBS (CH) Vitainvest – World 75 Sustainable

Securities no.	Unit class "D" 29317488
	Unit class "U" 29317460
	Unit class "Q" xxx
ISIN	Unit class "D" CH0293174881
	Unit class "U" CH0293174600
	Unit class "Q" xxx
Listing	None; units of the fund are issued and redeemed daily
Financial year	1 January to 31 December
Term to maturity	Unlimited
Accounting currency	Swiss franc (CHF)
Units	made out to bearer; units are not certificated, but are dealt with on a book-entry basis only.
Appropriation of income	In principle, net income will be distributed to investors within four months of the close of the financial year at no charge.
	As a rule, capital gains are not distributed but are retained in the fund for reinvestment.

UBS (CH) Vitainvest – World 100 Sustainable

Securities no.	Unit class "D"
	Unit class "U" 41329230
	Unit class "Q"
ISIN	Unit class "D"
	Unit class "U" CH0413292308
	Unit class "Q"
Listing	None; fund units are issued and redeemed daily
Financial year	1 January to 31 December, ending for the first time on 31 December 2019
Term to maturity	Unlimited
Accounting currency	Swiss franc (CHF)
Units	made out to bearer; units are not certificated, but are dealt with on a book-entry basis only.
Appropriation of income	In principle, net income will be distributed to investors within four months of the close of the financial year at no charge.
	As a rule, capital gains are not distributed but are retained in the fund for reinvestment.

UBS (CH) Vitainvest – Swiss 25 Sustainable

Securities no.	Unit class "D" xxx
	Unit class "U" 10852691
	Unit class "Q" 28698096
ISIN	Unit class "D" xxx
	Unit class "U" CH0108526911
	Unit class "Q" CH0286980963
Listing	None; units of the fund are issued and redeemed daily
Financial year	1 January to 31 December
Term to maturity	Unlimited
Accounting currency	Swiss franc (CHF)
Units	made to the bearer; units are not certificated, but are dealt with on a book-entry basis only.
Appropriation of income	In principle, net income will be distributed to investors within four months of the close of the financial year at no charge.
	As a rule, capital gains are not distributed but are retained in the fund for reinvestment.

UBS (CH) Vitainvest – Swiss 50 Sustainable

Securities no.	Unit class "D" xxx
	Unit class "U" 10852698
	Unit class "Q" 28698164
ISIN	Unit class "D" xxx

	Unit class "U" CH0108526986
	Unit class "Q" CH0286981649
Listing	None; units of the fund are issued and redeemed daily
Financial year	1 January to 31 December
Term to maturity	Unlimited
Accounting currency	Swiss franc (CHF)
Units	made to the bearer; units are not certificated, but are dealt with on a book-entry basis only.
Appropriation of income	In principle, net income will be distributed to investors within four months of the close of the financial year at no charge. As a rule, capital gains are not distributed but are retained in the fund for reinvestment.

UBS (CH) Vitainvest – Swiss 75 Sustainable

Securities no.	Unit class "D" 29317509 Unit class "U" 29317503 Unit class "Q" xxx
ISIN	Unit class "D" CH0293175094 Unit class "U" CH0293175037 Unit class "Q" xxx
Listing	None; units of the fund are issued and redeemed daily
Financial year	1 January to 31 December
Term to maturity	Unlimited
Accounting currency	Swiss franc (CHF)
Units	made out to bearer; units are not certificated, but are dealt with on a book-entry basis only.
Appropriation of income	In principle, net income will be distributed to investors within four months of the close of the financial year at no charge. As a rule, capital gains are not distributed but are retained in the fund for reinvestment.

5.2 Terms for the issue and redemption of sub-fund units

Units of the sub-funds may be issued or redeemed on every bank business day (Monday to Friday). No issue or redemption will take place on Swiss public holidays (Easter, Whitsun, Christmas, New Year, the Swiss national holiday [1 August] etc.), or on days when the stock exchanges/markets in a sub-fund's principal investment countries are closed, or when 50% or more of the sub-fund's investments cannot be valued in an adequate manner, or under the exceptional circumstances defined under §17 prov. 4 of the fund contract. Nor will subscription or redemption applications be accepted on 24 and 31 December. 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 1:00 p.m. at the latest (cut-off time) on a bank business day (order day) will be settled on the following bank business day on the basis of the asset value calculated on this date. Earlier cut-off times may apply to orders placed with distributors in Switzerland and abroad in order to ensure that these can be forwarded on to the custodian bank in time. These cut-off times may be obtained from the respective distributors. The net asset value taken as the basis for the settlement of orders is therefore not known when the order is placed (forward pricing). It is calculated on the valuation date based on closing prices of the order date 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, or using other recognised valuation models and principles. The fund management company is entitled to apply other generally recognised and verifiable valuation criteria in order to make an appropriate valuation of the sub-funds' assets if, due to extraordinary circumstances, a valuation in accordance with the regulations stated above proves to be unfeasible or inaccurate.

The net asset value of a sub-fund unit represents the market value of the sub-fund's assets, less all of this sub-fund's liabilities, divided by the number of units in circulation. It will be rounded to CHF 0.01.

The issue price corresponds to the net asset value calculated on the valuation day, plus any issuing commission. The issuing commission is defined under prov. 5.3 below.

The redemption price corresponds to the net asset value calculated on the valuation day, minus any redemption commission. The redemption commission is defined under prov. 5.3. below.

Incidental costs relating to the purchase and sale of investments (brokerage fees at standard market rates, commissions, duties, etc.) incurred by the sub-fund in connection with the investment of the amount paid in or with the sale of a portion of the assets corresponding to the units redeemed will be charged to the assets of the relevant sub-fund.

Incidental costs relating to the purchase and sale of investments (bid/ask spreads, brokerage fees at standard market rates, commissions, 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. 8 of the fund contract.

The issue and redemption prices are rounded to CHF 0.01. Payment will be made at the latest 3 bank business days after the order date (value date maximum 3 days).

Units shall not take the form of actual certificates but shall exist purely as book entries.

5.3 Remuneration and incidental costs

5.3.1 Remuneration and incidental costs charged to the investors (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 2.5%
Redemption commission 0%

5.3.2 Remuneration and incidental costs charged to the fund's assets (excerpt from § 19 of the fund contract)

Flat fee charged by the fund management company for the individual sub-funds and unit classes:

– **World 25 Sustainable:**

Units in unit class «U»	1.30% p.a. (1.040% p.a. *)
Units in unit class «Q»	0.65% p.a. (0.520% p.a. *)
Units in unit class «D»	1.30% p.a. (1.040% p.a. *)

– **World 50 Sustainable:**

Units in unit class «U»	1.50% p.a. (1.200% p.a. *)
Units in unit class «Q»	0.75% p.a. (0.600% p.a. *)
Units in unit class «D»	1.50% p.a. (1.200% p.a. *)

– **World 75 Sustainable:**

Units in unit class «U»	1.60% p.a. (1.280% p.a. *)
Units in unit class «Q»	0.80% p.a. (0.640% p.a. *)
Units in unit class «D»	1.60% p.a. (1.280% p.a. *)

– **World 100 Sustainable:**

Units in unit class «U»	1.60% p.a. (1.280% p.a. *)
Units in unit class «Q»	0.80% p.a. (0.640% p.a. *)
Units in unit class «D»	1.60% p.a. (1.280% p.a. *)

– **Swiss 25 Sustainable:**

Units in unit class «U»	1.25% p.a. (1.000% p.a. *)
Units in unit class «Q»	0.63% p.a. (0.500% p.a. *)
Units in unit class «D»	1.25% p.a. (1.000% p.a. *)

– **Swiss 50 Sustainable:**

Units in unit class «U»	1.40% p.a. (1.120% p.a. *)
Units in unit class «Q»	0.70% p.a. (0.560% p.a. *)
Units in unit class «D»	1.40% p.a. (1.120% p.a. *)

– **Swiss 75 Sustainable:**

Units in unit class «U»	1.50% p.a. (1.200% p.a. *)
Units in unit class «Q»	0.75% p.a. (0.600% p.a. *)
Units in unit class «D»	1.50% p.a. (1.200% p.a. *)

This commission is used for the management, asset management and, if applicable, distribution of the sub-funds as well as for compensation of the custodian bank for the tasks it performs, such as the safekeeping of the fund's assets, taking care of payment transactions and the other responsibilities as set out in § 4. A detailed breakdown of the remuneration and incidental costs not included in the flat fee is set out in § 19 of the fund contract.

The management fee serves to ensure ease of comparability with remuneration regulations of different fund providers that do not use a flat fee.

* This amount indicates the level of the management fee, which accounts for 80% of the flat fee.

5.3.3 Payment of retrocessions and discounts

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

- all activities that are intended to promote the distribution or brokering of fund units,
- such as organising road shows,
- attending events and trade fairs,
- producing promotional materials and
- training sales staff, etc.

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

The recipients of retrocessions undertake to ensure transparent disclosure and to inform investors free of charge with regard to the amount of the compensation that they may receive for the distribution.

The recipients of retrocessions shall, upon request, disclose the amounts they have effectively received from these investors for the distribution of the collective investments.

The fund management company and its agents may, upon request, pay discounts directly to investors as part of distribution in or from Switzerland. Discounts may serve to reduce fees or costs charged to the respective investors. Discounts are permitted provided they are

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

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

- the amount subscribed by the investor or the total amount held by the investor in the collective investment scheme, or possibly in the product range of the promoter;
- amount of fees generated by the investor;
- the investment behaviour practised by the investor (e.g. expected duration of their 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.

5.3.4 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:

Unit class "U"	2017	2018	2019
– World 25 Sustainable:	1,40%	1,40%	1,41%
– World 50 Sustainable:	1,59%	1,61%	1,60%
– World 75 Sustainable:	1,70%	1,70%	1,70%
– 100 World Sustainable:			1,61% annualized
– Swiss 25 Sustainable:	1,29%	1,33%	1,34%
– Swiss 50 Sustainable:	1,45%	1,47%	1,48%
– Swiss 75 Sustainable:	1,61%	1,59%	1,60%

5.3.5 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. The fund management company may provide for commission sharing agreements for target funds of UBS (CH) Vitainvest.

5.3.6 Investments in associated collective investments

No issuing and redemption commission is charged in respect of 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 control or by a material direct or indirect shareholding.

5.4 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/fisca.

The prospectus with integrated fund contract, the Key Investor Information Document as well as 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 umbrella fund or a sub-fund shall be published by the fund management company with Swiss Fund Data AG (www.swissfunddata.ch).

Prices for the individual sub-funds are published on each day units are issued or redeemed (daily) on the website of Swiss Fund Data AG at www.swissfunddata.ch, on the Internet at www.ubs.com/quotes, and, where applicable, in other electronic media and in Swiss and foreign newspapers.

5.5 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.

5.6 Detailed regulations

For the issue and redemption of units of this fund abroad, the regulations valid in the country in question shall apply. Units of this fund may not be offered, sold or delivered within the US.

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

- (i) is a United States person within the meaning of paragraph 7701(a)(30) of the US Internal Revenue Code of 1986 (as amended) and the Treasury Regulations enacted in the Code;
- (ii) is a US person within the meaning of regulation S in the US Securities Act of 1933 (17 CFR § 230.902(k));
- (iii) is a non-US person within the meaning of rule 4.7 of the US Commodity Futures Trading Commission Regulations (17 CFR § 4.7(a)(1)(iv));
- (iv) resides in the United States of America within the meaning of rule 202(a)(30)-1 of the US Investment Advisers Act of 1940 (as amended); or

(v) is a trust, a legal entity or another structure founded for the purpose of enabling US persons to invest in this umbrella fund.

Part II Fund Contract

I. Basis

§ 1 Name of the fund, 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) Vitainvest in accordance with Art. 25 ff. 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:
 - World 25 Sustainable
 - World 50 Sustainable
 - World 75 Sustainable
 - World 100 Sustainable
 - Swiss 25 Sustainable
 - Swiss 50 Sustainable
 - Swiss 75 Sustainable
2. UBS Fund Management (Switzerland) AG, Basel, is the fund management company.
3. UBS Switzerland AG, Zurich, is the custodian bank.
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 shall exercise all rights associated with 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 act independently and exclusively in the interests of investors. They take any organisational steps that may be required to ensure the proper conduct of business and ensure transparent accounting and the supply of appropriate information regarding the umbrella fund and the sub-funds. They shall disclose all fees and costs charged, directly or indirectly, to investors and disclose how such fees and costs are used. They shall provide investors with full, accurate and comprehensible information on compensation payments for the distribution of collective investments in the form of commissions, brokerage commissions and other soft commissions.
3. The fund management company may delegate investment decisions and specific tasks for all or some of the sub-funds, provided that this is in the interests of efficient management. It shall only delegate responsibilities to individuals who are qualified to discharge their duties properly and shall ensure that such duties are discharged correctly with regard to both the instructions provided and monitoring and control. Investment decisions may only be delegated to asset managers that are subject to recognised supervision. If foreign law requires an agreement on cooperation and the exchange of information with foreign supervisory authorities, the fund management company may delegate investment decisions to asset managers abroad only if such an agreement exists between FINMA and the relevant foreign supervisory authorities for the investment decisions concerned. The fund management company shall be liable for the actions of its agents as if they were its own actions.
4. The fund management company may, subject to the consent of the custodian bank, submit amendments to this fund contract to the supervisory authority.
5. The fund management company may merge individual sub-funds with other sub-funds or other investment funds pursuant to the provisions set down under § 24 and may liquidate them pursuant to the provisions set down under § 25.
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 act in good faith and have a duty to exercise due diligence and provide information. They act independently and exclusively in the interests of investors. They take any organisational steps that may be required to ensure the proper conduct of business and ensure transparent accounting and the supply of appropriate information regarding the umbrella fund and the sub-funds. They shall disclose all fees and costs charged, directly or indirectly, to investors and disclose how such fees and costs are used. They

shall provide investors with full, accurate and comprehensible information on compensation payments for the distribution of collective investments in the form of commissions, brokerage commissions and other soft commissions.

3. The custodian bank shall be responsible for the sub-funds' account and custody account maintenance, but may not independently access its assets.
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 to it within the customary periods. It shall inform the fund management company if the countervalue is not provided within the customary period and request that the counterparty replace the affected asset where this is possible.
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 fund's assets to third-party or collective depositaries in Switzerland or abroad, provided that this is in the interests of efficient management. The custodian bank shall verify and monitor the third-party and collective depositary to whom the task has been delegated to ensure that it:
 - a) has an appropriate business organisation, financial guarantees and the specialist qualifications required for the type and complexity of the assets with which it has been entrusted;
 - b) is subject to a regular external audit which ensures that the financial instruments are in its possession;
 - c) keeps the assets received from the custodian bank in safekeeping in such a way that they can be clearly identified at all times as belonging to the fund assets 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 collective depositaries is set out in the prospectus.

The custodian bank may only delegate the safekeeping of the fund's financial instruments to third-party or collective depositaries 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 third-party or collective depositary that is subject to regulatory supervision, notably due to binding legal constraints or the particularities of the investment product. The prospectus shall inform investors if safekeeping is to be undertaken by unregulated third-party or collective depositaries.
7. The custodian bank shall ensure that the fund management company complies with the law and the fund contract. It shall check whether the calculation of net asset value, 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 of the umbrella fund. This claim is evidenced in the form of units.
3. Investors are only entitled to an interest in the assets and income of the sub-fund in which they hold units. Any liabilities attributable to individual sub-funds are borne solely by the individual sub-fund concerned.
4. Investors are only obliged to remit payment for the units of the sub-fund to which they subscribe. It 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.
7. Upon request, investors are obliged to provide the fund management company, 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. 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.
9. 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-fund's 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. 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 § 26.
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 each sub-fund; unit class "U", unit class "Q" and unit class "D".
 - A) The following unit classes are not restricted to certain types of investors:
 - a) Class "U" units are offered to all investors.
 - B) The following unit classes are restricted to certain types of investors:
 - a) Class "Q" units are exclusively offered to financial intermediaries that make investments for their own account and/or to clients of such financial intermediaries who, in accordance with regulatory requirements, are not permitted to receive a distribution commission and/or who, under written agreements with their clients, may only offer them classes without retrocession, if available in the relevant investment fund.
Class "Q" units are issued only in the form of bearer units.
 - b) Class "D" units are offered to investors who subscribe their units via
 - banks or
 - insurance companies or
 - foundations for vested pension benefits and pension fund foundations or
 - securities dealerswhich have concluded with UBS Asset Management Switzerland AG a distribution agreement in accordance with the guidelines on distribution from the Swiss Funds & Asset Management Association (SFAMA). Unlike in the case of unit class "Q", a contract on distribution pursuant to the Guidelines on the Distribution of Collective Investment Schemes issued by the Swiss Funds & Asset Management Association (SFAMA), concluded with UBS Asset Management Switzerland AG or one of its authorised contractual partners, is required. Class "D" units are issued only in the form of bearer units.
5. Units shall not take the form of actual certificates but shall exist purely as book entries. Investors are not entitled to request the issue of a unit certificate in their name or made out to the bearer.
6. The fund management company and the custodian bank are obliged to ask investors who no longer meet the requirements to invest in a unit class to redeem their units within 30 calendar days pursuant to § 17, to transfer them to an individual who does meet the stated requirements or to convert the units into another class 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. 8.

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 are to be observed at all times. The individual sub-funds must comply with the investment restrictions six months following the payment date of the first issue.
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.
3. In selecting investments for the sub-funds the fund management company complies with the investment regulations for financial investments by retirement benefit plans in the BVG and its implementing ordinances, subject to the mandatory provisions of Swiss legislation on collective investment schemes and the provisions of the present fund contract.

§ 8 Investment policy

I. – World 25 Sustainable

– World 50 Sustainable

1. a) 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.
 - i) 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 vii.
 - (ii) Derivatives, if (a) they are based on underlying financial instruments in the form of securities as specified in i), derivatives as specified in ii), units in collective investments as specified in iii), money market instruments under iv), structured products under vi), or financial indices, interest rates, exchange rates, loans, or currencies and (b) the underlying securities are permitted investments under the fund contract. Derivatives shall be traded either on a stock exchange or another regulated market open to the public, or OTC.
OTC transactions shall only be permitted if (a) the counterparty is a financial intermediary specialising in this type of transaction and subject to supervision, and (b) 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.
 - iii) a) Units of other collective investments (target funds) under Swiss law of the "securities funds" type,
b) Units of target funds under Swiss law of the "other funds for traditional investments" type,
c) Units of target funds under Swiss law of the "other funds for alternative investments" type,
d) Units of target funds under Swiss law of the "real estate funds" type,
e) Units of undertakings for collective investment in transferable securities (UCITS) which correspond to the European Union's applicable guidelines,
f) Units of undertakings for collective investment (UCIs) which correspond to an "other fund for traditional investments" under Swiss law (where they are subject to equivalent supervision),
g) Units of undertakings for collective investment (UCIs) which correspond to an "other fund for alternative investments" under Swiss law (where they are subject to equivalent supervision),
h) Units of undertakings for collective investment (UCIs) which correspond to a "real estate fund" under Swiss law (where they are subject to equivalent supervision).
Investments in target funds as specified in c, d and g in total not exceeding 10%; investments in target funds as specified in h in total not exceeding 10%. Investments in funds of funds (investment funds whose fund contracts or articles of association allow these funds to invest more than 49% of their assets in other collective investments) are permitted. The target funds pursuant to iii) must fundamentally be able to guarantee the redemption frequency of the fund of funds. The target funds must also have been approved as collective investments in the country of domicile and supervision in that country must be equivalent to that in Switzerland in respect of the protection afforded to investors and international official assistance must be granted. The target funds are open-end collective investments, i.e. contractually based investment funds as well as listed and unlisted investment companies with variable capital.
 - iv) Money market instruments which are fungible and marketable at any time and which are traded on a stock exchange or other regulated market open to the public; money market instruments which are not traded on a stock exchange or other regulated market open to the public may only be acquired provided that the issue or issuer is subject to the provisions governing creditor and investor protection

and the money market instruments are issued or guaranteed by issuers pursuant to Art. 74 (2) of the Swiss Collective Investment Schemes Ordinance (CISO).

- v) 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 the supervision in Switzerland.
 - vi) Structured products, if based on securities, collective investments, money market instruments, derivatives, indices, interest or exchange rates, currencies or similar. Structured products shall be traded either on a stock exchange or another regulated market open to the public, or OTC;
 - vii) OTC transactions shall only be permitted if (i) the counterparty is a financial intermediary specialising in this type of transaction and subject to supervision, and (ii) the OTC products are tradable daily or may be submitted to the issuers for redemption at any time. In addition, such instruments must be capable of reliable and transparent valuation. The use of derivatives shall be subject to the provisions of § 12.
 - viii) Investments other than those specified in i to vi above not exceeding 10% of the assets of an individual sub-fund in aggregate; the following are not permitted: (a) commodities and commodities certificates and (b) genuine short-selling in relation to the investments of all kinds.
- b) Following deduction of liquid assets, the fund management company shall invest
- at least 51% of the assets of the individual sub-funds in units of other collective investments as specified in prov. 1 a) iii;
 - up to 49% of the assets of the individual sub-funds in investments as specified in prov. 1 a) i, ii and iv, v, vi.
2. The investment objective of these sub-funds is principally to invest in companies which take account of sustainability criteria and consequently have a suitable sustainability profile. Such companies are those that show above-average commitment to environmental and social aspects and that are more progressive than other companies in terms of corporate governance. Sustainability is assessed through internal analysis provided by UBS Asset Management Switzerland AG and recognised agencies. Further information can be found in the prospectus.

For the purposes of implementing investment policy for the sub-funds, an appropriate selection of target funds is used for the individual sub-funds to achieve an overall risk equivalent to that of a diversified asset allocation portfolio.

The fund management company may, in accordance with the risk diversification rules (§ 15), acquire for the assets of the sub-funds “– World 25 Sustainable” and “– World 50 Sustainable” up to 60% of the units of “UBS (CH) Manager Selection Fund – Bonds Global XT 2” and “UBS (CH) Manager Selection Fund – Bonds Global XT 3”. The fund management company may also acquire for the assets of the sub-fund “– World 50 Sustainable” up to 70% of the units of “UBS (CH) Manager Selection Fund – Equities Global XT 1”, “UBS (CH) Manager Selection Fund – Equities Global XT 2” and “UBS (CH) Institutional Fund – Equities Global (ex Switzerland) Sustainable” and up to 60% of the units of “UBS (CH) Manager Selection Fund – Equities Global XT 3” and “UBS (CH) Investment Fund - Equities Global Climate Aware II”. These target funds must have the same redemption frequency.

They must not entail an accumulation of fees for investors and must make full transparency possible for the fund management company in respect of investments and fees. The figures mentioned in the names of the individual sub-funds indicate the long-term average of the percentage share of equities per sub-fund on a consolidated basis, although any real estate fund shares held are not taken into account in the long-term mid-value percentage shares given. Departures from these long-term averages may be made in the short to medium term. In this regard, the provisions of the Swiss Federal Law on Occupational Retirement, Survivors’ and Disability Pension Plans and its ordinances shall be complied with at all times, taking into account the exceptions listed in 1.1 of the Prospectus. Besides the long-term average percentage share of equities, the names of the individual sub-funds also indicate the foreign focus of the investments within the sub-funds. The suffix “World” indicates that a significant proportion of the investments are made in foreign securities. Subject to § 19 the fund management company may acquire units of target funds managed directly or indirectly by itself or by a company with which it is affiliated through common management or control or via a significant shareholding or which represents a significant share of votes.

- II. – World 75 Sustainable**
– World 100 Sustainable
– Swiss 25 Sustainable
– Swiss 50 Sustainable
– Swiss 75 Sustainable

1. Within the scope of each sub-fund’s investment policy as specified in prov. 5, the fund management company may invest the individual sub-funds’ assets in the following. 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 m.
 - b) Derivatives, if (i) they are based on underlying financial instruments in the form of securities as specified in a), derivatives as specified in b), units in collective investments as specified in c) to f), money market in-

struments under g), structured products under i), financial indices, interest rates, exchange rates, loans, currencies, precious metals or commodities, and (ii) the underlying securities are permitted investments under the fund contract. Derivatives shall be traded either on a stock exchange or another regulated market open to the public, or OTC.

OTC transactions shall only be permitted if (i) the counterparty is a financial intermediary specializing 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, such instruments must be capable of reliable and verifiable valuation. The use of derivatives shall be subject to the provisions of § 12.

- c) Units of other collective investments (target funds) if (i) their documentation restricts investments in other target funds to a maximum of 10%; (ii) the same provisions apply for these target funds as for **securities funds** with regard to purpose, organization, investment policy, investor protection, risk diversification, separate custody of fund assets, borrowing, lending, short selling of securities and money market instruments, issue and redemption of units and content of semi-annual and annual reports and (iii) these target funds have been approved as collective investments in the country of domicile and supervision in that country is equivalent to that in Switzerland in respect of the protection afforded to investors and international official assistance is granted.
 - d) Units of other collective investments of, or similar to, the type **“Other funds for traditional investments”** and where investors enjoy equivalent regulatory protection to that in Switzerland and where international administrative cooperation is guaranteed.
 - e) Units of other collective investments of, or similar to, the type **“Other funds for alternative investments”** and where investors enjoy equivalent regulatory protection to that in Switzerland and where international administrative cooperation is guaranteed.
 - f) Units of other domestic and foreign collective investments of the type **“Real estate funds”**. These include listed, closed-end real estate investment funds such as real estate investment trusts (REITs) as well as other similar real estate management companies.
 - g) Units of other domestic and foreign collective investments in the form of funds of funds which correspond to the type **“Other funds for traditional investments”** or **“Other funds for alternative investments”**. Investments in target funds specified in e), f), k) and l) or in funds of funds specified in g) if this corresponds to the type **“Other funds for alternative investments”**, up to a maximum of 30%. Units of target funds under Swiss law of the **“other funds for alternative investments”** type in the form of fund of funds which primarily invest in real estate funds will be charged against the limit mentioned above.
 - h) Money market instruments which are fungible and marketable at any time and which are traded on a stock exchange or other regulated market open to the public; money market instruments which are not traded on a stock exchange or other regulated market open to the public may only be acquired provided that the issue or issuer is subject to the provisions governing creditor and investor protection and the money market instruments are issued or guaranteed by issuers pursuant to Art. 74 para. 2 of the Swiss Collective Investment Schemes Ordinance (CISO).
 - i) 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.
 - j) Structured products, if (i) they are based on underlying financial instruments in the form of securities as specified in a), derivatives as specified in b), units in collective investments as specified in c) and d), money market instruments under h), structured products under j), financial indices, interest rates, exchange rates, loans, currencies, precious metals or commodities, and (ii) the underlying securities are permitted investments under the fund contract. Structured products shall be traded either on a stock exchange or on another regulated market open to the public, or OTC.
OTC transactions shall be permitted only if (i) the counterparty is a financial intermediary specializing in this type of transaction and subject to supervision, and (ii) the OTC products are tradable daily or may be submitted to the issuers for redemption at any time. In addition, such instruments must be capable of reliable and verifiable valuation. The use of derivatives shall be subject to the provisions of § 12.
 - k) Precious metals, indirectly through units in other collective investments or precious metal accounts.
 - l) Commodities, indirectly through units in other collective investments.
 - m) Convertible bonds, convertible notes and warrant issues, indirectly through units in other collective investments.
 - n) Investments other than the investments specified in a) to m) above not exceeding 10% of an individual sub-fund's assets in aggregate. Short selling of investments of any kind is not permitted.
2. Subject to § 19 the fund management company may acquire units of target funds managed directly or indirectly by itself or by a company with which it is affiliated through common management or control or a significant shareholding of the capital or votes.
 3. For the purposes of implementing investment policy for the sub-funds, an appropriate selection of target funds is used for the individual sub-funds to achieve an overall risk equivalent to that of a diversified asset allocation portfolio. The figure mentioned in the name of the individual sub-funds indicates the long-term average of the percentage share of equities of the sub-fund on a consolidated basis, although any real estate fund shares held are not taken into account in the long-term mid-value percentage share given. Short to medium term deviations from this long-term mid-value percentage share are permitted.
 4. Besides the long-term average percentage share of equities, the name of the individual sub-fund also indicates the focus of the investments within the sub-fund. By way of derogation, the number in the name of the sub-fund UBS (CH) Vitainvest – World 100 Sustainable indicates the maximum value of the percentage share of equities on a consolidated basis.
 - The suffix **“World”** indicates that a significant proportion of the investments are made in foreign securities;
 - The suffix **“Swiss”** indicates that a significant proportion of the investments are made in Swiss securities.

– World 75 Sustainable

– Swiss 75 Sustainable

5. The investment objective of these sub-funds is principally to invest in companies which take account of sustainability criteria and consequently have a suitable sustainability profile. Such companies are those that show above-average commitment to environmental and social aspects and that are more progressive than other companies in terms of corporate governance. Sustainability is assessed through internal analysis provided by UBS Asset Management Switzerland AG and recognised agencies. Further information can be found in the prospectus.
- a) The fund management company invests at least 51% of the sub-fund's assets after deducting liquid assets in units of other collective investment schemes in accordance with prov. 1 c) to f). The following weightings must be observed:
 - aa) invest at least 2% and at most 90% in collective investments which have their assets primarily in **equity paper and rights** (shares, dividend-right certificates, cooperative shares, participation certificates and similar instruments) issued by companies worldwide;
 - ab) invest at most 30% in collective investments which have their assets primarily in bonds, notes and other fixed income or floating-rate **debt paper and rights** denominated in freely-convertible currencies issued worldwide by private, public law and public/private issuers;
 - ac) invest at most 20% in collective investments which have their assets primarily in **money market instruments** denominated in freely-convertible currencies;
 - ad) invest at most 15% in **other funds for alternative investments** in accordance with prov. 1 e);
 - ae) invest at most 20% in **real estate funds** in accordance with prov. 1 f);
 - af) invest at most 10% in collective investments which have their assets primarily in **convertible bonds, convertible notes and warrant issues** worldwide denominated in freely-convertible currencies;
 - ag) invest at most 5% in collective investments which have their assets primarily in **precious metals**;
 - ah) invest at most 5% in collective investments which have their assets primarily in **commodities**;
 - b) After deducting liquid assets, the fund management company shall further invest the sub-fund's assets:
 - ba) at most 49% in **equities and other equity paper and rights** issued by companies worldwide, of which at most 30% must be in companies which have their registered office in emerging markets or which conduct the majority of their business in emerging markets;
 - bb) at most 30% in **debt paper** and rights of issuers worldwide, where at most 10% of the sub-fund's assets may be in investments with a lower rating than Investment Grade;
 - bc) at most 20% in **money market instruments** denominated in freely-convertible currencies from issuers worldwide;
 - c) The fund management company further invests the sub-fund's assets after deducting liquid assets in derivatives (including warrants) and structured products with the investments listed above as underlyings;
 - d) In addition, the fund management company must comply with the investment restrictions below, which relate to the sub-fund's assets following the deduction of liquid assets:
 - The fund management company ensures that at least 51% of the sub-fund's assets on a consolidated basis is invested in equities or other equity paper and rights including derivatives and other collective investments;
 - derivatives based on precious metals and commodities, at most 5%;
 - structured products, at most 10%;
 - structured products based on precious metals and commodities, at most 5%;
 - deposits with banks, at most 20%;
 - the target funds must fundamentally be able to guarantee the redemption frequency of the fund of funds. The target funds are also open-end collective investments, i.e. contractually based investment funds as well as listed and unlisted investment companies with variable capital. Funds of funds may be acquired, at most 15%;
 - Securities repurchase agreements: the sub-funds do not enter into any securities repurchase agreements.
 - e) For the sub-fund "– World 75 Sustainable", the fund management company may, in accordance with the risk diversification rules (§ 15), invest up to 49% of the sub-fund's assets in units of the target fund "UBS (CH) Investment Fund – Equities Global Climate Aware II". This target fund must have the same redemption frequency. It must not entail an accumulation of fees for investors and must make full transparency possible for the fund management company in respect of investments and fees.

– World 100 Sustainable

5. The investment objective of this sub-fund is principally to invest in companies which take account of sustainability criteria and consequently have a suitable sustainability profile. Such companies are those that show above-average commitment to environmental and social aspects and that are more progressive than other companies in terms of corporate governance. Sustainability is assessed through internal analysis provided by UBS Asset Management Switzerland AG and recognised agencies. Further information can be found in the prospectus.
- a) The fund management company invests at least 51% of the sub-fund's assets after deducting liquid assets in units of other collective investment schemes in accordance with prov. 1 c) to f). The following weightings must be observed:

- aa) invest at least 51% and at most 100% in collective investments which have their assets primarily in **equity paper and rights** (shares, dividend-right certificates, cooperative shares, participation certificates and similar instruments) issued by companies worldwide;
- ab) invest at most 20% in collective investments which have their assets primarily in bonds, notes and other fixed income or floating-rate **debt paper and rights** denominated in freely-convertible currencies issued worldwide by private, public law and public/private issuers;
- ac) invest at most 20% in collective investments which have their assets primarily in **money market instruments** denominated in freely-convertible currencies;
- ad) invest at most 15% in **other funds for alternative investments** in accordance with prov. 1 e);
- ae) invest at most 10% in **real estate funds** in accordance with prov. 1 f);
- af) invest at most 10% in collective investments which have their assets primarily in **convertible bonds, convertible notes and warrant issues** worldwide denominated in freely-convertible currencies;
- ag) invest at most 5% in collective investments which have their assets primarily in **precious metals**;
- ah) invest at most 5% in collective investments which have their assets primarily in **commodities**.
- b) After deducting liquid assets, the fund management company shall further invest the sub-fund's assets:
 - ba) at most 49% in equities and other **equity paper and rights** issued by companies worldwide, of which at most 30% must be in companies which have their registered office in emerging markets or which conduct the majority of their business in emerging markets;
 - bb) at most 20% in **debt paper and rights** of issuers worldwide, where at most 10% of the sub-fund's assets may be in investments with a lower rating than Investment Grade;
 - bc) at most 20% in **money market instruments** denominated in freely-convertible currencies from issuers worldwide.
- c) The fund management company further invests the sub-fund's assets after deducting liquid assets in derivatives (including warrants) and structured products with the investments listed above as underlyings;
- d) In addition, the fund management company must comply with the investment restrictions below, which relate to the sub-fund's assets following the deduction of liquid assets:
 - the fund management company ensures that on a consolidated basis at least 75% of the sub-fund's assets are invested in equities and other debt paper and rights including derivatives and other collective investments;
 - derivatives based on precious metals and commodities, at most 5%;
 - structured products, at most 10%;
 - structured products based on precious metals and commodities, at most 5%;
 - deposits with banks, at most 20%;
 - the target funds must fundamentally be able to guarantee the redemption frequency of the fund of funds. The target funds are also open-end collective investments, i.e. contractually based investment funds as well as listed and unlisted investment companies with variable capital. Funds of funds may be acquired, at most 15%. The acquisition of funds of funds is excluded for these target funds;
 - Investments in funds of funds, real estate funds, other funds for alternative investments as well as debt paper and rights of issuers worldwide with a lower rating than Investment Grade, at most 25% in total;
 - Securities repurchase agreements: the sub-fund does not enter into any securities repurchase agreements.
- e) For the sub-fund “– World 100 Sustainable”, the fund management company may, in accordance with the risk diversification rules (§ 15), invest up to 49% of the sub-fund's assets in units of the target fund “UBS (CH) Investment Fund – Equities Global Climate Aware II”. This target fund must have the same redemption frequency. It must not entail an accumulation of fees for investors and must make full transparency possible for the fund management company in respect of investments and fees.

– Swiss 25 Sustainable

5. The investment objective of this sub-fund is principally to invest in companies which take account of sustainability criteria and consequently have a suitable sustainability profile. Such companies are those that show above-average commitment to environmental and social aspects and that are more progressive than other companies in terms of corporate governance. Sustainability is assessed through internal analysis provided by UBS Asset Management Switzerland AG and recognised agencies. Further information can be found in the prospectus.
 - a) The fund management company invests at least 51% of the sub-fund's assets after deducting liquid assets in units of other collective investment schemes in accordance with prov. 1 c) to f). The following weightings must be observed:
 - aa) invest at most 50% in collective investments which have their assets primarily in equity paper and rights (shares, dividend-right certificates, cooperative shares, participation certificates and similar instruments) issued by companies worldwide;
 - ab) invest at most 80% in collective investments which have their assets primarily in bonds, notes and other fixed income or floating-rate debt paper and rights denominated in freely-convertible currencies issued worldwide by private, public law and public/private issuers;
 - ac) invest at most 20% in collective investments which have their assets primarily in money market instruments denominated in freely-convertible currencies;
 - ad) invest at most 15% in other funds for alternative investments in accordance with prov. 1 e);
 - ae) invest at most 20% in real estate funds in accordance with prov. 1 f);

- af) invest at most 10% in collective investments which have their assets primarily in convertible bonds, convertible notes and warrant issues worldwide denominated in freely-convertible currencies;
- ag) invest at most 5% in collective investments which have their assets primarily in precious metals;
- ah) invest at most 5% in collective investments which have their assets primarily in commodities.
- b) After deducting liquid assets, the fund management company shall further invest the sub-fund's assets:
 - ba) at most 49% in equities and other equity paper and rights issued by companies worldwide, of which at most 30% must be in companies which have their registered office in emerging markets or which conduct the majority of their business in emerging markets;
 - bb) at most 49% in debt paper and rights of issuers worldwide, where at most 10% of the sub-fund's assets may be in investments with a lower rating than Investment Grade;
 - bc) at most 20% in money market instruments denominated in freely-convertible currencies from issuers worldwide.
- c) The fund management company further invests the sub-fund's assets after deducting liquid assets in derivatives (including warrants) and structured products with the investments listed above as underlyings;
- d) 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:
 - derivatives based on precious metals and commodities, at most 5%;
 - structured products, at most 10%;
 - structured products based on precious metals and commodities, at most 5%;
 - deposits with banks, at most 20%;
 - the target funds must be able to guarantee the redemption frequency of the fund of funds. The target funds shall also be open-end collective investments, i.e. contractually based investment funds as well as listed and unlisted investment companies with variable capital;
 - Funds of funds may be acquired, at most 25%;
 - Securities repurchase agreements: the sub-fund does not enter into any securities repurchase agreements.
- e) For the sub-fund “– Swiss 25 Sustainable”, the fund management company may, in accordance with the risk diversification rules (§ 15), invest up to 65% of the sub-fund's assets in units of the target fund “UBS (CH) Bond Fund – Bonds CHF Sustainable”. This target fund must have the same redemption frequency. It must not entail an accumulation of fees for investors and must make full transparency possible for the fund management company in respect of investments and fees.

– Swiss 50 Sustainable

5. The investment objective of this sub-fund is principally to invest in companies which take account of sustainability criteria and consequently have a suitable sustainability profile. Such companies are those that show above-average commitment to environmental and social aspects and that are more progressive than other companies in terms of corporate governance. Sustainability is assessed through internal analysis provided by UBS Asset Management Switzerland AG and recognised agencies. Further information can be found in the prospectus.
 - a) The fund management company invests at least 51% of the sub-fund's assets after deducting liquid assets in units of other collective investment schemes in accordance with prov. 1 c) to f). The following weightings must be observed:
 - aa) invest at most 60% in collective investments which have their assets primarily in equity paper and rights (shares, dividend-right certificates, cooperative shares, participation certificates and similar instruments) issued by companies worldwide;
 - ab) invest at most 60% in collective investments which have their assets primarily in bonds, notes and other fixed income or floating-rate debt paper and rights denominated in freely-convertible currencies issued worldwide by private, public law and public/private issuers;
 - ac) invest at most 20% in collective investments which have their assets primarily in money market instruments denominated in freely-convertible currencies;
 - ad) invest at most 10% in other funds for alternative investments in accordance with prov. 1 e);
 - ae) invest at most 20% in real estate funds in accordance with prov. 1 f);
 - af) invest at most 10% in collective investments which have their assets primarily in convertible bonds, convertible notes and warrant issues worldwide denominated in freely-convertible currencies;
 - ag) invest at most 5% in collective investments which have their assets primarily in precious metals;
 - ah) invest at most 5% in collective investments which have their assets primarily in commodities.
 - b) After deducting liquid assets, the fund management company shall further invest the sub-fund's assets:
 - ba) at most 49% in equities and other equity paper and rights issued by companies worldwide, of which at most 30% must be in companies which have their registered office in emerging markets or which conduct the majority of their business in emerging markets;
 - bb) at most 49% in debt paper and rights of issuers worldwide, where at most 10% of the sub-fund's assets may be in investments with a lower rating than Investment Grade;
 - bc) at most 20% in money market instruments denominated in freely-convertible currencies from issuers worldwide.
 - c) The fund management company further invests the sub-fund's assets after deducting liquid assets in derivatives (including warrants) and structured products with the investments listed above as underlyings;
 - d) 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:
 - derivatives based on precious metals and commodities, at most 5%;
 - structured products, at most 10%;

- structured products based on precious metals and commodities, at most 5%;
 - deposits with banks, at most 20%;
 - the target funds must be able to guarantee the redemption frequency of the fund of funds. The target funds shall also be open-end collective investments, i.e. contractually based investment funds as well as listed and unlisted investment companies with variable capital;
 - Funds of funds may be acquired, at most 25%;
 - Securities repurchase agreements: the sub-fund does not enter into any securities repurchase agreements.
- e) For the sub-fund “– Swiss 50 Sustainable”, the fund management company may, in accordance with the risk diversification rules (§ 15), invest up to 40% of the sub-fund’s assets in units of the target fund “UBS (CH) Bond Fund – Bonds CHF Sustainable” and acquire up to 49% of the units of “UBS (CH) Manager Selection Fund – Equities Switzerland XT 1”, “UBS (CH) Manager Selection Fund – Equities Switzerland XT 2” and “UBS (CH) Manager Selection Fund – Equities Switzerland XT 3”. These target funds must have the same redemption frequency. They must not entail an accumulation of fees for investors and must make full transparency possible for the fund management company in respect of investments and fees.

§ 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. However, securities that have been taken over as part of a reverse repo transaction may not be lent.
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 make the securities available to a borrower either indirectly in a fiduciary capacity (“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 and recognised central counterparties and collective depositaries which can guarantee the proper execution of the securities lending transactions.
4. If the fund management company must observe a period of notice (which may not exceed seven bank working days) before it may again legally repossess the securities lent, it may not lend more than 50% of a particular security eligible for lending for each sub-fund. However, should the borrower or the intermediary contractually guarantee to the fund management company that it may legally repossess loaned securities on the same or following bank working day, then the entire eligible holding of a particular security may be lent.
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 Collective Investment Schemes Ordinance issued by FINMA. The value of the collateral must be adequate and at all times equal to at least 105% of the market value of the securities lent. The collateral issuer must have a high credit rating and the collateral may not be issued by the counterparty or by any company belonging to or dependent on the corporate group of the counterparty. The collateral must be highly liquid, it must be traded at a transparent price on an exchange or other regulated market open to the public, and it must be subject to valuation at least on each trading day. In managing the collateral, the fund management company and its agents must satisfy the obligations and requirements listed under Art. 52 CISO-FINMA. In particular, they must adequately diversify collateral in terms of countries, markets and issuers, with the adequate diversification of issuers meaning that the collateral held from any one issuer may not exceed 20% of the net asset value. This does not affect exceptions for assets that are publicly guaranteed or issued in accordance with Art. 83 CISO. In addition, in the event of default by the counterparty, the fund management company and its agents must be able to obtain the power and authority of disposal over the furnished collateral at all times and without the counterparty’s involvement or consent. The furnished collateral is to be held in safekeeping by the custodian bank. The furnished collateral may be held in safekeeping on behalf of the fund management company by a supervised third-party custodian, provided ownership of the collateral is not transferred and the third-party custodian is independent of the counterparty.
6. The borrower or intermediary is liable for ensuring the prompt, unconditional payment of any income accruing during the securities lending period, as well as for the assertion of other proprietary rights, and for the contractually agreed return of securities of the same type, quantity and quality.
7. The custodian bank ensures that the securities lending transactions are settled in a secure manner, in line with the agreements, and, in particular, monitors compliance with the requirements relating to collateral. In addition, it carries out the administrative duties assigned to it under the safe-custody regulations during the term of the lending transaction and asserts all rights associated with the lent securities, unless such duties have been ceded under the terms of the standardised framework agreement.
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 (borrower or repo seller) temporarily transfers ownership of securities in return for payment to another party (lender or repo buyer); the lender undertakes to return securities of the same type, quantity and quality as well any income accrued throughout the course of the repurchase agreement to the borrower upon maturity. During the term of the repurchase agreement, the price risk associated with the securities is borne by the borrower.
From the perspective of the counterparty (lender), a repo is a reverse repo. Reverse repos are an instrument used by the fund management company to invest cash, whereby it 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, as well as approved and recognised central counterparties and collective depositaries which can guarantee the proper execution of the securities lending transactions.
4. The custodian bank ensures that the repurchase transactions are settled in a secure and contractually agreed manner. 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). It is also 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 notice period, which may not exceed seven bank working days, before it may once again legally dispose of the securities under the repurchase agreement, it may not use more than 50% of its holdings of a particular security eligible for repo transactions for each sub-fund. However, if the counterparty or 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. As part of a reverse repo, the fund management company may acquire only collateral that meets the requirements set down in Art. 51 CISO-FINMA. The collateral issuer must have a high credit rating and the collateral may not be issued by the counterparty or by any company belonging to or dependent on the corporate group of the counterparty. The collateral must be highly liquid, it must be traded at a transparent price on an exchange or other regulated market open to the public, and it must be subject to valuation at least on each trading day. In managing the collateral, the fund management company and its agents must satisfy the obligations and requirements listed under Art. 52 CISO-FINMA. In particular, they must adequately diversify collateral in terms of countries, markets and issuers, with the adequate diversification of issuers meaning that the collateral held from any one issuer may not exceed 20% of the net asset value. This does not affect exceptions for assets that are publicly guaranteed or issued in accordance with Art. 83 CISO. In addition, in the event of default by the counterparty, the fund management company and its agents must be able to obtain the power and authority of disposal over the furnished collateral at all times and without the counterparty's involvement or consent. The furnished collateral is to be held in safekeeping by the custodian bank. The furnished collateral may be held in safekeeping on behalf of the fund management company by a supervised third-party custodian, provided ownership of the collateral is not transferred and the third-party custodian is independent of the counterparty.
9. Claims 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 economic effect of using derivatives does not result in a deviation from the investment objectives as stated in this fund contract and in the prospectus or alter the investment profile of the sub-funds, 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. In connection with collective investment schemes, derivatives may be used only for currency hedging purposes, with the exception of the hedging of market, interest rate and credit risks in the case of collective investment schemes for which the risks can be determined and measured unequivocally.

2. Commitment Approach II shall be used in risk measurement, with the exception that neither leverage nor short-selling is permitted for the sub-funds under the above provisions of the BVG and its implementing ordinances.
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 of the same underlying and in investments in this security may be netted, irrespective of the expiry of the derivatives (“netting”), if the derivatives transaction was concluded solely for the purpose of eliminating the risks associated with the derivatives or investments acquired. The main risks may not be disregarded and the eligible amount of the derivatives pursuant to Art. 35 CISO-FINMA must be calculated.
 - b) If the derivatives in hedging transactions do not relate to the same underlying as the asset to be hedged, in addition to the rules under a), the requirement that the derivative transactions may not be based on an investment strategy that serves the purpose of the appropriation of income must also be fulfilled. The derivative must also lead to a proven reduction in the risk, the risks associated with the derivative must be offset, the derivatives, underlying instruments or assets to be offset must relate to the same category of financial instruments and the hedging policy must also be effective even under extraordinary market conditions.
 - c) If mainly interest rate derivatives are used, the amount of the total investment to be offset by derivative positions may be calculated using internationally recognised duration netting rules, provided the rules lead to the correct determination of the investment fund’s risk profile, the main risks are taken into consideration, the application of these rules does not lead to an unjustified leverage effect, no interest arbitration strategies are pursued and the leverage effect of the 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 only engage in OTC transactions 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 financial instrument must be subject to reliable and verifiable valuation on a daily basis and it must be possible to sell, liquidate or close out the derivative with an opposite transaction at market value at any time.
 - c) If no market price is available for an OTC derivative, it must be possible to determine the price at any time based on the market value of the underlyings, using appropriate valuation models that are recognised in practice. Moreover, before the conclusion of such transactions, specific offers must be obtained from at least two potential counterparties and the most favourable offer in terms of price must be accepted. Deviations from this rule shall be permitted in order to diversify risk or if other contractual components, such as credit quality or the service offering of the counterparty, make the overall offer of the counterparty appear better for the investors. In addition, the requirement to obtain offers from at least two potential counterparties may be waived in exceptional cases if this is in the best interests of the investors. The reasons for this as well as the conclusion of the contract and the setting of the prices must be clearly documented.
 - d) In the context of OTC transactions, the fund management company and its agents may only accept collateral that satisfies the requirements under Art. 51 CISO-FINMA. The collateral issuer must have a high credit rating and the collateral may not be issued by the counterparty or by any company belonging to or dependent on the corporate group of the counterparty. The collateral must be highly liquid, it must be traded at a transparent price on an exchange or other regulated market open to the public, and it must be subject to valuation at least on each trading day. In managing the collateral, the fund management company and its agents must satisfy the obligations and requirements listed under Art. 52 CISO-FINMA. In particular, they must adequately diversify collateral in terms of countries, markets and issuers, with the adequate diversification of issuers meaning that the collateral held from any one issuer may not exceed 20% of the net asset value. This does not affect exceptions for assets that are publicly guaranteed or issued in accordance with Art. 83 CISO. In addition, in the event of default by the counterparty, the fund management company and its agents must be able to obtain the power and

authority of disposal over the furnished collateral at all times and without the counterparty's involvement or consent. The furnished collateral is to be held in safekeeping by the custodian bank. The furnished collateral may be held in safekeeping on behalf of the fund management company by a supervised third-party custodian, provided ownership of the collateral is not transferred and the third-party custodian is independent of the counterparty.

7. Due account must be taken of the derivatives prescribed in the legislation concerning collective investment schemes when complying with statutory and contractual investment restrictions (maximum and minimum limits).
8. The prospectus has further details on:
 - the implications of derivatives within the investment strategy;
 - the effect of using derivatives on the sub-funds' risk profile;
 - the counterparty risks associated with derivatives;
 - credit derivatives;
 - the collateral strategy.

§ 13 Borrowing and lending

1. The fund management company may not grant loans for the sub-funds' account. Securities lending transactions according to § 10 and repurchase agreements as reverse repos according to § 11 are not deemed to be credit extensions within the meaning of this paragraph.
2. For each sub-fund, the fund management company may temporarily borrow the equivalent of up to 25% of net assets. Repurchase agreements as repos according to § 11 are deemed to be credit extensions 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 its 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

I. – World 25 Sustainable – World 50 Sustainable

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.
2. Companies that make up a group according to international accounting standards are viewed as a single issuer.
3. The sub-funds must invest in at least five different target funds.
4. The fund management company may, including derivatives and structured products, invest no more than 10% of a sub-fund's assets in securities or money market instruments issued by one and the same issuer. The total value of the securities and money market instruments of issuers in whose instruments more than 5% of a sub-fund's assets are invested may not exceed 40% of the respective sub-fund's assets, subject to provisions 5 and 6.
5. The fund management company may not invest more than 10% of a sub-fund's assets in sight or time deposits at one and the same bank. This limit includes both investments in bank deposits pursuant to § 8 and liquid assets pursuant to § 9.
6. The fund management company may not invest more than 5% of a sub-fund's assets in OTC transactions of 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 respective 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.
7. Investments, deposits and claims pursuant to prov. 4–6 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 below.
8. Investments pursuant to prov. 4 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. 13 below.
9. The fund management company may not invest more than 80% of the assets of a sub-fund in units of the same target fund. Where an investment of more than 50% is carried out in one and the same target fund fees may not be cumulated within this target fund, which must ensure complete transparency with regard to investments and fees.

10. 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.
11. 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 49% of the units of other collective investments. The fund management company may acquire for the assets of the sub-funds "– World 25 Sustainable" and "– World 50 Sustainable" up to 60% of the units of "UBS (CH) Manager Selection Fund – Bonds Global XT 2" and "UBS (CH) Manager Selection Fund – Bonds Global XT 3". The fund management company may also acquire for the assets of the sub-fund "– World 50 Sustainable" up to 70% of the units of "UBS (CH) Manager Selection Fund – Equities Global XT 1", "UBS (CH) Manager Selection Fund – Equities Global XT 2" and "UBS (CH) Institutional Fund – Equities Global (ex Switzerland) Sustainable" and up to 60% of the units of "UBS (CH) Manager Selection Fund – Equities Global XT 3" and "UBS (CH) Investment Fund – Equities Global Climate Aware II". These target funds must have the same redemption frequency. They must not entail an accumulation of fees for investors and must make full transparency possible for the fund management company in respect of investments and fees. These restrictions do not apply if at the time of acquisition the gross amount of debt instruments, money market instruments or the units of other collective investments cannot be calculated.
12. The restrictions as set out under prov. 10 and 11 above do not apply if the securities and money market instruments are issued or guaranteed by a state or 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.
13. The limit of 10% stipulated in prov. 4 rises, in conjunction with § 8 prov. 3, to 45% if the securities or money market instruments are issued or guaranteed by the Swiss Confederation (Swiss federal government, cantons or municipalities) or a public-law institution in Switzerland, or by international organisations with public-law character to which Switzerland or a European Union member state belongs. The limit of 40% as stipulated in prov. 4 does not apply to the aforementioned securities or money market instruments. The individual limits of prov. 4 and 6 may, however, not be accumulated with this limit of 45%.
14. The fund management company must also comply with the provisions of the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG) and its ordinances, taking into account the exceptions listed in 1.1 of the Prospectus. Compliance with these requirements is checked four times a year on a consolidated basis.

II. – World 75 Sustainable
– World 100 Sustainable
– Swiss 25 Sustainable
– Swiss 50 Sustainable
– Swiss 75 Sustainable

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.
2. Companies that make up a group according to international accounting standards are viewed as a single issuer.
3. The sub-funds must invest in at least five different target funds.
4. The fund management company may, including derivatives and structured products, invest no more than 10% of a sub-fund's assets in securities or money market instruments issued by one and the same issuer. The total value of the securities and money market instruments of issuers in whose instruments more than 5% of a sub-fund's assets are invested may not exceed 40% of that sub-fund's assets, subject to prov. 5 and 6.
5. The fund management company may not invest more than 10% of a sub-fund's assets in sight or time deposits at one and the same bank. This limit includes not only liquid assets pursuant to § 9 but also investments in bank deposits pursuant to § 8.
6. The fund management company may invest no more than 5% of a sub-fund's assets in OTC transactions with one and the same counterparty. Should the counterparty be a bank domiciled in Switzerland or in a member state of the European Union or in another country in which it is subject to supervision equivalent to that in Switzerland, the limit is increased to 10% of the corresponding sub-fund's assets. If claims from OTC transactions are covered by collateral in the form of liquid assets in accordance with Art. 50 to 55 CISO-FINMA, the claims shall be excluded from the calculation of counterparty risk.
7. Investments, deposits and claims pursuant to prov. 4 to 6 above from one and the same issuer or borrower may not exceed 20% of a sub-fund's assets. Such investments are subject to the higher restrictions pursuant to prov. 12 below.
8. Investments according to prov. 4 above from the same group of companies may in total not exceed 20% of the sub-fund's assets, subject to the higher restrictions pursuant to prov. 13 below.
9. The fund management company may invest at most 30% of the sub-fund's assets in units in the same target fund. For the sub-fund "– Swiss 25 Sustainable", the fund management company may invest up to 65% and for the sub-fund "– Swiss 50 Sustainable" up to 40% of the sub-fund's assets in units of the target fund "UBS (CH) Bond Fund – Bonds CHF Sustainable". For the sub-funds "– World 75 Sustainable" and "– World 100 Sustainable", the fund management company may invest up to 49% of the sub-fund's assets in units of the target fund "UBS (CH) Investment Fund – Equities Global Climate Aware II". These target funds must have the same redemption frequency. They must not entail an accumulation of fees for investors and must make full transparency possible for the fund management company in respect of investments and fees.

10. 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.
11. The fund management company may not acquire for a sub-fund's assets more than 10% of the non-voting equity, debt and/or money market instruments of a single issuer or more than 25% of the units of other collective investments. For the assets of the sub-fund "– Swiss 50 Sustainable", the fund management company may acquire up to 49% of the units of "UBS (CH) Manager Selection Fund – Equities Switzerland XT 1", "UBS (CH) Manager Selection Fund – Equities Switzerland XT 2" and "UBS (CH) Manager Selection Fund – Equities Switzerland XT 3". These target funds must have the same redemption frequency. They must not entail an accumulation of fees for investors and must make full transparency possible for the fund management company in respect of investments and fees.
These restrictions do not apply if at the time of acquisition the gross amount of debt instruments, money market instruments or the units of other collective investments cannot be calculated.
12. The restrictions as set out under prov. 10 and 11 above do not apply if the securities and money market instruments are issued or guaranteed by a state or public-law institution within the OECD or by international organizations with public-law character to which Switzerland or a member state of the European Union belongs.
13. The limit of 10% stipulated in prov. 4 rises to 35% if the securities or money market instruments are issued or guaranteed by an OECD state, a public-law institution within the OECD or international organizations with public-law character to which Switzerland or a member state of the European Union belongs. The limit of 40% as stipulated in prov. 4 does not apply to the aforementioned securities or money market instruments. The individual limits of prov. 4 and 6 may, however, not be accumulated with this limit of 35%.
14. The limit of 10% stipulated in prov. 4 shall rise to 100% if the securities or money market instruments are issued or guaranteed by an OECD state, a public-law institution within the OECD or by international organizations with public-law character to which Switzerland or a member state of the European Union belongs. In this case, the sub-fund must hold securities or money market instruments consisting of at least six different issues, and no more than 30% of the relevant sub-fund's assets may be invested in securities or money market instruments of the same issue. The limit of 40% as stipulated in prov. 4 does not apply to the aforementioned securities or money market instruments.
The permitted issuers/guarantors above are: the European Union (EU), OECD states, the Council of Europe, the International Bank for Reconstruction and Development (World Bank), the European Bank for Reconstruction and Development, the European Investment Bank, the Inter-American Development Bank, the Asian Development Bank and Eurofima (European Company for the Financing of Railroad Rolling Stock).
15. In selecting investments for these sub-funds the fund management company complies with the investment regulations for financial investments by retirement benefit plans in the BVG and its implementing ordinances, subject to the mandatory provisions of Swiss legislation on collective investment schemes and the provisions of the present fund contract.

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 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 (valuation net asset value). 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, on days on which no units are issued or redeemed, the fund management company may calculate the net asset value per unit ("non-negotiable net asset value"), e.g. if the last calendar day of a month falls on a day specified in prov. 5.2 of the appendix. Such non-negotiable net asset values may be published. However, they may be used only for performance calculations and performance statistics (in particular to compare against the benchmark) or for commission calculations, and must under no circumstances be used as the basis for subscription and redemption orders.
2. Investments listed on a stock exchange or traded on another regulated market open to the public shall be valued at the current prices paid on the main market. Other investments or investments for which no current market price is available 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 investments 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 interest curve comprises an interest rate component and a spread component. The following principles shall be applied: For each money market instrument, the closest rates of interest to the residual term shall be interpolated. The rate of interest thus established shall be 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 shall be adjusted in line with the new conditions.

6. The net asset value of a unit of a class represents the percentage constituted by the unit class concerned of the market value of the sub-fund 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 0.01 of a unit of the accounting currency of the individual sub-fund.
7. The percentages of the market value of a sub-fund's net assets (sub-fund assets less liabilities) which are to be attributed to each unit class shall be determined for the first time upon the initial issue of multiple unit classes (if they are issued simultaneously) or the initial issue of an additional unit class, on the basis of the inflows to the sub-fund for each unit class. The percentage will be recalculated if one of the following events occurs:
 - a) upon the issue and redemption of units;
 - b) 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 distributions;
 - c) for the calculation of the net asset value, in terms 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.
8. 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 amounts to 2% of the valuation net asset value. Incorporated into this are the incidental costs (bid/ask spread, brokerage fees at standard market rates, commissions, duties, etc.) that accrue to the fund on average from the investment of a net inflow or from the sale of a portion of investments corresponding to the net outflow. The adjustment results in an increase of the valuation net asset value if net movements lead to 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 net asset value calculated on the basis of swinging single pricing is thus a modified, net asset value as set out in the first sentence of this paragraph.

§ 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 governs 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. In the case of unit issues, an issuing commission may be added to the net asset value pursuant to § 18. In the case of unit redemptions, a redemption commission may be deducted from the net asset value pursuant to § 18. The issue and redemption price must be paid with a value date of three days following statement of the issue and redemption price. The day the net asset value is calculated is not included.
Incidental costs relating to the purchase and sale of investments (in particular, bid/ask spreads, brokerage fees at standard market rates, commissions, taxes, fees and duties) and incurred on average by the respective sub-fund in connection with the investment of the amount paid in or with a sale of the redeemed portion of the assets corresponding to the units redeemed will be covered by the application of swinging single pricing as outlined in § 16 prov. 8 of the fund contract.
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 which is the basis for the valuation of a significant proportion of the respective sub-fund's assets 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. 4, sub-sections a) to c).

V. Remuneration and incidental costs

§ 18 Remuneration and incidental costs charged to investors

1. Upon the issue of units, investors may be charged an issuing commission accruing to the fund management company, the custodian bank and/or distributors in Switzerland and abroad, which in total shall not exceed 3% of the net asset value. The current maximum applicable rate is stated in the prospectus.

2. When units are redeemed, investors are not charged any redemption commission.

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

1. For the management, asset management and, if applicable, distribution of the sub-funds as well as for all tasks of the custodian bank such as the safekeeping of the respective sub-fund's assets, taking care of payment transactions and the other responsibilities as set out in § 4, the fund management company shall charge the respective sub-funds a maximum annual flat fee or commission on the sub-funds' net asset value as stated below, which is charged to the individual sub-fund's assets pro rata temporis each time the relevant sub-fund's net asset value is calculated and paid at the end of the relevant quarter (flat fee or commission). For the individual sub-funds and unit classes, this flat fee amounts to a maximum of:

– World 25 Sustainable:

Class "U" units	
Flat fee charged by the fund management company for management, asset management, distribution and remuneration of the custodian bank	2.16% p.a.
Class "Q" units	
Flat fee charged by the fund management company for management, asset management and remuneration of the custodian bank	1.08% p.a.
Class "D" units	
Flat fee charged by the fund management company for management, asset management, distribution and remuneration of the custodian bank	2.16% p.a.

– World 50 Sustainable:

Class "U" units	
Flat fee charged by the fund management company for management, asset management, distribution and remuneration of the custodian bank	2.16% p.a.
Class "Q" units	
Flat fee charged by the fund management company for management, asset management and remuneration of the custodian bank	1.08% p.a.
Class "D" units	
Flat fee charged by the fund management company for management, asset management, distribution and remuneration of the custodian bank	2.16% p.a.

– World 75 Sustainable:

Class "U" units	
Flat fee charged by the fund management company for management, Asset management, distribution and remuneration of the custodian bank	2.16% p.a.
Class "Q" units	
Flat fee charged by the fund management company for management, asset management and remuneration of the custodian bank	1.08% p.a.
Class "D" units	
Flat fee charged by the fund management company for management, Asset management, distribution and remuneration of the custodian bank	2.16% p.a.

– World 100 Sustainable:

Class "U" units	
Flat fee charged by the fund management company for management, asset management, distribution and remuneration of the custodian bank	2.16% p.a.
Class "Q" units	
Flat fee charged by the fund management company for management, asset management and remuneration of the custodian bank	1.08% p.a.
Class "D" units	
Flat fee charged by the fund management company for management, asset management, distribution and remuneration of the custodian bank	2.16% p.a.

– Swiss 25 Sustainable:

Class "U" units	
Flat fee charged by the fund management company for management, asset management, distribution and remuneration of the custodian bank	2.16% p.a.
Class "Q" units	
Flat fee charged by the fund management company for management, asset management and remuneration of the custodian bank	1.08% p.a.
Class "D" units	
Flat fee charged by the fund management company for management, asset management, distribution and remuneration of the custodian bank	2.16% p.a.

– Swiss 50 Sustainable:

Class "U" units	
Flat fee charged by the fund management company for management, asset management, distribution and remuneration of the custodian bank	2.16% p.a.
Class "Q" units	

Flat fee charged by the fund management company for management, asset management and remuneration of the custodian bank Class "D" units	1.08% p.a.
Flat fee charged by the fund management company for management, asset management, distribution and remuneration of the custodian bank	2.16% p.a.

– Swiss 75 Sustainable:

Class "U" units	
Flat fee charged by the fund management company for management, Asset management, distribution and remuneration of the custodian bank Class "Q" units	2.16% p.a.
Flat fee charged by the fund management company for management, asset management and remuneration of the custodian bank Class "D" units	1.08% p.a.
Flat fee charged by the fund management company for management, asset management, distribution and remuneration of the custodian bank	2.16% p.a.

The actual rate applying to the flat fee is stated in the annual and semi-annual reports.

2. The following remuneration and incidental costs of the fund management company and the custodian bank, which are also charged to the assets of the respective sub-fund, are not included in the flat fee or commission:

- a) Any incidental costs relating to the purchase and sale of investments (bid/ask spread, brokerage at standard market rates, commissions, duties, etc.) which may be incurred in connection with the management of the relevant sub-fund assets. These costs are offset directly against the cost/selling price of the respective investments, With the exception of incidental costs incurred in connection with the purchase/sale of investments during unit issuing and redemption, which are covered by the application of swinging single pricing as set out in § 16 prov. 7.
- b) Fees paid to the supervisory authority for the foundation, amendment, liquidation or merger of the relevant 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 relevant sub-funds;
- e) Fees paid to legal and tax advisors in connection with the foundation, amendment, liquidation or merger of the fund and for the general representation of the interests of the relevant sub-funds and its investors;
- f) The costs of publishing the net asset value of the relevant 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 of translating the prospectuses with integrated fund contracts as well as the 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 the sub-funds;
- i) Costs paid for the possible registration of the relevant 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 or the relevant sub-funds, including fees for external advisors;
- k) Costs and fees associated with intellectual property registered in the name of the umbrella fund or the relevant sub-funds or rights of use by the umbrella fund or the relevant 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 investments 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 fund assets 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 fund's TER.

3. Pursuant to the provisions in the prospectus, the fund management company and its agents as well as the custodian bank may pay retrocessions as compensation for distribution activities in respect of fund units and discounts in order to reduce the fees and costs attributable to investors and charged to the fund.

4. 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.

5. If the fund management company acquires units in other collective investment schemes for the specified sub-fund that are managed directly or indirectly by the fund management company itself or a company to which it is related by virtue of common management or control or by a significant direct or indirect interest (related target funds), it may not charge any issuing or redemption commissions of the related target funds to the sub-funds.

The management fee charged by the target funds in which sub-fund assets are invested may not exceed 2.16% p.a., factoring in any retrocessions and discounts which may be due. The annual report shall indicate the maximum rate for the management fee of the target funds invested in, factoring in any retrocessions and discounts.

VI. Financial statements and audits

§ 20 Financial statements

1. The accounting currencies of the individual sub-funds are as follows:
 - World 25 Sustainable: Swiss franc (CHF)
 - World 50 Sustainable: Swiss franc (CHF)
 - World 75 Sustainable: Swiss franc (CHF)
 - World 100 Sustainable: Swiss franc (CHF)
 - Swiss 25 Sustainable: Swiss franc (CHF)
 - Swiss 50 Sustainable: Swiss franc (CHF)
 - Swiss 75 Sustainable: Swiss franc (CHF)
2. The financial year shall run from 1 January to 31 December.
3. The fund management company publishes 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 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. 4.

§ 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 Swiss Funds & Asset Management Association (SFAMA). The annual report shall contain a short report by the external auditors on the published annual financial statements.

VII. Appropriation of net income

§ 22

1. The net income of the sub-funds will be distributed annually to the investors in the relevant accounting currency within four months of the close of the financial year.
The fund management company may make additional interim distributions from the income.
2. The share of the sub-funds' net income arising from the taxable value of bonus shares and up to 30% of the remaining net income can be carried forward to new account. The distribution may be waived and the entire net income may be carried forward to new account for the relevant sub-fund if:
 - the net income of the current financial year and the income carried forward from earlier financial years of the sub-fund or a unit class amounts to less than 1% of the net asset value of the sub-fund or the unit class, and
 - the net income of the current financial year and the income carried forward from earlier financial years of the sub-fund or a unit class amounts to less than one unit of the accounting currency of the sub-fund or the unit class.
3. Capital gains realised on the sale of assets and rights can be distributed by the fund management company or retained for the purpose of reinvestment.

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 medium or electronic medium mentioned in the prospectus. A change in the 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 the issue and redemption prices or the net asset value (modified net asset value when swinging single pricing pursuant to § 16 prov. 8 has been applied) for all unit classes of the relevant sub-fund together with the note "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 are published shall be specified in the prospectus.
4. The prospectus with integrated fund contract, the Key Investor Information Document and the current annual and semi-annual reports may be obtained free of charge from the fund management company, 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 if
 - a) the applicable fund contracts provide for such merger;
 - b) they are managed by the same fund management company;
 - c) the following provisions of the applicable fund contracts are essentially identical with regard to:
 - the investment policy, investment techniques, risk diversification and the risks associated with the investment;
 - the 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, costs, 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 requirements for 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 must take place on the same day;
 - e) no costs are incurred by the sub-funds or the funds or the investors, subject to the provisions pursuant to § 19 prov. 2 ltrs. b, d and e.
3. If it is anticipated that the merger shall take more than one day, the supervisory authority may authorise a temporary suspension of unit redemptions for the 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 under the applicable collective investment legislation.
5. The fund management company shall publish notice of proposed amendments to the fund contract in accordance with § 23 prov. 2 as well as the proposed merger and its schedule together with the merger plan. This notice shall be made at least two months before the planned date of the merger in the official publication of the participating sub-funds or fund in question. Such notice shall advise investors that they may lodge an objection to the proposed amendments to the fund contract with the supervisory authority within 30 days of receiving notice, or request redemption of their units in cash.
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 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 the equivalent) no later than one year after its launch, or a longer period specified by the supervisory authority at the request of the custodian bank and the fund management company.
4. The fund management company shall notify the supervisory authority of such dissolution immediately and publish a notice to this effect in the official publication.
5. Upon termination of the fund contract, the fund management company may liquidate the affected sub-funds forthwith. If the supervisory authority has ordered the dissolution of a sub-fund, it must be liquidated immediately. The custodian bank shall be responsible for paying the liquidation proceeds to the investors. If the liquidation proceedings are protracted, payment may be made in instalments. Prior to the final payment, the fund management company must obtain authorisation from the supervisory authority.

X. Amendment to the fund contract

§ 26

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, investors may lodge objections with the supervisory authority within 30 days of the 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 of this fund contract (including merger of unit classes), investors may also request redemption of their units in cash subject to the period stipulated under the contract. The foregoing is subject to the cases as specified under § 23 prov. 2 which are exempted from the duty of disclosure subject to the approval of the supervisory authorities.

XI. Applicable law and place of jurisdiction

§ 27

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 of 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 1 September 2020.
4. This fund contract replaces the fund contract dated 15 May 2020.
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.

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

The custodian bank: UBS Switzerland AG, Zurich