

Key Information Document

Purpose

This information sheet provides you with key information about this investment product. It is not marketing material. This information is required by law to help you understand the type of product, the risks and costs involved as well as the potential profits and losses, and to help you compare it with other products.

Product

Product name LUXEMBOURG SELECTION FUND – Arcano Low Volatility European Income Fund – ESG Selection, a sub-fund of LUXEMBOURG SELECTION FUND (the "Fund"), CE-D
Manufacturer UBS Third Party Management Company S.A

ISIN LU1720110805

Telephone number Call +352 27 1511 for more information.

Website www.ubs.com/tpm

The Commission de Surveillance du Secteur Financier (CSSF) is responsible for supervising UBS Third Party Management Company S.A. in relation to this Key Information Document.

This PRIIP is authorised in Luxembourg.

UBS Third Party Management Company S.A. is authorised in Luxembourg and supervised by the Commission de Surveillance du Secteur Financier (CSSF).

Date of production of the KID: 2024-10-04.

What is this product?

Type

Luxembourg Selection Fund is an undertaking for collective investment in transferable securities (UCITS) incorporated in the legal form of an investment company with variable capital (SICAV) under Part I of the Luxembourg 2010 Law on undertakings for collective investment.

Term

The Product does not have a maturity date (the Product has been established for an indefinite period of time). The Manufacturer may terminate the Product early. The amount you will receive upon early termination may be less than the amount you invested.

The recommended holding period (RHP) is displayed in the section "How long should I hold it and can I take money out early?".

Objectives

The Subfund's objective is to offer a balanced low volatility investment strategy that generates attractive returns with a contained risk profile. It invests principally in a diversified portfolio of European corporate debt securities with fixed or variable interest rates. The portfolio manager's approach is that of lending to individual companies – selectively handpicking credits to construct a high conviction portfolio underpinned by its own in-house exhaustive research, providing investors with a higher degree of principal stability than is typically available in a portfolio of lower rated fixed income investments. Credit selection will be complemented with an emphasis on recurring income as opposed to price appreciation - predictability of income contributing to a more resilient performance. This Subfund promotes environmental and/or social characteristics but does not have a sustainable investment objective. For more information, the portfolio manager invites investors to consult the detailed ESG policy on its website. At least two-thirds of the Subfund's assets will be invested in debt instruments denominated in euros or issued by corporations or entities with European exposure. The Subfund may invest in commercial paper and other money market instruments, money market funds and in units and/or shares of UCITS and other UCIs. The Subfund may invest up to 20% in asset-backed securities. The Sub-Fund may use all types of financial derivative instruments traded on a regulated market and/or over the counter (OTC) for efficient portfolio management purposes or hedging purposes and may invest up to 20% in convertible bonds. The Sub-fund uses securities financing transactions in the form of securities lending. The Subfund may invest up to 30% of its assets in structured product. The Subfund is actively managed without reference to a benchmark. The return of the fund depends primarily on the development of interest rates and creditworthiness of the issuers and the interest income. The return may also be affected by currency fluctuations, where active or unhedged positions exist.

The revenues of the fund will be distributed yearly after the financial year end.

Intended retail investor

This fund applies to retail investors with a basic financial understanding, who can accept a possible loss on the investment amount. The fund is aimed at generating a substantial part of its yield through recurring income and addresses a preference for Sustainable Investing, while granting daily access to the capital under normal market conditions. With their investment in this fund, investors can satisfy medium term investment needs. The fund is suited to be acquired by the target client segments without any restriction of the distribution channel or platform.

Depository

UBS Europe SE, Luxembourg Branch

Further Information

Information about LUXEMBOURG SELECTION FUND – Arcano Low Volatility European Income Fund – ESG Selection and the available share classes, the full prospectus, and the latest annual and semi-annual reports, as well as additional information can be obtained free of charge from the fund management company, the central administrator, the custodian bank, the fund distributors or online at www.ubs.com/tpm. Latest price can be found at www.ubs.com/tpm

What are the risks and what could I get in return?

Indicator



Lower risk

Higher risk



The risk indicator assumes you keep the product for 4 years.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

We have classified this product as 2 out of 7, which is a low risk class.

This rates the potential losses from future performance at a low level. The past may be a poor predictor of the future and, hence, the actual risk of losing money may vary significantly.

The product may be exposed to further risk factors such as operational, political and legal risks which are not included in the summary indicator. Please refer to the prospectus for more detail.

This product does not include any protection from future market performance so you could lose some or all of your investment. If we are not able to pay you what is owed, you could lose your entire investment.

Performance Scenarios

What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted.

The unfavourable, moderate and favourable scenarios shown are illustrations using the worst, average, and best performances of the product over the last 10 years. Markets could develop very differently in the future.

| Recommended holding period: | | 4 years | |
|------------------------------------|--|---------------------------------|----------------------------------|
| Example Investment: | | EUR 10 000 | |
| | | If you exit after 1 year | If you exit after 4 years |
| Scenarios | | | |
| Minimum | There is no minimum guaranteed return. You could lose some or all of your investment. | | |
| Stress | What you might get back after costs | EUR 6 270 | EUR 6 860 |
| | Average return each year | -37.3% | -9.0% |
| Unfavourable | What you might get back after costs | EUR 8 780 | EUR 9 630 |
| | Average return each year | -12.2% | -0.9% |
| Moderate | What you might get back after costs | EUR 10 050 | EUR 10 870 |
| | Average return each year | 0.5% | 2.1% |
| Favourable | What you might get back after costs | EUR 11 300 | EUR 12 330 |
| | Average return each year | 13.0% | 5.4% |

The stress scenario shows what you might get back in extreme market circumstances.

The figures shown include all costs of the product itself. The figures do not take account of your personal tax situation, which can also have an impact on how much you receive back.

Unfavourable scenario: This type of scenario occurred for an investment between 2018 and 2022.

Moderate scenario: This type of scenario occurred for an investment between 2017 and 2021.

Favourable scenario: This type of scenario occurred for an investment between 2020 and 2024.

What happens if UBS Third Party Management Company S.A. is unable to pay out?

Losses are not covered by an investor compensation or guarantee scheme. Furthermore, with respect to UBS Europe SE, Luxembourg Branch as depositary of the Fund, which is responsible for the safekeeping of the assets of the Fund (the "Depositary"), there is a potential default risk if the assets of the Fund held with the Depositary are lost. However, such default risk is limited as the Depositary is required by law and regulation to segregate its own assets from the assets of the Fund. The Depositary is liable to the Fund or to the investors of the Fund for the loss by the Depositary or one of its delegates of a financial instrument held in custody unless the Depositary is able to prove that the loss has arisen as a result of an external event beyond its reasonable control.

What are the costs?

The person advising on or selling you this product may charge you other costs. If so, this person will provide you with information about these costs and how they affect your investment.

Costs over time

The table shows the amounts that are taken from your investment to cover different types of costs. These amounts depend on how much you invest, how long you hold the product and how well the product does. The amounts shown here are illustrations based on an example investment amount and different possible investment periods.

We have assumed:

- In the first year you would get back the amount that you invested (0% annual return). For the other holding periods, we have assumed that the product performs as shown in the moderate scenario.
- 10 000,00 EUR is invested.

| | If you exit after 1 year | If you exit after 4 years |
|------------------------|--------------------------|---------------------------|
| Total costs | EUR 347 | EUR 650 |
| Annual cost impact (*) | 3.5% | 1.6% each year |

(*) This illustrates how costs reduce your return each year over the holding period. For example, it shows that if you exit at the recommended holding period your average return per year is projected to be 3,7 % before costs and 2,1 % after costs. We may share part of the costs with the person selling you the product to cover the services they provide to you. They will inform you of the amount.

Composition of costs

| One-off costs upon entry or exit | | If you exit after 1 year |
|---|--|--------------------------|
| Entry costs | 2,50% of the amount you pay in when entering this investment. This is the most you will be charged. The person selling you the product will inform you of the actual charge. | Up to EUR 250 |
| Exit costs | We do not charge a redemption fee for this product, but the party who sells the product to you may do so. | EUR 0 |
| Ongoing costs taken each year | | |
| Management fees and other administrative or operating costs | 0,9% of the value of your investment per year. This is an estimate that is based on last year's actual costs. For products launched less than one year ago, this is an estimate based on the representation costs. | EUR 89 |
| Transaction costs | 0,1% of the value of your investment per year. This is an estimate of the costs incurred when we buy and sell the underlying investments for the product. The actual amount will vary depending on how much we buy and sell. | EUR 11 |
| Incidental costs taken under specific conditions | | |
| Performance fees | There is no performance fee for this product. | EUR 0 |

For additional information about costs, refer to the prospectus, which is available at www.ubs.com/tpm

How long should I hold it and can I take money out early?

Recommended holding period: 4 Year(s)

The recommended holding period of this product is 4 year(s). This is the holding period we recommend based on the risk and the expected return of the product. Please note that the expected return is not guaranteed. The more the actual holding period differs from the recommended holding period of the product, the more your actual return will also differ from the product assumptions. A different holding period may be suitable for you depending on your needs and limitations. We therefore recommend you discuss this issue with your client advisor.

Investors may demand to redeem their units on every normal bank business day in Luxembourg.

How can I complain?

If you have a complaint about the product, the manufacturer of the product or the person who recommended or sold the product to you, please speak to your client advisor or contact us at www.ubs.com/tpm-policies

Other relevant information

Information on past performance and previous performance scenario calculations can be found at www.ubs.com/tpm

Additional information for investors in Switzerland: The representative in Switzerland is REYL & Cie Ltd, Rue du Rhône 4, 1204 Geneva. The prospectus, the Key Information Documents, the articles of association as well as the annual and semi-annual reports may be obtained free of charge from the representative. Further documents are also available. Details covering complaints handling procedures, the fund's voting strategy, conflicts of interest, best execution policy and the latest remuneration policy, including a description of the calculation of the remuneration, benefits and responsibilities of the Remuneration Committee, are available at www.ubs.com/tpm-policies. A printed copy will be provided free of charge on request. The paying agent in Switzerland is UBS Switzerland AG, Bahnhofstrasse 45, 8001 Zurich.