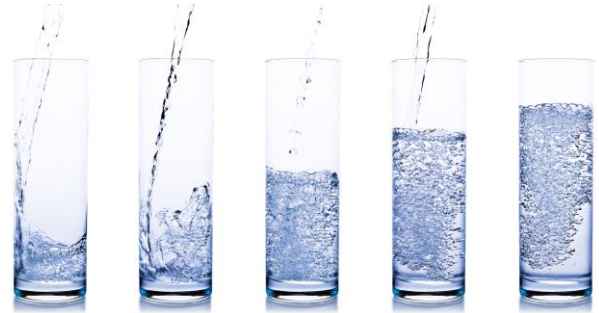


Cover your liquidity needs

Constant distributing share classes

Do you wish periodic cash distributions from your fund investments on a constant percentage level? Our new share classes offer you monthly or quarterly distributions at a constant annual percentage rate. These distributions can help you to cover your recurring expenses e.g. for rent, private consumption and interest payment for mortgages or loans.



Concept of constant distributing share classes

- **What's new?** Compared to the traditional and variably distributing share classes, these new share classes distribute a **fixed annual percentage**.
- **More frequent distributions:** depending on client demand, we will offer share classes with quarterly as well as monthly distributions.
- **Distribution level:** depending on the fund, the annual distribution will be 2%, 4%, 6% or 8% of the Net Asset Value (NAV) of the respective share class. The calculation of the distribution is based on the NAV as of end of the month, quarter or financial year of the fund.
- **Investment horizon:** identical with the respective fund.

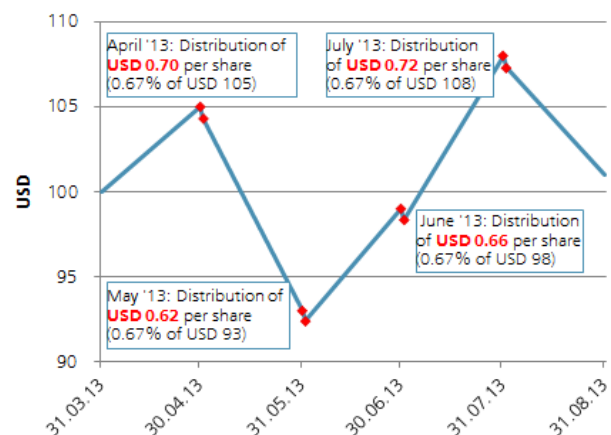
Important:

- The share classes distribute a **constant percentage share** of the NAV of the respective share class (e.g. 4%), **not a constant amount**. The absolute amount distributed in the currency of the share class (e.g. CHF, USD or EUR etc.) will vary and depend on the performance of the share class (see chart, amounts highlighted in red).
- **No capital preservation:** The distributions can result in an **erosion of assets** and a reduction of invested capital.
- Investors should make their investment decisions exclusively based on the fund's strategy and risk characteristics. Once the fund is selected, investors can decide on the preferred share class and distribution type.
- Constant distributing share classes must not be seen as an alternative to a savings account or fixed-interest paying investment.
- The percentage distribution rate of these share classes is **unrelated to the interest or other income generated in the fund**. The distribution is a percentage payment of the current amount of investment.

Main benefits

- **Meet liquidity needs for recurring expenses:** the periodic and constant percentage distributions (monthly or quarterly) allow paying recurring expenses in a convenient way.

Example of an 8% and monthly distributing share class (distributes 0.67% per month)



Source: UBS Global Asset Management. For illustrative purposes only. Past performance is not a reliable indicator of future results.

Target clients

- These share classes are designed for investors who want to profit from performance opportunities on the financial markets and at the same time wish more stable distributions at a specific percentage level to cover recurring liquidity needs.
- As the distributions are substantial, these share classes are not designed for investors who want to build wealth. The latter may prefer the accumulating share class.

Distribute in a disciplined and smart manner

- The constant percentage distribution results in higher absolute distributions when NAVs are high and in lower absolute distributions when NAVs are low.
- These share classes also distribute in periods of negative performance which further reduces the invested capital.

Important risk information (including tax risk) is available on page 2 →

Cover your liquidity needs

Constant distributing share classes

Risks

- Due to the substantial distributions investors must be willing to accept a reduction of the invested capital.
- The percentage distribution rate of any share class is unrelated to expected or past income or return of the share class or the fund. The distribution can thus be higher or lower than the income and return that were effectively realized.
- Distributions out of capital shall result in the reduction of an investor's original capital invested in the Subfund. Also, any distributions from the income and/or involving the capital and/or capital gains result in an immediate reduction of the net asset value per share of the Subfund and a reduction in the potential for long-term capital growth.
- **Specific tax risk:** This share class may distribute monthly/quarterly. Distributions may include capital as well as income. Investors in some jurisdictions may incur a higher rate of tax on distributed capital than on any capital gains which are realised on disposal of fund shares. Some investors may therefore choose to invest in the accumulating (-acc) instead of the distributing (-dist) share classes. Investors may be taxed at a later point in time on income and capital arising on accumulating (-acc) share classes compared to distributing (-dist) share classes. Investors should seek their own tax advice.

Select the share class according to your needs:

Step 1) First choose the right investment fund with the strategy that suits you, consistent with your investment horizon and your risk profile and that fits into your portfolio.

Step 2) Then, select the preferred share class based on your needs and preferences as follows:

- You want to **build wealth** in the long term and do not need periodic distributions? The share classes designed for this investor type are accumulating (reinvesting) share classes with the label **"-acc"**.
- You want to build wealth (however to a lesser extent compared to -acc classes) and at the same time wish **moderate distributions of the income** (interest, dividends) that accrues in the fund net of fees? The share classes designed for this investor type are **annually and variably** distributing share classes with the label **"-dist"**.
- You wish **more frequent** cash distributions from your fund investment at a **substantial** and **constant percentage** level to cover your liquidity needs? The share classes designed for this investor type are **monthly/quarterly** distributing share classes with **constant percentage** distributions labelled e.g. **"-6%-mdist"**. Please note that the percentage distribution rate of these share classes is unrelated to expected or past income or return of the fund.

Overview of the share classes available:

Step 1: Select investment strategy	Step 2: Select share class					
Investment category:	Reinvesting	Distributing				
		yearly variable (dist)	quarterly / monthly and constant (qdist / mdist)			
			2%	4%	6%	8%
Fixed Income Funds with conservative risk profile	-	-	-	-	-	-
Fixed Income & Multi Asset Funds with moderate risk profile	-	-	-	-	-	-
Fixed Income & Multi Asset Funds with elevated risk profile	-	-	-	-	-	-
Equity & Multi Asset Funds with high risk profile	-	-	-	-	-	-

Cover your liquidity needs

Constant distributing share classes

Distribution levels per investment category

Constant distributing share classes of the funds displayed below are not necessarily available yet, but can be opened in case of sufficient business demand. The percentage distribution rate of these share classes is unrelated to the interest or other income generated in the fund. The distribution is a percentage payment of the current amount of investment.

<p>2%</p> <p>Fixed Income Funds with conservative risk profile</p> <ul style="list-style-type: none"> • Classical Government Bond Funds • Strategy Fund / Xtra Fixed Income 	<p>4% or 2%</p> <p>Fixed Income & Multi Asset Funds with moderate risk profile</p> <ul style="list-style-type: none"> • Corporate Bond Funds • Strategy Fund / Xtra Income, Yield & Balanced • All-Rounder • Multi Asset Income • Smart Allocator 	<p>6% or 4%</p> <p>Fixed Income & Multi Asset Funds with elevated risk profile</p> <ul style="list-style-type: none"> • High Yield Bond Funds • EM & Asian Bond Funds • Global Allocation Funds • Strategy Fund / Xtra Growth • Convert Bond Funds 	<p>8% or 6% or 4%</p> <p>Equity & Multi Asset Funds w. high risk profile</p> <ul style="list-style-type: none"> • Core Equity Funds • Country, Regional & Thematic Equity Funds • Emerging Market Equity Funds • Strategy Fund Equity • EM Allocation / EM Income / MAHI
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For explanations on financial wordings please refer to the glossary at www.ubs.com/glossary or contact your UBS client advisor for further information.

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