

**UBS (CAY) INVESTMENT FUND SPC
REPORTS AND FINANCIAL STATEMENTS**

- UBS GLOBAL BONDS SERIES 1 SEGREGATED PORTFOLIO
FOR THE PERIOD FROM 1 JANUARY 2021 TO 31 JANUARY 2022 (DATE OF
TERMINATION)**
- UBS GLOBAL BONDS SERIES 2 SEGREGATED PORTFOLIO
FOR THE YEAR ENDED 31 DECEMBER 2021**
- UBS GLOBAL BONDS SERIES 3 SEGREGATED PORTFOLIO
FOR THE YEAR ENDED 31 DECEMBER 2021**
- UBS CHINA EQUITY SELECT CHERRY SEGREGATED PORTFOLIO II
FOR THE PERIOD FROM 8 FEBRUARY 2021 (DATE OF COMMENCEMENT
OF OPERATIONS) TO 31 DECEMBER 2021**

UBS (CAY) INVESTMENT FUND SPC

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UBS (CAY) INVESTMENT FUND SPC

MANAGEMENT AND ADMINISTRATION

Directors

Wong Suet Ting (Sherry Wong)
Markus Egloff (resigned on 1 June 2021)
Richard Alvah Ruffer Jr.
Christine Fletcher (effective 1 June 2021)

Manager

UBS Asset Management
(Hong Kong) Limited
52/F Two International Finance Centre
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Central
Hong Kong

Auditor

PricewaterhouseCoopers
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Camana Bay
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Administrator

HSBC Trustee (Cayman) Limited
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Grand Cayman, KY1-1104
Cayman Islands

Administrator's Delegate and Custodian (of investments and uninvested cash of the Company outside of the PRC)

HSBC Institutional Trust Services (Asia) Limited
1 Queen's Road Central
Hong Kong

Legal Adviser

As to Cayman Islands act:
Ogier
11/F, Central Tower
28 Queen's Road Central
Hong Kong



Independent auditor's report

To the Board of Directors of UBS (CAY) Investment Fund SPC

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of each of UBS Global Bonds Series 2 Segregated Portfolio, UBS Global Bonds Series 3 Segregated Portfolio, and UBS China Equity Select Cherry Segregated Portfolio II as at 31 December 2021 and of UBS Global Bonds Series 1 Segregated Portfolio as at 31 January 2022 (date of termination) (each a segregated portfolio of UBS (CAY) Investment Fund SPC) (each the Segregated Portfolio), and of each of their financial performance and each of their cash flows for the year then ended for UBS Global Bonds Series 2 Segregated Portfolio and UBS Global Bonds Series 3 Segregated Portfolio, for the period from 8 February 2021 (date of commencement of operations) to 31 December 2021 for UBS China Equity Select Cherry Segregated Portfolio II, and for the period from 1 January 2021 to 31 January 2022 (date of termination) for UBS Global Bonds Series 1 Segregated Portfolio, in accordance with International Financial Reporting Standards.

What we have audited

The financial statements of UBS Global Bonds Series 2 Segregated Portfolio and UBS Global Bonds Series 3 Segregated Portfolio comprise:

- the statement of financial position as at 31 December 2021;
- the statement of comprehensive income for the year then ended;
- the statement of changes in net assets attributable to holders of redeemable shares for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

The financial statements of UBS Global Bonds Series 1 Segregated Portfolio comprise:

- the statement of financial position as at 31 January 2022 (date of termination);
- the statement of comprehensive income for the period from 1 January 2021 to 31 January 2022 (date of termination);
- the statement of changes in equity for the period from 1 January 2021 to 31 January 2022 (date of termination);
- the statement of cash flows for the period from 1 January 2021 to 31 January 2022 (date of termination); and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.



Independent auditor's report (continued)

To the Board of Directors of UBS (CAY) Investment Fund SPC

The financial statements of UBS China Equity Select Cherry Segregated Portfolio II comprise:

- the statement of financial position as at 31 December 2021;
- the statement of comprehensive income for the period from 8 February 2021 (date of commencement of operations) to 31 December 2021;
- the statement of changes in equity for the period from 8 February 2021 (date of commencement of operations) to 31 December 2021;
- the statement of cash flows for the period from 8 February 2021 (date of commencement of operations) to 31 December 2021; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Segregated Portfolio in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Emphasis of matter

We draw your attention to Note 1 to the financial statements which states that UBS Global Bonds Series 1 Segregated Portfolio terminated on 31 January 2022. As a result, the financial statements for UBS Global Bonds Series 1 Segregated Portfolio have been prepared on a non-going concern basis. Our opinion is not modified in respect of this matter.

Responsibilities of management for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Segregated Portfolio's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Segregated Portfolio or to cease operations, or has no realistic alternative but to do so.



Independent auditor's report (continued)

To the Board of Directors of UBS (CAY) Investment Fund SPC

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Segregated Portfolio's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Segregated Portfolio's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Segregated Portfolio to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Independent auditor's report (continued)

To the Board of Directors of UBS (CAY) Investment Fund SPC

Other matter

This report, including the opinion, has been prepared for and only for UBS (CAY) Investment Fund SPC in accordance with the terms of our engagement letter and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

A handwritten signature in black ink that reads 'PricewaterhouseCoopers'.

29 July 2022

UBS (CAY) INVESTMENT FUND SPC

STATEMENT OF FINANCIAL POSITION

	Note	UBS Global Bonds Series 1 Segregated Portfolio		UBS Global Bonds Series 2 Segregated Portfolio	
		As at 31 January 2022 (date of termination) USD	As at 31 December 2020 USD	As at 31 December 2021 USD	As at 31 December 2020 USD
Assets					
Current assets					
Financial assets at fair value through profit or loss	4(a),4(d)	-	170,587,114	244,424,218	373,774,149
Other receivables and prepayments		4	-	-	-
Margin deposits	4(b)	8	4,515,136	884,257	11,524,491
Deposits with brokers	4(b)	-	15,314	362,267	355,659
Cash at banks	4(b)	156,735,853	2,979,607	1,543,860	4,328,626
Total assets		156,735,865	178,097,171	247,214,602	389,982,925
Liabilities					
Current liabilities					
Financial liabilities at fair value through profit or loss	4(a),4(d)	-	4,138,329	1,170,298	10,262,262
Due to brokers		-	-	-	257,804
Management fee payable	8(a)	55,898	109,883	266,581	410,713
Fund servicing fee payable	8(b)	6,654	7,356	10,409	16,068
Amounts payable on redemption		156,664,437	-	-	-
Accounts payable and accrued expenses		8,876	21,110	29,515	33,883
Total liabilities (excluding net assets attributable to holders of redeemable shares)		156,735,865	4,276,678	1,476,803	10,980,730
Net assets attributable to holders of redeemable shares (Note)	7(b)	-	173,820,493	245,737,799	379,002,195
Represented by:					
Net assets attributable to holders of redeemable shares (at trading value)	7(b)	-	173,820,493	245,737,799	379,003,114
Adjustments for preliminary expenses		-	-	-	(919)

Note: As at 31 January 2022 (date of termination) and 31 December 2020, the redeemable shares of UBS Global Bonds Series 1 Segregated Portfolio are classified as equity. Refer to note 2(i) for details.

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Director

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Director

The accompanying notes are an integral part of these financial statements.

UBS (CAY) INVESTMENT FUND SPC

STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Note	UBS Global Bonds Series 3 Segregated Portfolio As at 31 December 2021 USD	As at 31 December 2020 USD	UBS China Equity Select Cherry Segregated Portfolio II As at 31 December 2021 USD
Assets				
Current assets				
Financial assets at fair value through profit or loss	4(a),4(d)	352,534,451	442,547,099	61,312,639
Amounts receivable on subscription		415,200	-	-
Other receivables and prepayments		5	-	30
Cash at banks	4(b)	2,619,447	2,399,693	2,225,682
Total assets		<u>355,569,103</u>	<u>444,946,792</u>	<u>63,538,351</u>
Liabilities				
Current liabilities				
Management fee payable	8(a)	140,932	174,002	133,722
Fund servicing fee payable	8(b)	15,383	19,310	3,714
Amounts payable on redemption		1,190,292	-	-
Accounts payable and accrued expenses		30,781	34,607	19,031
Other payables		1,000	963	-
Total liabilities (excluding net assets attributable to holders of redeemable shares)		<u>1,378,388</u>	<u>228,882</u>	<u>156,467</u>
Net assets attributable to holders of redeemable shares (Note)	7(b)	<u>354,190,715</u>	<u>444,717,910</u>	<u>63,381,884</u>
Represented by:				
Net assets attributable to holders of redeemable shares (at trading value)	7(b)	354,190,718	444,721,052	
Adjustments for preliminary expenses		(3)	(3,142)	

Note: As at 31 December 2021, the redeemable shares of UBS China Equity Select Cherry Segregated Portfolio II are classified as equity. Refer to note 2(i) for details.

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Director

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Director

The accompanying notes are an integral part of these financial statements.

UBS (CAY) INVESTMENT FUND SPC

STATEMENT OF COMPREHENSIVE INCOME

	Note	UBS Global Bonds Series 1 Segregated Portfolio	UBS Global Bonds Series 2 Segregated Portfolio
		For the period from 1 January 2021 to 31 January 2022 (date of termination) USD	For the year ended 31 December 2020 USD
		For the year ended 31 December 2021 USD	For the year ended 31 December 2020 USD
Income			
Net gains/(losses) on financial assets and liabilities at fair value through profit or loss	5	1,025,476	(1,982,145)
Bank interest income		392	16,765
Redemption fee income		72,782	500,266
Other income		39,054	102
Net foreign exchange (losses)/gains		-	(443)
		1,137,704	(1,465,455)
Expenses			
Management fee	8(a)	741,756	790,851
Fund servicing fee	8(b)	88,304	94,149
Custodian and administration fee	8(d)	90,404	147,630
Auditor's remuneration		16,917	15,810
Directors' fee	8(c)	8,189	-
Transaction costs		1,338	3,168
Other operating expenses		30,729	12,795
		977,637	1,064,403
Net operating profit/(loss)		160,067	(2,529,858)
Withholding tax		(39,054)	-
Finance costs			
Distribution to holders of redeemable shares	10	-	-
		-	-
Change in adjustments for preliminary expenses		-	(3,078)
Increase/(decrease) in net assets attributable to holders of redeemable shares from operations (Note)		121,013	(2,532,936)

Note: During the period ended 31 January 2022 and year ended 31 December 2020, the increase/(decrease) in net assets attributable to holders of redeemable shares for UBS Global Bonds Series 1 Segregated Portfolio represents total comprehensive income. Refer to note 2(i) for details.

The accompanying notes are an integral part of these financial statements.

UBS (CAY) INVESTMENT FUND SPC

STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	Note	UBS Global Bonds Series 3 Segregated Portfolio	UBS China Equity Select Cherry Segregated Portfolio II For the period from 8 February 2021 (date of commencement of operations) to 31 December 2021 USD
		For the year ended 31 December 2021 USD	For the year ended 31 December 2020 USD
Income			
Net (losses)/gains on financial assets and liabilities at fair value through profit or loss	5	(6,463,684)	6,776,058
Bank interest income		61	2,791
Redemption fee income		664,573	453,279
Dividend income		-	-
Other income		108,221	104,246
Net foreign exchange gains/(losses)		328	891
		<u>(5,690,501)</u>	<u>7,337,265</u>
Expenses			
Management fee	8(a)	1,874,262	2,083,756
Fund servicing fee	8(b)	207,679	232,046
Custodian and administration fee	8(d)	210,127	333,940
Preliminary expenses		-	-
Auditor's remuneration		16,148	14,584
Directors' fee	8(c)	9,411	-
Transaction costs		684	584
Other operating expenses		11,957	16,226
		<u>2,330,268</u>	<u>2,681,136</u>
Net operating (loss)/profit		<u>(8,020,769)</u>	<u>4,656,129</u>

The accompanying notes are an integral part of these financial statements.

UBS (CAY) INVESTMENT FUND SPC

STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	Note	UBS Global Bonds Series 3 Segregated Portfolio	UBS China Equity Select Cherry Segregated Portfolio II
		For the year ended 31 December 2021 USD	For the year ended 31 December 2020 USD
			For the period from 8 February 2021 (date of commencement of operations) to 31 December 2021 USD
Net operating (loss)/profit		(8,020,769)	4,656,129
Withholding tax		(100,307)	(80,291)
Finance costs			
Distribution to holders of redeemable shares	10	(15,948,845)	(19,033,078)
		<u>(15,948,845)</u>	<u>(19,033,078)</u>
Change in adjustments for preliminary expenses		(3,139)	(3,148)
		<u>(3,139)</u>	<u>(3,148)</u>
Decrease in net assets attributable to holders of redeemable shares from operations (Note)		<u>(24,073,060)</u>	<u>(14,460,388)</u>
		<u>(24,073,060)</u>	<u>(14,460,388)</u>
		<u>(24,073,060)</u>	<u>(54,734,116)</u>

Note: During the period ended 31 December 2021, the decrease in net assets attributable to holders of redeemable shares for UBS China Equity Select Cherry Segregated Portfolio II represents total comprehensive income. Refer to note 2(i) for details.

The accompanying notes are an integral part of these financial statements.

UBS (CAY) INVESTMENT FUND SPC

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES

	UBS Global Bonds Series 2 Segregated Portfolio		UBS Global Bonds Series 3 Segregated Portfolio	
	For the year ended 31 December 2021 USD	For the year ended 31 December 2020 USD	For the year ended 31 December 2021 USD	For the year ended 31 December 2020 USD
Balance at the beginning of the year	379,003,114	624,102,323	444,721,052	504,650,926
Issue of redeemable shares	-	-	1,552,549	3,807,884
Redemption of redeemable shares	(129,178,773)	(209,054,160)	(68,009,823)	(49,277,370)
Net decrease from share transactions	(129,178,773)	(209,054,160)	(66,457,274)	(45,469,486)
Decrease in net assets attributable to holders of redeemable shares from operations	(4,086,542)	(36,045,049)	(24,073,060)	(14,460,388)
Balance at the end of the year	245,737,799	379,003,114	354,190,718	444,721,052

The accompanying notes are an integral part of these financial statements.

UBS (CAY) INVESTMENT FUND SPC

STATEMENT OF CHANGES IN EQUITY

	UBS Global Bonds Series 1 Segregated Portfolio	UBS China Equity Select Cherry Segregated Portfolio II
	For the period from 1 January 2021 to 31 January 2022 (date of termination) USD	For the year ended 31 December 2020 USD
		For the period from 8 February 2021 (date of commencement of operations) to 31 December 2021 USD
Balance at the beginning of the period/year	173,820,493	232,735,328
Issue of redeemable shares	-	-
Redemption of redeemable shares	(171,221,030)	(50,574,673)
Net (decrease)/increase from share transactions	(171,221,030)	(50,574,673)
Total comprehensive income/(loss)	121,013	(2,532,936)
Distribution to holders of redeemable shares	(2,720,476)	(5,807,226)
Balance at the end of the period/year	-	173,820,493

The accompanying notes are an integral part of these financial statements.

UBS (CAY) INVESTMENT FUND SPC

STATEMENT OF CASH FLOWS

	UBS Global Bonds Series 1 Segregated Portfolio	UBS Global Bonds Series 2 Segregated Portfolio
	For the period from 1 January 2021 to 31 January 2022 (date of termination) USD	For the year ended 31 December 2020 USD
	For the year ended 31 December 2021 USD	For the year ended 31 December 2020 USD
Cash flows from operating activities		
Increase/(decrease) in net assets attributable to holders of redeemable shares	121,013	(2,532,936)
Adjustment for:		
Change in adjustments for preliminary expenses	-	3,071
Bank interest income	(392)	(16,765)
Distribution to holders of redeemable shares	-	-
		4,433,807
Net operating profit/(loss) before working capital changes	120,621	(2,546,630)
Net decrease in financial assets and liabilities at fair value through profit or loss	166,448,785	59,506,550
Decrease/(increase) in margin deposits	4,515,128	(212,707)
Decrease in deposits with brokers	15,314	1,225,332
(Decrease)/increase in amounts due to broker	-	-
(Decrease)/increase in management fee payable	(53,985)	24,460
Decrease in fund servicing fee payable	(702)	(2,813)
Decrease in accounts payable and accrued expenses	(12,234)	(15,993)
Net cash generated from operations	171,032,927	57,978,199
		130,825,879
		224,680,594

The accompanying notes are an integral part of these financial statements.

UBS (CAY) INVESTMENT FUND SPC

STATEMENT OF CASH FLOWS (CONTINUED)

	UBS Global Bonds Series 1 Segregated Portfolio		UBS Global Bonds Series 2 Segregated Portfolio	
	For the period from 1 January 2021 to 31 January 2022 (date of termination) USD	For the year ended 31 December 2020 USD	For the year ended 31 December 2021 USD	For the year ended 31 December 2020 USD
Net cash generated from operations	171,032,927	57,978,199	130,825,879	224,680,594
Bank interest received	388	16,778	1,935	91,094
Net cash generated from operating activities	171,033,315	57,994,977	130,827,814	224,771,688
Cash flows from financing activities				
Payment of redemption of redeemable shares	(14,556,593)	(50,574,673)	(129,178,773)	(209,054,160)
Distribution paid	(2,720,476)	(5,807,226)	(4,433,807)	(13,241,344)
Net cash used in financing activities	(17,277,069)	(56,381,899)	(133,612,580)	(222,295,504)
Net increase/(decrease) in cash and cash equivalents	153,756,246	1,613,078	(2,784,766)	2,476,184
Cash and cash equivalents as at the beginning of the period/year	2,979,607	1,366,529	4,328,626	1,852,442
Cash and cash equivalents as at the end of the period/year	<u>156,735,853</u>	<u>2,979,607</u>	<u>1,543,860</u>	<u>4,328,626</u>
Analysis of balances of cash and cash equivalents:				
Cash at banks	156,735,853	2,979,607	1,543,860	4,328,626
	<u>156,735,853</u>	<u>2,979,607</u>	<u>1,543,860</u>	<u>4,328,626</u>

Note: During the period ended 31 January 2022 and year ended 31 December 2020, the increase/(decrease) in net assets attributable to holders of redeemable shares for UBS Global Bonds Series 1 Segregated Portfolio represents total comprehensive income. Refer to note 2(i) for details.

The accompanying notes are an integral part of these financial statements.

UBS (CAY) INVESTMENT FUND SPC

STATEMENT OF CASH FLOWS (CONTINUED)

	UBS Global Bonds Series 3 Segregated Portfolio		UBS China Equity Select Cherry Segregated Portfolio II
	For the year ended 31 December 2021 USD	For the year ended 31 December 2020 USD	For the period from 8 February 2021 (date of commencement of operations) to 31 December 2021 USD
Cash flows from operating activities			
Decrease in net assets attributable to holders of redeemable shares	(24,073,060)	(14,460,388)	(54,734,116)
Adjustment for:			
Change in adjustments for preliminary expenses	3,139	3,148	-
Dividend income	-	-	(691,125)
Bank interest income	(61)	(2,791)	(268)
Distribution to holders of redeemable shares	15,948,845	19,033,078	-
Withholding tax	100,307	80,291	39,197
Net operating (loss)/profit before working capital changes	(8,020,830)	4,653,338	(55,386,312)
Net decrease/(increase) in financial assets and liabilities at fair value through profit or loss	90,012,648	59,186,745	(61,312,639)
(Decrease)/increase in management fee payable	(33,070)	(29,458)	133,722
(Decrease)/increase in fund servicing fee payable	(3,927)	(3,545)	3,714
(Decrease)/increase in accounts payable and accrued expenses	(3,826)	(6,826)	19,031
Increase in other payables	37	-	-
Net cash generated from/(used in) operations	81,951,032	63,800,254	(116,542,484)

The accompanying notes are an integral part of these financial statements.

UBS (CAY) INVESTMENT FUND SPC

STATEMENT OF CASH FLOWS (CONTINUED)

	UBS Global Bonds Series 3 Segregated Portfolio		UBS China Equity Select Cherry Segregated Portfolio II For the period from 8 February 2021 (date of commencement of operations) to 31 December 2021
	For the year ended 31 December 2021 USD	For the year ended 31 December 2020 USD	USD
Net cash generated from/(used in) operations	81,951,032	63,800,254	(116,542,484)
Dividends received	-	-	691,125
Bank interest received	56	2,820	238
Withholding tax paid	(100,307)	(80,291)	(39,197)
Net cash generated from/(used in) operating activities	81,850,781	63,722,783	(115,890,318)
Cash flows from financing activities			
Proceeds on issue of redeemable shares	1,137,349	3,807,884	150,000,000
Payment of redemption of redeemable shares	(66,819,531)	(49,277,370)	(31,884,000)
Distribution paid	(15,948,845)	(19,033,078)	-
Net cash (used in)/generated from financing activities	(81,631,027)	(64,502,564)	118,116,000
Net increase/(decrease) in cash and cash equivalents	219,754	(779,781)	2,225,682
Cash and cash equivalents as at the beginning of the year/period	2,399,693	3,179,474	-
Cash and cash equivalents as at the end of the year/period	<u>2,619,447</u>	<u>2,399,693</u>	<u>2,225,682</u>
Analysis of balances of cash and cash equivalents:			
Cash at banks	<u>2,619,447</u>	<u>2,399,693</u>	<u>2,225,682</u>
	<u>2,619,447</u>	<u>2,399,693</u>	<u>2,225,682</u>

Note: During the period ended 31 December 2021, the decrease in net assets attributable to holders of redeemable shares for UBS China Equity Select Cherry Segregated Portfolio II represents total comprehensive income. Refer to note 2(i) for details.

The accompanying notes are an integral part of these financial statements.

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

1 General information

UBS (Cay) Investment Fund SPC (the “Company”) was incorporated in the Cayman Islands on 29 October 2010 as a segregated portfolio company with limited liability under the provisions of the Companies Act of the Cayman Islands. The Company has also been registered as a regulated mutual fund under section 4(3) of the Cayman Islands Mutual Funds Act.

The four (2020: six) Segregated Portfolios, namely, UBS Global Bonds Series 1 Segregated Portfolio, UBS Global Bonds Series 2 Segregated Portfolio, UBS Global Bonds Series 3 Segregated Portfolio and UBS China Equity Select Cherry Segregated Portfolio II (collectively, the “Segregated Portfolios”) of the Company have different investment objectives as detailed below.

The investment objective of UBS Global Bonds Series 1 Segregated Portfolio is to seek to provide investors with income from investing in a portfolio of fixed income securities primarily denominated in USD of corporate issuers across global sectors.

The investment objective of UBS Global Bonds Series 2 Segregated Portfolio is to seek to provide investors with income from investing in a portfolio of fixed income securities primarily denominated in USD of global issuers.

UBS Global Bonds Series 3 Segregated Portfolio commenced its operations on 21 June 2019. The investment objective of UBS Global Bonds Series 3 Segregated Portfolio is to seek to achieve total return from investing in a portfolio of primarily USD-denominated fixed income securities of global issuers.

Pursuant to the written resolution of the Board of Directors’ minutes dated 10 February 2022 the Board of Directors has resolved and approved the compulsory redemption and wind down of UBS Global Bonds Series 1 Segregated Portfolio (the “Global Bonds Series 1 Winding Down”). UBS Global Bonds Series 1 Segregated Portfolio has issued a letter to shareholders for compulsory redemption of all the redeemable shares held by the shareholders on 31 January 2022 (date of termination). As a result, the financial statements for the period from 1 January 2021 to 31 January 2022 have been prepared on a non-going concern basis.

UBS China Equity Select Cherry Segregated Portfolio II commenced its operations on 8 February 2021. The investment objective of UBS China Equity Select Cherry Segregated Portfolio II is to seek to achieve total return from investing primarily in equities and other equity share of companies that are either domiciled or primarily active in China.

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

As referred to in Note 1 to the financial statements in the relation to the Global Bonds Series 1 Winding Down, the financial statements of UBS Global Bonds Series 1 Segregated Portfolio for the period from 1 January 2021 to 31 January 2022 (date of termination), has been prepared on a non-going concern basis in this instance. The directors have assessed that the values of all assets and liabilities at the reporting date approximate their net realisable value, and therefore no changes of accounting policies or adjustments have been made in the financial statements in order to reflect the fact that the Segregated Portfolios will be able to realise its assets or to extinguish its liabilities in the normal course of business. There is no material difference between the non-going concern basis and the going concern basis in this instance.

Standards and amendments to existing standards effective 1 January 2021

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2021 that have a material effect on the financial statements of the following Segregated Portfolios:

- UBS Global Bonds Series 1 Segregated Portfolio;
- UBS Global Bonds Series 2 Segregated Portfolio;
- UBS Global Bonds Series 3 Segregated Portfolio; and
- UBS China Equity Select Cherry Segregated Portfolio II.

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

2 Summary of significant accounting policies (Continued)

(a) Basis of preparation (Continued)

New standards, amendments and interpretations effective after 1 January 2021 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2021 or the relevant date of commencement of operations (whichever is later), and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Segregated Portfolios.

(b) Foreign currency translation

(i) Functional and presentation currency

UBS Global Bonds Series 1 Segregated Portfolio, UBS Global Bonds Series 2 Segregated Portfolio and UBS Global Bonds Series 3 Segregated Portfolio

The primary activity of the segregated portfolios is to invest primarily in USD denominated fixed income securities of global issuers. The performance of the segregated portfolios is measured and reported to holders of redeemable shares in USD. The management considers USD as the currency that most faithfully represents the economic effects of the transactions, events and conditions (the “functional currency”). The financial statements of the segregated portfolios are presented in USD, which is the segregated portfolios’ functional and presentation currency.

UBS China Equity Select Cherry Segregated Portfolio II

The primary activity of the segregated portfolios is to primarily invest in equities and other equity share of companies that are either domiciled or primarily active in China. The performance of the segregated portfolios is measured and reported to holders of redeemable shares in USD. The management considers USD as the currency that most faithfully represents the economic effects of the transactions, events and conditions (the “functional currency”). The financial statements of the segregated portfolios are presented in USD, which is the segregated portfolios’ functional and presentation currency.

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

2 Summary of significant accounting policies (Continued)

(b) Foreign currency translation (Continued)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the statement of financial position date.

Foreign exchange gains and losses arising from translation are included in the statement of comprehensive income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the statement of comprehensive income within “net foreign exchange gain/(loss)”.

Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the statement of comprehensive income within “net gains/(losses) on financial assets and liabilities at fair value through profit or loss”.

(c) Financial assets and liabilities at fair value through profit or loss

(i) Classification

The Company classifies its investments based on both the Company’s business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Company is primarily focused on fair value information and use that information to assess the assets’ performance and to make decisions. The Company has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Company’s debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Company’s business model’s objective. Consequently, all investments are measured at fair value through profit or loss.

As such, the Company classifies all of the Segregated Portfolios’ investment portfolio as financial assets or liabilities as fair value through profit or loss.

(ii) Recognition, derecognition and measurement

Regular-way purchases and sales of investments are recognised on trade date - the date on which the Company commits to purchase or sell the investment. Financial assets and liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of comprehensive income.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

2 Summary of significant accounting policies (Continued)

(c) Financial assets and liabilities at fair value through profit or loss (Continued)

(ii) Recognition, derecognition and measurement (Continued)

Subsequent to initial recognition, all financial assets and liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of financial assets or financial liabilities at fair value through profit or loss are presented in the statement of comprehensive income within “net gain/(loss) on financial assets and liabilities at fair value through profit or loss” in the period in which they arise.

(iii) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting date. The Company utilise the last traded market price for both financial assets and financial liabilities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the directors will determine the point within the bid-ask spread that is most representative of fair value.

Investments that are listed or traded on an exchange are fair valued based on quoted last traded prices.

Investments which are not listed on an exchange or are thinly traded are valued by using quoted prices from brokers.

(d) Income and expenses

Dividend income is recognised on the ex-dividend date with the corresponding foreign withholding taxes recorded as an expense and is accounted for in the statement of comprehensive income on an accruals basis.

Interest income and expenses are recognised in the statement of comprehensive income on an accruals basis. Interest on financial assets at fair value through profit or loss is included in net gains/(losses) on financial assets and liabilities at fair value through profit or loss.

Other income and expenses are accounted for on an accrual basis.

(e) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(f) Amounts due from and due to brokers

Amounts due from and to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the year/period end date, respectively. These amounts are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

2 Summary of significant accounting policies (Continued)

(f) Amounts due from and due to brokers (Continued)

At each reporting date, the Company shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Company shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indications that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

(g) Derivative financial instruments

Derivatives are recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and option pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

Subsequent changes in the fair value of any derivative instrument are recognised immediately in the statement of comprehensive income.

(h) Cash and cash equivalents

Cash and cash equivalents include cash at bank and bank deposits with original maturities of three months or less, and bank overdrafts. Cash and cash equivalents exclude deposits with the brokers, margin deposits and restricted cash. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Cash equivalents are defined as those instruments which mature within three months of the date of purchase.

(i) Founder shares and redeemable shares

Founder shares carry no right to dividends, non-redeemable.

A segregated portfolio issues redeemable shares, which are redeemable at the holder's option represents puttable financial instruments of a segregated portfolio. Puttable financial instruments are classified as equity in accordance with IAS 32 (Amendment), "Financial instruments: Presentation" if they meet all the following criteria:

- the puttable financial instruments entitle the holder to a pro-rata share of net asset value;
- the puttable financial instruments are the most subordinated units in issue and unit features are identical;
- there are no contractual obligations to deliver cash or another financial asset; and
- the total expected cash flows from the puttable financial instrument over its life are based substantially on the profit or loss of a segregated portfolio.

Otherwise, puttable financial instruments are classified as financial liability.

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

2 Summary of significant accounting policies (Continued)

(i) Founder shares and redeemable shares (Continued)

Redeemable shares for UBS Global Bonds Series 2 Segregated Portfolio and UBS Global Bonds Series 3 Segregated Portfolio are classified as financial liabilities. Redeemable shares for UBS Global Bonds Series 1 Segregated Portfolio and UBS China Equity Select Cherry Segregated Portfolio II are classified as equity in accordance with IAS 32.

Shares may be redeemed with prior written notice and issued on each dealing day, subject to the discretion of the board of directors. The dealing day is each business day.

Redeemable shares are issued and redeemed at the holder's option at prices based on the Segregated Portfolios' net asset value per share at the time of issue or redemption. The Segregated Portfolios' net asset value per share is calculated by dividing the net assets attributable to the holders of redeemable shares with the total number of outstanding redeemable shares for UBS Global Bonds Series 2 Segregated Portfolio and UBS Global Bonds Series 3 Segregated Portfolio.

The net asset value per share of UBS Global Bonds Series 1 Segregated Portfolio and UBS China Equity Select Cherry Segregated Portfolio II are calculated by dividing the total equity with the total number of outstanding redeemable shares.

(j) Distributions payable to holders of redeemable shares

For UBS Global Bonds Series 1 Segregated Portfolio, the proposed distributions to holders of redeemable shares are recognised in the statement of changes in equity when they are appropriately authorised and no longer at the discretion of the Directors.

For UBS Global Bonds Series 2 Segregated Portfolio and UBS Global Bonds Series 3 Segregated Portfolio, the proposed distributions to holders of redeemable shares are recognised in the statement of comprehensive income when they are appropriately authorised and no longer at the discretion of the Directors. The distribution on the redeemable shares is recognised as a finance cost in the statement of comprehensive income.

(k) Taxation

The Company is domiciled in the Cayman Islands. Under current laws of the Cayman Islands, there are no income, estate, corporation, capital gains or other taxes payable by the Company. As a result, no provision for tax has been made.

The Segregated Portfolios currently incur withholding taxes imposed by certain countries on investment income. Investment income is recorded gross of withholding tax in the statement of comprehensive income. Withholding taxes are shown as a separate item in the statement of comprehensive income.

(l) Preliminary expenses

Preliminary expenses are expensed as incurred.

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

2 Summary of significant accounting policies (Continued)

(m) Collateral

Cash collateral provided by the Segregated Portfolios is identified in the statement of financial position as margin deposits and is not included as a component of cash and cash equivalents. For collateral other than cash, if the party to whom the collateral is provided has the right by contract or custom to sell or re-pledge the collateral, the Segregated Portfolios classify that asset in its statement of financial position separately from other assets and identify the asset as pledged collateral. Where the party to whom the collateral is provided does not have the right to sell or re-pledge, a disclosure of the collateral provided is made in the notes to the financial statements.

(n) Deposits from brokers

Deposits from brokers represents deposits made by the brokers to the Segregated Portfolios for cash collateral on derivatives positions. These amounts are recognised initially at fair value and subsequently measured at amortised cost.

3 Critical accounting estimates and assumptions

The management make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates are continually revaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

3 Critical accounting estimates and assumptions (Continued)

Fair value of investments

The Segregated Portfolios hold a number of unlisted debt securities and derivatives that are valued by reference to broker quotes. In determining the fair value of such investments, the management exercise judgements and estimates on the sources of brokers and the quantity and quality of quotes used. Such quotes adopted to fair value the investments may be indicative and not executable or legally binding. As such, broker quotes do not necessarily indicate the price at which the security could actually be traded as of year/period ended. Actual transacted prices may differ from the quotes provided by the brokers. The management consider that in the absence of any other reliable market sources, the broker quotes available to them reflect the best estimate of fair value.

The Segregated Portfolios' investments in funds are subject to the terms and conditions of the respective offering documentation of the investments in funds. The investments in funds are primarily valued based on the latest available redemption price of such units/shares for each fund, as determined by the respective fund administrators or fund managers of such fund. If necessary, the Segregated Portfolios make adjustments to the net asset value of various investments in funds to obtain the best estimate of fair value.

4 Financial and capital risk management

The Segregated Portfolios of the Company achieve their respective investment objectives through investing into different kinds of financial instruments and are therefore exposed to a variety of financial risks: market risk (including price risk, interest rate risk and currency risk), credit risk and liquidity risk.

The risks and the respective risk management policies employed by the Company to manage these risks are discussed below.

(a) Market risk

(i) Market price risk

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or factors affecting all instruments in the market.

All securities investments present a risk of loss of capital. The Manager moderates this risk through a careful selection of securities and other financial instruments within specified limits.

The Segregated Portfolios' overall market positions are expected to be monitored by the Manager and are expected to be reviewed by the directors on a periodic basis. The Segregated Portfolios' market price risk is managed through diversification of the investment portfolio.

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

4 Financial and capital risk management (Continued)

(a) Market risk (Continued)

(i) Market price risk (Continued)

The tables below summarise the overall market exposure of financial assets and liabilities at fair value through profit or loss as at 31 December 2021 and 31 December 2020.

UBS Global Bonds Series 1 Segregated Portfolio	Fair value 2022 ¹ USD	% of net assets	Fair value 2020 USD	% of net assets
Debt securities				
- Government bonds	-	-	18,876,390	10.86
- Corporate bonds	-	-	151,710,724	87.28
	<hr/>	<hr/>	<hr/>	<hr/>
Financial assets at fair value through profit or loss	-	-	170,587,114	98.14
	<hr/>	<hr/>	<hr/>	<hr/>
Derivative financial instruments				
- Interest rate swaps (note 9)	-	-	4,138,329	2.38
	<hr/>	<hr/>	<hr/>	<hr/>
Financial liabilities at fair value through profit or loss	-	-	4,138,329	2.38
	<hr/>	<hr/>	<hr/>	<hr/>

As at 31 December 2020, all the bonds held directly by UBS Global Bonds Series 1 Segregated Portfolio were sovereign and corporate bonds.

As at 31 January 2022 (date of termination), the Sub-Fund disposed of all investments and did not hold any investments.

¹ At 31 January 2022 (date of termination)

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

4 Financial and capital risk management (Continued)

(a) Market risk (Continued)

(i) Market price risk (Continued)

UBS Global Bonds Series 2 Segregated Portfolio	Fair value 2021 USD	% of net assets	Fair value 2020 USD	% of net assets
Debt securities				
- Government bonds	14,937,893	6.08	32,982,326	8.70
- Corporate bonds	228,170,663	92.85	338,539,396	89.32
Derivative financial instruments				
- Forward foreign exchange contracts (note 9)	1,315,662	0.54	2,252,427	0.60
Financial assets at fair value through profit or loss	<u>244,424,218</u>	<u>99.47</u>	<u>373,774,149</u>	<u>98.62</u>
Derivative financial instruments				
- Interest rate swaps (note 9)	1,170,298	0.48	10,254,097	2.71
- Forward foreign exchange contracts (note 9)	-	-	8,165	0.00
Financial liabilities at fair value through profit or loss	<u>1,170,298</u>	<u>0.48</u>	<u>10,262,262</u>	<u>2.71</u>

As at 31 December 2021 and 2020, all the bonds held directly by UBS Global Bonds Series 2 Segregated Portfolio were sovereign and corporate bonds.

UBS Global Bonds Series 3 Segregated Portfolio	Fair value 2021 USD	% of net assets	Fair value 2020 USD	% of net assets
Debt securities				
- Government bonds	40,289,811	11.38	54,389,569	12.23
- Corporate bonds	312,244,640	88.16	388,157,530	87.28
Financial assets at fair value through profit or loss	<u>352,534,451</u>	<u>99.54</u>	<u>442,547,099</u>	<u>99.51</u>

As at 31 December 2021 and 2020, all the bonds held directly by UBS Global Bonds Series 3 Segregated Portfolio were sovereign and corporate bonds.

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

4 Financial and capital risk management (Continued)

(a) Market risk (Continued)

(i) Market price risk (Continued)

UBS China Equity Select Cherry Segregated Portfolio II	Fair value 2021 USD	% of net assets
Listed investments		
- Equity	61,312,639	96.74
Financial assets at fair value through profit or loss	<u>61,312,639</u>	<u>96.74</u>

As at 31 January 2022 (date of termination), there were no exposures to individual investment security that were greater than 10% of the net assets of UBS Global Bonds Series 1 Segregated Portfolio. As at 31 December 2021, there were no exposures to individual investment security that were greater than 10% of the net assets of UBS Global Bonds Series 2 Segregated Portfolio and UBS Global Bonds Series 3 Segregated Portfolio.

Exposures to investment securities, which were greater than 10% of Segregated Portfolios' net assets were as follows:

At 31 December 2021

Security name	Holding	Fair value USD	% of net assets
UBS China Equity Select Cherry Segregated Portfolio II			
Kweichow Moutai Co Ltd	42,130	13,581,667	21.43

As at 31 December 2020, there were no exposures to individual investment security that were greater than 10% of the net assets of UBS Global Bonds Series 1 Segregated Portfolio, UBS Global Bonds Series 2 Segregated Portfolio and UBS Global Bonds Series 3 Segregated Portfolio.

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

4 Financial and capital risk management (Continued)

(a) Market risk (Continued)

(i) Market price risk (Continued)

Exposures to derivative financial instruments, which the notional amount relating to an individual issuer were greater than 10% of the Segregated Portfolios' net assets, were as follows:

At 31 December 2021

Issuer name	Type of financial instruments	Currency	Notional amount	% of net assets
UBS Global Bonds Series 2 Segregated Portfolio				
Canadian Imperial Bank of Commerce	Forward foreign exchange contract	USD	91,580,140	37.27
Citigroup Global Markets Inc.	Interest rate swaps	USD	113,000,000	45.98

As at 31 January 2022 (date of termination), there were no exposures to derivative financial instruments, which the notional amount relating to an individual issuer were greater than 10% of the net assets of UBS Global Bonds Series 1 Segregated Portfolio. As at 31 December 2021, there were no exposures to derivative financial instruments, which the notional amount relating to an individual issuer were greater than 10% of the net assets of UBS Global Bonds Series 3 Segregated Portfolio and UBS China Equity Select Cherry Segregated Portfolio II.

At 31 December 2020

Issuer name	Type of financial instruments	Currency	Notional amount	% of net assets
UBS Global Bonds Series 1 Segregated Portfolio				
Citigroup Global Markets Inc.	Interest rate swaps	USD	207,000,000	119.09
UBS Global Bonds Series 2 Segregated Portfolio				
JP Morgan Chase Bank N. A. London	Forward foreign exchange contracts	USD	146,398,211	38.63
Citigroup Global Markets Inc.	Interest rate swaps	USD	399,500,000	105.41

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

4 Financial and capital risk management (Continued)

(a) Market risk (Continued)

(i) Market price risk (Continued)

As at 31 December 2020, there were no exposures to derivative financial instruments, which the notional amount relating to an individual issuer were greater than 10% of the net assets of UBS Global Bonds Series 3 Segregated Portfolio.

The maximum exposure to short index futures contracts, forward foreign exchange contracts and interest rate swaps are represented by the notional amounts disclosed in note 9, Derivative financial instruments.

Exposures to investment in bonds of various industry, which were greater than 10% of the Segregated Portfolios' net asset, were as follows:

At 31 December 2021

Industry	Fair value USD	% of net assets
UBS Global Bonds Series 1 Segregated Portfolio¹		
Financial sector	-	-
Cyclical consumer sector	-	-
UBS Global Bonds Series 2 Segregated Portfolio		
Cyclical consumer sector	33,093,720	13.47
Energy sector	43,163,888	17.57
Financial sector	100,952,586	41.08
UBS Global Bonds Series 3 Segregated Portfolio		
Cyclical consumer sector	39,844,147	11.25
Financial Sector	175,715,325	49.61

¹ At 31 January 2022 (date of termination)

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

4 Financial and capital risk management (Continued)

(a) Market risk (Continued)

(i) Market price risk (Continued)

At 31 December 2020

Industry	Fair value USD	% of net assets
UBS Global Bonds Series 1 Segregated Portfolio		
Financial sector	66,807,037	38.43
Cyclical consumer sector	31,854,929	18.33
	Fair value USD	% of net assets
Industry		
UBS Global Bonds Series 2 Segregated Portfolio		
Energy sector	54,558,319	14.40
Financial sector	186,010,433	49.08
	Fair value USD	% of net assets
Industry		
UBS Global Bonds Series 3 Segregated Portfolio		
Government	48,309,431	10.86
Cyclical consumer sector	78,547,520	17.66
Financial sector	153,967,544	34.62

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

4 Financial and capital risk management (Continued)

(a) Market risk (Continued)

(i) Market price risk (Continued)

As at 31 January 2022 (date of termination), there were no exposures to equities of various industry, which were greater than 10% of the net assets of UBS Global Bonds Series 1 Segregated Portfolio. As at 31 December 2021, there were no exposures to equities of various industry, which were greater than 10% of the net assets of UBS Global Bonds Series 2 Segregated Portfolio and UBS Global Bonds Series 3 Segregated Portfolio.

Exposure to investment in equities of various industries, which were greater than 10% of the segregated portfolio's net assets were as follows.

At 31 December 2021

Industry	Fair value USD	% of net assets
UBS China Equity Select Cherry Segregated Portfolio II		
Communications sector	12,826,353	20.24
Cyclical consumer sector	8,800,009	13.88
Financial sector	11,323,991	17.87
Non-cyclical consumer sector	25,175,860	39.72

As at 31 December 2020, there were no exposures to equities of various industry, which were greater than 10% of the net assets of UBS Global Bonds Series 1 Segregated Portfolio, UBS Global Bonds Series 2 Segregated Portfolio and UBS Global Bonds Series 3 Segregated Portfolio.

The following table shows the market exposure the Segregated Portfolios have to various markets.

	UBS China Equity Select Cherry Segregated Portfolio II
	% of Investment
	2021
Equities	
Cayman Islands	0.23
China	35.28
Hong Kong	55.34
United Kingdom	2.40
United States of America	6.75
Total	100.00

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

4 Financial and capital risk management (Continued)

(a) Market risk (Continued)

(i) Market price risk (Continued)

	UBS Global Bonds Series 1 Segregated Portfolio		UBS Global Bonds Series 2 Segregated Portfolio		UBS Global Bonds Series 3 Segregated Portfolio	
	% of Investment	% of Investment	% of Investment	% of Investment	% of Investment	% of Investment
	2022 ¹	2020	2021	2020	2021	2020
Bonds						
Argentina	-	-	0.66	0.41	-	0.38
Azerbaijan	-	-	-	-	-	0.12
Bahrain	-	-	-	-	-	-
British Virgin Islands	-	-	-	0.56	-	-
Brazil	-	0.83	-	-	2.48	2.03
Canada	-	2.27	-	1.88	0.59	1.77
Curacao	-	1.07	-	1.54	-	-
Cayman Islands	-	-	-	6.53	-	-
Chile	-	1.03	2.73	5.17	-	-
China	-	4.12	6.20	-	4.49	9.35
Colombia	-	-	-	-	1.17	0.71
Costa Rica	-	2.21	-	0.17	0.63	0.49
Denmark	-	-	-	-	1.83	1.51
Dominican Republic	-	-	-	-	-	-
Ecuador	-	0.20	-	-	-	-
Egypt	-	-	2.75	1.92	1.01	1.58
El Salvador	-	-	-	-	0.23	-
France	-	2.38	-	-	-	-
Germany	-	6.09	-	3.81	-	-
Ghana	-	-	-	-	-	0.29
Hong Kong	-	0.20	-	7.76	-	-
India	-	1.86	6.29	3.12	2.25	0.74
Indonesia	-	3.00	-	2.89	0.27	0.22
Ireland	-	2.86	-	3.49	-	1.58
Isle of Man	-	-	-	-	-	0.11
Israel	-	-	-	-	1.01	0.56
Italy	-	-	-	-	2.69	2.47
Japan	-	3.75	3.99	-	-	3.08
Jersey	-	-	-	0.92	-	-
Kuwait	-	-	2.41	-	1.29	2.85

¹ At 31 January 2022 (date of termination)

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

4 Financial and capital risk management (Continued)

(a) Market risk (Continued)

(i) Market price risk (Continued)

	UBS Global Bonds Series 1 Segregated Portfolio		UBS Global Bonds Series 2 Segregated Portfolio		UBS Global Bonds Series 3 Segregated Portfolio	
	% of Investment	% of Investment	% of Investment	% of Investment	% of Investment	% of Investment
	2022 ¹	2020	2021	2020	2021	2020
Bonds (Continued)						
Lebanon	-	0.11	0.25	0.24	0.35	0.38
Luxembourg	-	-	-	5.12	-	-
Mauritius	-	-	-	-	-	1.33
Mexico	-	3.66	4.96	2.97	3.67	4.12
Mongolia	-	0.70	-	0.88	0.85	0.69
Multinational	-	2.52	-	-	-	-
Namibia	-	1.00	-	0.57	-	-
Netherlands	-	-	0.63	3.39	-	-
Nigeria	-	0.62	-	0.17	1.22	1.02
Norway	-	0.79	-	-	-	-
Oman	-	-	3.14	1.68	2.18	1.45
Pakistan	-	-	-	1.21	0.13	0.10
Peru	-	-	2.10	1.46	-	-
Qatar	-	1.48	0.38	-	5.21	4.26
Republic of Korea	-	1.82	2.08	-	6.36	5.26
Russia	-	1.99	16.23	-	4.30	3.33
Saudi Arabia	-	-	2.19	-	3.31	2.70
Senegal	-	0.94	-	-	-	-
Singapore	-	0.16	-	-	-	0.47
South Africa	-	-	-	0.28	1.33	1.20
Spain	-	-	-	-	0.55	3.34
Sri Lanka	-	-	-	-	-	-
Switzerland	-	-	4.99	-	-	-
Supranational (Historic)	-	-	-	-	0.90	-
Thailand	-	-	0.41	-	-	-
Turkey	-	5.92	5.87	6.36	2.94	2.42
Ukraine	-	1.93	-	2.40	2.96	3.20

¹ At 31 January 2022 (date of termination)

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

4 Financial and capital risk management (Continued)

(a) Market risk (Continued)

(i) Market price risk (Continued)

	UBS Global Bonds Series 1 Segregated Portfolio		UBS Global Bonds Series 2 Segregated Portfolio		UBS Global Bonds Series 3 Segregated Portfolio	
	% of Investment 2022 ¹	% of Investment 2020	% of Investment 2021	% of Investment 2020	% of Investment 2021	% of Investment 2020
Bonds (Continued)						
United Arab Emirates	-	4.55	-	-	9.13	7.02
United Kingdom	-	7.11	-	3.87	7.96	5.61
United States of America	-	35.32	31.68	31.43	26.71	22.26
	<u>-</u>	<u>102.49</u>	<u>99.94</u>	<u>102.20</u>	<u>100.00</u>	<u>100.00</u>
	-----	-----	-----	-----	-----	-----
Interest rate swaps	-	(2.49)	(0.48)	(2.82)	-	-
Forward foreign exchange contracts	-	-	0.54	0.62	-	-
	<u>-</u>	<u>-</u>	<u>0.54</u>	<u>0.62</u>	<u>-</u>	<u>-</u>
Total	<u>-</u>	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>
	=====	=====	=====	=====	=====	=====

¹ At 31 January 2022 (date of termination)

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

4 Financial and capital risk management (Continued)

(a) Market risk (Continued)

(i) Market price risk (Continued)

UBS Global Bonds Series 1 Segregated Portfolio

The portfolio of UBS Global Bonds Series 1 Segregated Portfolio has market exposure to global issuers, as the segregated portfolio primarily invests in USD-denominated fixed income securities of global issuers. As at 31 January 2022 (date of termination), UBS Global Bonds Series 1 Segregated Portfolio disposed of all investments and did not hold any investments. As at 31 December 2020, all investments held directly by UBS Global Bonds Series 1 Segregated Portfolio, were of sovereign, quasi-sovereign or corporate issuers.

UBS Global Bonds Series 2 Segregated Portfolio

The portfolio of UBS Global Bonds Series 2 Segregated Portfolio has market exposure to global issuers, as the segregated portfolio primarily invests in USD-denominated fixed income securities of global issuers. As at 31 December 2021 and 31 December 2020, all investments held directly by UBS Global Bonds Series 2 Segregated Portfolio, were of sovereign, quasi-sovereign government-related and corporate issuers.

UBS Global Bonds Series 3 Segregated Portfolio

The portfolio of UBS Global Bonds Series 3 Segregated Portfolio has market exposure to global issuers, as the segregated portfolio primarily invests in USD-denominated fixed income securities of global issuers. As at 31 December 2021 and 31 December 2020, all investments held directly by UBS Global Bonds Series 3 Segregated Portfolio, were of sovereign, quasi-sovereign government-related and corporate issuers.

UBS China Equity Select Cherry Segregated Portfolio II

The portfolio of UBS China Equity Select Cherry Segregated Portfolio II has market exposure to equities and other equity share of companies that are either domiciled or primarily active in China. As at 31 December 2021, all investments held directly by UBS China Equity Select Cherry Segregated Portfolio II, were of equity instruments and other equity shares such as American depositary receipts.

If there is a 5% increase in the market value of the investments as of 31 December 2021, the net assets of the segregated portfolio will increase by USD3,065,632.

The Manager has used their view of what would be a “reasonable shift” in each key market to estimate the change for use in the market sensitivity analysis above. Disclosures above are shown in absolute terms, changes and impacts could be positive or negative. Changes in market index % are revised annually depending on the Manager’s current view of market volatility and other relevant factors.

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

4 Financial and capital risk management (Continued)

(a) Market risk (Continued)

(i) Market price risk (Continued)

Sensitivity analysis of the fixed income portfolio of UBS Global Bonds Series 1 Segregated Portfolio, UBS Global Bonds Series 2 Segregated Portfolio and UBS Global Bonds Series 3 Segregated Portfolio are excluded in the analysis, the sensitivity analysis of them are discussed under interest rate risk in note 4(a)(ii).

(ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The tables below provide the Segregated Portfolios' cash and cash equivalent as at 31 December 2021 and 2020.

	Cash at banks	% of net assets
2021		
UBS Global Bonds Series 1 Segregated Portfolio ¹	USD156,735,853	N/A
UBS Global Bonds Series 2 Segregated Portfolio	USD1,543,860	0.63
UBS Global Bonds Series 3 Segregated Portfolio	USD2,619,447	0.74
UBS China Equity Select Cherry Segregated Portfolio II	USD2,225,682	3.51
2020		
UBS Global Bonds Series 1 Segregated Portfolio	USD2,979,607	1.71
UBS Global Bonds Series 2 Segregated Portfolio	USD4,328,626	1.14
UBS Global Bonds Series 3 Segregated Portfolio	USD2,399,693	0.54

Certain financial assets and liabilities held by the Segregated Portfolios are interest bearing. As a result, the Manager considers that the Segregated Portfolios are subject to risks due to fluctuations in the prevailing levels of market interest rates. Change in the fair value of the interest bearing portfolio is monitored via risk measures such as interest rate duration and credit spread duration.

¹ At 31 January 2022 (date of termination)

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

4 Financial and capital risk management (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk (Continued)

The tables below summarise the Segregated Portfolios' exposure to interest rate risk categorised by the earlier of contractual repricing or maturity dates.

UBS Global Bonds Series 1 Segregated Portfolio

	Up to 1 year USD	1-5 years USD	Over 5 years USD	Non- interest bearing USD	Total USD
At 31 January 2022 (date of termination)					
Other receivables and prepayments	-	-	-	4	4
Margin deposits	8	-	-	-	8
Cash at banks	156,735,853	-	-	-	156,735,853
Total assets	156,735,861	-	-	4	156,735,865
Management fee payable	-	-	-	55,898	55,898
Fund servicing fee payable	-	-	-	6,654	6,654
Accounts payable on redemption	-	-	-	156,664,437	156,664,437
Accounts payable and accrued expenses	-	-	-	8,876	8,876
Total liabilities	-	-	-	156,735,865	156,735,865
Total interest sensitivity gap	156,735,861	-	-		

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

4 Financial and capital risk management (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk (Continued)

UBS Global Bonds Series 1 Segregated Portfolio (Continued)

	Up to 1 year USD	1-5 years USD	Over 5 years USD	Non- interest bearing USD	Total USD
At 31 December 2020					
Financial assets at fair value through profit or loss	137,520,707	33,066,407	-	-	170,587,114
Margin deposits	4,515,136	-	-	-	4,515,136
Deposits with brokers	15,314	-	-	-	15,314
Cash at banks	2,979,607	-	-	-	2,979,607
Total assets	145,030,764	33,066,407	-	-	178,097,171
Financial liabilities at fair value through profit or loss	3,421,017	717,312	-	-	4,138,329
Management fee payable	-	-	-	109,883	109,883
Fund servicing fee payable	-	-	-	7,356	7,356
Accounts payable and accrued expenses	-	-	-	21,110	21,110
Total liabilities	3,421,017	717,312	-	138,349	4,276,678
Total interest sensitivity gap	141,609,747	32,349,095	-		

At 31 January 2022 (date of termination), should interest rates have lowered/risen by 10 basis points with all other variables remaining constant, the decrease/increase in net assets attributable to holders of redeemable shares for the period would amount to approximately USD156,736 (2020: increase/decrease of USD103,308), arising substantially from the increase/decrease in interest income from cash at banks and margin deposits (2020: debt securities and interest rate swaps).

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

4 Financial and capital risk management (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk (Continued)

UBS Global Bonds Series 2 Segregated Portfolio

	Up to 1 year USD	1-5 years USD	Over 5 years USD	Non- interest bearing USD	Total USD
At 31 December 2021					
Financial assets at fair value through profit or loss	242,497,618	-	610,938	1,315,662	244,424,218
Margin deposits	884,257	-	-	-	884,257
Deposits with brokers	362,267	-	-	-	362,267
Cash at banks	1,543,860	-	-	-	1,543,860
Total assets	245,288,002	-	610,938	1,315,662	247,214,602
Financial liabilities at fair value through profit or loss	1,170,298	-	-	-	1,170,298
Management fee payable	-	-	-	266,581	266,581
Fund servicing fee payable	-	-	-	10,409	10,409
Accounts payable and accrued expenses	-	-	-	29,515	29,515
Total liabilities (excluding net assets attributable to holders of redeemable shares)	1,170,298	-	-	306,505	1,476,803
Total interest sensitivity gap	244,117,704	-	610,938		

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

4 Financial and capital risk management (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk (Continued)

UBS Global Bonds Series 2 Segregated Portfolio (Continued)

	Up to 1 year USD	1-5 years USD	Over 5 years USD	Non- interest bearing USD	Total USD
At 31 December 2020					
Financial assets at fair value through profit or loss	151,620,781	219,900,941	-	2,252,427	373,774,149
Margin deposits	11,524,491	-	-	-	11,524,491
Deposits with brokers	355,659	-	-	-	355,659
Cash at banks	4,328,626	-	-	-	4,328,626
Total assets	167,829,557	219,900,941	-	2,252,427	389,982,925
Financial liabilities at fair value through profit or loss	7,398,926	2,855,171	-	8,165	10,262,262
Due to brokers	-	-	-	257,804	257,804
Management fee payable	-	-	-	410,713	410,713
Fund servicing fee payable	-	-	-	16,068	16,068
Accounts payable and accrued expenses	-	-	-	33,883	33,883
Total liabilities (excluding net assets attributable to holders of redeemable shares)	7,398,926	2,855,171	-	726,633	10,980,730
Total interest sensitivity gap	160,430,631	217,045,770	-		

At 31 December 2021, should interest rates have lowered/risen by 10 basis points with all other variables remaining constant, the increase/decrease in net assets attributable to holders of redeemable shares for the period would amount to approximately USD70,496 (2020: USD83,533), arising substantially from the increase/decrease in market values of debt securities and interest rate swaps (2020: debt securities and interest rate swaps).

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

4 Financial and capital risk management (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk (Continued)

UBS Global Bonds Series 3 Segregated Portfolio

	Up to 1 year USD	1-5 years USD	Over 5 years USD	Non- interest bearing USD	Total USD
At 31 December 2021					
Financial assets at fair value through profit or loss	44,332,587	307,766,239	435,625	-	352,534,451
Amounts receivable on subscription	-	-	-	415,200	415,200
Other receivables and prepayments	-	-	-	5	5
Cash at banks	2,619,447	-	-	-	2,619,447
Total assets	46,952,034	307,766,239	435,625	415,205	355,569,103
Management fee payable	-	-	-	140,932	140,932
Fund servicing fee payable	-	-	-	15,383	15,383
Accounts payable on redemption	-	-	-	1,190,292	1,190,292
Accounts payable and accrued expenses	-	-	-	30,781	30,781
Other payables	-	-	-	1,000	1,000
Total liabilities (excluding net assets attributable to holders of redeemable shares)	-	-	-	1,378,388	1,378,388
Total interest sensitivity gap	46,952,034	307,766,239	435,625		

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

4 Financial and capital risk management (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk (Continued)

UBS Global Bonds Series 3 Segregated Portfolio (Continued)

	Up to 1 year USD	1-5 years USD	Over 5 years USD	Non- interest bearing USD	Total USD
At 31 December 2020					
Financial assets at fair value through profit or loss	2,644,262	439,902,837	-	-	442,547,099
Cash at banks	2,399,693	-	-	-	2,399,693
Total assets	5,043,955	439,902,837	-	-	444,946,792
Management fee payable	-	-	-	174,002	174,002
Fund servicing fee payable	-	-	-	19,310	19,310
Accounts payable and accrued expenses	-	-	-	34,607	34,607
Other payables	-	-	-	963	963
Total liabilities (excluding net assets attributable to holders of redeemable shares)	-	-	-	228,882	228,882
Total interest sensitivity gap	5,043,955	439,902,837	-		

At 31 December 2021, should interest rates have lowered/risen by 10 basis points with all other variables remaining constant, the increase/decrease in net assets attributable to holders of redeemable shares for the period would amount to approximately USD443,963 (2020: USD871,696), arising substantially from the increase/decrease in market values of debt securities (2020: debt securities).

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

4 Financial and capital risk management (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk (Continued)

UBS China Equity Select Cherry Segregated Portfolio II

	Up to 1 year USD	1-5 years USD	Over 5 years USD	Non- interest bearing USD	Total USD
At 31 December 2021¹					
Financial assets at fair value through profit or loss	-	-	-	61,312,639	61,312,639
Other receivables and prepayments	-	-	-	30	30
Cash at banks	2,225,682	-	-	-	2,225,682
Total assets	2,225,682	-	-	61,312,669	63,538,351
Management fee payable	-	-	-	133,722	133,722
Fund servicing fee payable	-	-	-	3,714	3,714
Accounts payable and accrued expenses	-	-	-	19,031	19,031
Total liabilities	-	-	-	156,467	156,467
Total interest sensitivity gap	2,225,682	-	-		

¹ For the period from 8 February 2021 (date of commencement of operations) to 31 December 2021.

As at 31 December 2021, should interest rates have lowered/risen by 10 basis point with all other variables remaining constant, the decrease/increase in net assets attributable to holders of redeemable shares for the period would amount to approximately USD2,226, arising substantially from the decrease/increase in interest income from cash at banks.

The Manager has used their view of what would be a “reasonable shift” in the market interest rates to estimate the change for use in the interest rate risk sensitivity analysis above.

Disclosures above are shown in absolute terms, changes and impacts could be positive or negative. Changes in basis points are revised annually depending on the Manager’s current view of market interest rate sensitivity and other relevant factors.

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

4 Financial and capital risk management (Continued)

(a) Market risk (Continued)

(iii) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

UBS Global Bonds Series 2 Segregated Portfolio

The segregated portfolios have assets and liabilities dominated in currencies other than USD, the segregated portfolios' functional and presentation currency. The segregated portfolios are therefore exposed to currency risk, as the value of the assets and liabilities denominated in other currencies will fluctuate due to changes in exchange rates. Forward contracts have been entered to hedge non-USD currency risk for UBS Global Bonds Series 2 Segregated Portfolio.

UBS China Equity Select Cherry Segregated Portfolio II

The segregated portfolio has assets and liabilities dominated in currencies other than USD, the segregated portfolios' functional and presentation currency. The segregated portfolio is therefore exposed to currency risk, as the value of the assets and liabilities denominated in other currencies will fluctuate due to changes in exchange rates.

UBS Global Bonds Series 1 Segregated Portfolio and UBS Global Bonds Series 3 Segregated Portfolio

There is no material assets and liabilities of the segregated portfolio denominated in currencies other than USD, therefore the segregated portfolio's functional and presentation currency are not exposed to significant foreign exchange risk.

The forward foreign exchange contracts held by the UBS Global Bonds Series 2 Segregated Portfolio are for class hedging purposes only.

UBS (CAY) INVESTMENT FUND SPC**NOTES TO THE FINANCIAL STATEMENTS****4 Financial and capital risk management (Continued)****(a) Market risk (Continued)****(iii) Currency risk (Continued)**

The tables below summarise the Segregated Portfolios' monetary and non-monetary net exposure to currency risk as of 31 December 2021 and 2020, which are denominated in major currencies other than the presentation currencies.

Net currency exposures	2021 USD equivalent	2020 USD equivalent
UBS Global Bonds Series 2 Segregated Portfolio		
Monetary:		
Singaporean Dollar	93,137,423	147,311,550
UBS China Equity Select Cherry Segregated Portfolio II		
Non-Monetary:		
Renminbi	21,634,240	-

The table below summarises the impact on the net assets of UBS Global Bonds Series 2 Segregated Portfolio and UBS China Equity Select Cherry Segregated Portfolio II in response to theoretical possible increases/decreases of key exchange rates to the exposures tabled above, which the Segregated Portfolios are exposed. The analysis is based on the assumption that the exchange rates had increased/decreased by the respective percentage with all other variables held constant.

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

4 Financial and capital risk management (Continued)

(a) Market risk (Continued)

(iii) Currency risk (Continued)

	Currency	Possible reasonable shift	Impact on net assets
2021			
UBS Global Bonds Series 2 Segregated Portfolio	SGD	+/- 10%	+/-USD9,306,242
UBS China Equity Select Cherry Segregated Portfolio II	RMB	+/- 10%	+/- USD2,163,424
2020			
UBS Global Bonds Series 2 Segregated Portfolio	SGD	+/- 10%	+/-USD14,731,155

The Manager has used their view of what would be a “reasonable shift” in exchange rates to estimate the change for use in currency risk sensitivity analysis above.

Disclosures above are shown in absolute terms, changes and impacts could be positive or negative. Changes in exchange rate % are revised annually depending on the Manager’s current view of exchange rates volatility and other relevant factors.

(b) Credit and counterparty risk

Credit and counterparty risk is the risk that an issuer or counterparty will be unable or unwilling to pay amounts in full when due.

The Segregated Portfolios’ financial assets which are potentially subject to concentrations of credit risk consist principally of bank deposits and assets held with the custodians. The Segregated Portfolios limit their exposure to credit risk by transacting the majority of its investments and contractual commitment activities with broker-dealers, banks and regulated exchanges with high credit ratings and that the Company considers to be well established.

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

4 Financial and capital risk management (Continued)

(b) Credit and counterparty risk (Continued)

All transactions in investments are settled/paid for upon delivery using approved and reputable brokers. The risk of default is considered minimal as delivery of investments sold is only made once the broker has received payment. Payment is made on a purchase once the investments have been received by the broker. The trade will fail if either party fails to meet its obligation.

The tables below summarise the credit ratings of the counterparties including banks, brokers and custodian:

UBS Global Bonds Series 1 Segregated Portfolio

At 31 January 2022 (date of termination)

	USD	Credit rating	Source of credit rating
<u>Banks</u>			
Hongkong and Shanghai Banking Corporation Ltd	156,735,853	AA-	Standard & Poor's
Citigroup Global Markets Inc.	8	A+	Standard & Poor's

As at 31 January 2022 (date of termination), UBS Global Bonds Series 1 Segregated Portfolio did not hold any assets with HSBC Institutional Trust Services (Asia) Ltd which is the custodian of UBS Global Bonds Series 1 Segregated Portfolio.

At 31 December 2020

	USD	Credit rating	Source of credit rating
<u>Custodian</u>			
HSBC Institutional Trust Services (Asia) Ltd	170,587,114	A- ¹	Standard & Poor's
<u>Banks</u>			
Hongkong and Shanghai Banking Corporation Ltd	2,979,607	AA-	Standard & Poor's
Citigroup Global Markets Inc.	4,530,450	A+	Standard & Poor's

All derivative financial instruments represent outstanding interest rate swaps as disclosed in note 9. The counterparties of these contracts are Morgan Stanley & Co. International PLC (with credit rating of A+ from Standard & Poor's), Bank of America N.A. (with credit rating of A+ from Standard & Poor's), JP Morgan Chase Bank N. A. (with credit rating of A+ from Standard & Poor's) and Goldman Sachs AG (with credit rating of A+ from Standard & Poor's).

¹ The rating A- (2020: A-) refers to the Standard & Poor's credit rating of HSBC Holding Plc, the holding company of HSBC Institutional Trust Services (Asia) Ltd.

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

4 Financial and capital risk management (Continued)

(b) Credit and counterparty risk (Continued)

UBS Global Bonds Series 2 Segregated Portfolio

At 31 December 2021

	USD	Credit rating	Source of credit rating
<u>Custodian</u>			
HSBC Institutional Trust Services (Asia) Ltd	243,108,556	A- ¹	Standard & Poor's
<u>Banks</u>			
Hongkong and Shanghai Banking Corporation Ltd	1,543,860	AA-	Standard & Poor's
Citigroup Global Markets Inc.	1,246,524	A+	Standard & Poor's

All derivative financial instruments represent outstanding forward foreign exchange contracts and interest rate swaps as disclosed in note 9. The counterparties of these contracts are Deutsche Bank AG (with credit rating of A- from Standard & Poor's), Canadian Imperial Bank of Commerce (with credit rating of A+ from Standard & Poor's), JP Morgan Chase Bank N.A. (with credit rating of A+ from Standard & Poor's), BNP Paribas (with credit rating of A+ from Standard & Poor's) and Citigroup Global Markets Inc. (with credit rating of A+ from Standard & Poor's).

At 31 December 2020

	USD	Credit rating	Source of credit rating
<u>Custodian</u>			
HSBC Institutional Trust Services (Asia) Ltd	371,521,722	A- ¹	Standard & Poor's
<u>Banks</u>			
Hongkong and Shanghai Banking Corporation Ltd	4,328,626	AA-	Standard & Poor's
Citigroup Global Markets Inc.	11,880,150	A+	Standard & Poor's

All derivative financial instruments represent outstanding forward foreign exchange contracts and interest rate swaps as disclosed in note 9. The counterparties of these contracts are Deutsche Bank AG (with credit rating of BBB+ from Standard & Poor's), JP Morgan Chase Bank N. A. (with credit rating of A+ from Standard & Poor's), BNP Paribas (with credit rating of A+ from standard & Poor's), Citigroup Global Markets Inc. (with credit rating of A+ from Standard & Poor's) and HSBC Bank PLC (with credit rating of A+ from Standard & Poor's).

UBS Global Bonds Series 3 Segregated Portfolio

At 31 December 2021

	USD	Credit rating	Source of credit rating
<u>Custodian</u>			
HSBC Institutional Trust Services (Asia) Ltd	352,534,451	A- ¹	Standard & Poor's
<u>Banks</u>			
Hongkong and Shanghai Banking Corporation Ltd	2,619,447	AA-	Standard & Poor's

¹ The rating A- (2020: A-) refers to the Standard & Poor's credit rating of HSBC Holding Plc, the holding company of HSBC Institutional Trust Services (Asia) Ltd.

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

4 Financial and capital risk management (Continued)

(b) Credit and counterparty risk (Continued)

UBS Global Bonds Series 3 Segregated Portfolio (Continued)

At 31 December 2020

	USD	Credit rating	Source of credit rating
<u>Custodian</u>			
HSBC Institutional Trust Services (Asia) Ltd	442,547,099	A- ¹	Standard & Poor's
<u>Banks</u>			
Hongkong and Shanghai Banking Corporation Ltd	2,399,693	AA-	Standard & Poor's

UBS China Equity Select Cherry Segregated Portfolio II

At 31 December 2021²

	USD	Credit rating	Source of credit rating
<u>Custodian</u>			
HSBC Institutional Trust Services (Asia) Ltd	61,312,639	A- ¹	Standard & Poor's
<u>Banks</u>			
Hongkong and Shanghai Banking Corporation Ltd	2,225,682	AA-	Standard & Poor's

¹ The rating A- (2020: A-) refers to the Standard & Poor's credit rating of HSBC Holding Plc, the holding company of HSBC Institutional Trust Services (Asia) Ltd.

² For the period from 8 February 2021 (date of commencement of operations) to 31 December 2021.

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

4 Financial and capital risk management (Continued)

(b) Credit and counterparty risk (Continued)

The tables below summarise the credit rating for debt securities of the investment portfolio by Standard & Poor's/Moody's:

Portfolio by rating category

	UBS Global Bonds Series 1 Segregated Portfolio¹		UBS Global Bonds Series 2 Segregated Portfolio		UBS Global Bonds Series 3 Segregated Portfolio	
	% of total bonds investments	% of total bonds investments	% of total bonds investments	% of total bonds investments	% of total bonds investments	% of total bonds investments
	2022	2020	2021	2020	2021	2020
AA/Aa	-	4.53	-	4.18	14.14	11.99
A/A	-	8.47	12.54	7.15	11.49	9.99
BBB/Baa	-	40.73	38.27	35.87	23.28	21.86
BB/Ba	-	17.88	33.76	32.90	33.50	27.60
B/B	-	19.80	12.43	13.60	13.24	23.96
CCC/Caa	-	3.71	0.66	4.11	0.83	2.17
CC/Ca	-	-	-	-	-	-
C/C	-	0.11	0.25	0.23	0.92	0.38
Not Rated	-	4.77	2.09	1.96	2.60	2.05
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	-	100.00	100.00	100.00	100.00	100.00
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

¹ At 31 January 2022 (date of termination).

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

4 Financial and capital risk management (Continued)

(b) Credit and counterparty risk (Continued)

All the debt securities which are unrated are fixed income instruments ranging from quasi-sovereign of nature to corporates and financials. In terms of assignment of credit ratings, for financial senior instruments that are unrated in nature (example: A 3M certificate of deposit with a Chinese bank), the issuer rating is assigned to such short-dated instruments.

For corporate instruments which are unrated, UBS Asset Management operates a global research platform shared by all of the firm's research analysts located in the main financial centers around the world. It employs a team of 20+ credit research analysts divided into industry and regional coverage. The credit review process relies on a combination of qualitative and quantitative factors in our credit analysis. Its qualitative assessment focuses, among other factors, on management strength, market position, competitive environment, and financial flexibility. Its quantitative assessment focuses on historical operating results, calculation of various credit ratios and an expected future outlook. The objective of the credit review process is to identify securities offering relative value, including anticipation of rating actions by the major rating agencies.

Its credit research effort produces internal gradings on sectors and issuers within sectors. The analyst will determine a rating (which may differ from the ratings produced by Moody's or Standard and Poor's). They will then determine a trend on the rating - likely to be improving, stable or negative.

The Manager has assessed the credit quality of the debt securities based on the nature of the issuers and the historical information about the issuers' default rates.

As at 31 December 2021 and 2020, the Manager considered that the credit quality and creditworthiness of unrated debt securities are comparable to other debt securities that the Segregated Portfolios held.

All transactions in listed securities are settled/paid for upon delivery using approved and reputable brokers. The risk of default is considered minimal as delivery of securities sold is only made when the broker has received payment. Payment is made on a purchase when the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

The Segregated Portfolios measure credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management consider both historical analysis and forward looking information in determining any expected credit loss. At 31 December 2021 and 2020, all due from broker, dividend receivable, other receivable and prepayments, margin deposits, deposit with brokers and cash at banks are held with counterparties with a credit rating of A or higher and are due to be settled within 1 week. Management consider the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Fund.

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

4 Financial and capital risk management (Continued)

(b) Credit and counterparty risk (Continued)

Offsetting and amounts subject to master netting arrangements and similar agreements

As at 31 January 2022 (date of termination)/31 December 2021, the Segregated Portfolios (except for UBS Global Bonds Series 3 Segregated Portfolio and UBS China Equity Select Cherry Segregated Portfolio II) were subject to certain master netting arrangements with their derivative counterparties. All of the derivative assets and liabilities of the Segregated Portfolios are held with these counterparties and the margin balance maintained by the Segregated Portfolios is for the purpose of providing collateral on derivative positions.

As at 31 December 2020, the Segregated Portfolios (except for UBS Global Bonds Series 3 Segregated Portfolio) were subject to certain master netting arrangements with their derivative counterparties. All of the derivative assets and liabilities of the Segregated Portfolios are held with these counterparties and the margin balance maintained by the Segregated Portfolios is for the purpose of providing collateral on derivative positions.

The following tables present the Segregated Portfolio's assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements. The tables are presented by types of financial instruments.

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

4 Financial and capital risk management (Continued)

(b) Credit and counterparty risk (Continued)

Offsetting and amounts subject to master netting arrangements and similar agreements (Continued)

UBS Global Bonds Series 1 Segregated Portfolio

Assets subject to offsetting, enforceable master netting arrangement and similar agreements

At 31 January 2022 (date of termination)			
	A	B	C = A – B
		Gross amount of recognised financial liabilities offset in the statement of financial position	Net amount of financial assets presented in the statement of financial position
	Gross amount of recognised financial assets	of financial position	financial position
	USD	USD	USD
Type of assets			
Margin deposits	8	-	8

Liabilities subject to offsetting enforceable master netting arrangement and similar agreements

As at 31 January 2022 (date of termination) there were no Liabilities subject to offsetting enforceable master netting arrangement and similar agreements.

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

4 Financial and capital risk management (Continued)

(b) Credit and counterparty risk (Continued)

Offsetting and amounts subject to master netting arrangements and similar agreements (Continued)

UBS Global Bonds Series 1 Segregated Portfolio (Continued)

Financial assets and liabilities subject to offsetting enforceable master netting arrangement and similar agreements

At 31 January 2022 (date of termination)			
$C = A - B$	D1	D2	$E = C - D1 - D2$
	Related amounts not set-off in the statement of financial position		
Net amounts of financial assets presented in the statement of financial position USD	Financial instruments USD	Cash collateral USD	Net credit exposure USD
Financial assets			
Citigroup Global Markets Inc	8	-	8

Amounts in D1 and D2 above relate to amounts subject to set-off that do not qualify for offsetting under (B) above. This includes (i) amounts which are subject to set-off against the asset (or liability) disclosed in "A" which have not been offset in the statement of financial position, and (ii) any financial collateral (including cash collateral), both received and pledged.

Assets subject to offsetting, enforceable master netting arrangement and similar agreements

At 31 December 2020		
A	B	$C = A - B$
Gross amount of recognised financial assets USD	Gross amount of recognised financial liabilities offset in the statement of financial position USD	Net amount of financial assets presented in the statement of financial position USD
Type of assets		
Margin deposits	4,515,136	-
Deposit with brokers	15,314	-

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

4 Financial and capital risk management (Continued)

(b) Credit and counterparty risk (Continued)

Offsetting and amounts subject to master netting arrangements and similar agreements (Continued)

UBS Global Bonds Series 1 Segregated Portfolio (Continued)

Liabilities subject to offsetting enforceable master netting arrangement and similar agreements

	At 31 December 2020		
	A	B	C = A – B
	Gross amount of recognised financial liabilities USD	Gross amount of recognised financial liabilities offset in the statement of financial position USD	Net amount of financial liabilities presented in the statement of financial position USD
Type of liabilities			
Financial liabilities at fair value through profit or loss	4,138,329	-	4,138,329

Financial assets and liabilities subject to offsetting enforceable master netting arrangement and similar agreements

	At 31 December 2020		
	C = A – B	D1 D2	E = C – D1 – D2
	Net amounts of financial assets presented in the statement of financial position USD	Related amounts not set-off in the statement of financial position Financial instruments USD Cash collateral USD	Net credit exposure USD
Financial assets			
Citigroup Global Markets Inc	4,530,450	4,138,329	-
Financial liabilities			
Citigroup Global Markets Inc	4,138,329	4,138,329	-

Amounts in D1 and D2 above relate to amounts subject to set-off that do not qualify for offsetting under (B) above. This includes (i) amounts which are subject to set-off against the asset (or liability) disclosed in "A" which have not been offset in the statement of financial position, and (ii) any financial collateral (including cash collateral), both received and pledged.

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

4 Financial and capital risk management (Continued)

(b) Credit and counterparty risk (Continued)

Offsetting and amounts subject to master netting arrangements and similar agreements (Continued)

UBS Global Bonds Series 2 Segregated Portfolio

Assets subject to offsetting, enforceable master netting arrangement and similar agreements

	A	At 31 December 2021 B	C = A – B
	Gross amount of recognised financial assets USD	Gross amount of recognised financial liabilities offset in the statement of financial position USD	Net amount of financial assets presented in the statement of financial position USD
Type of assets			
Financial assets at fair value through profit or loss	1,315,662	-	1,315,662
Margin deposits	884,257	-	884,257
Deposit with brokers	362,267	-	362,267

Liabilities subject to offsetting enforceable master netting arrangement and similar agreements

	A	At 31 December 2021 B	C = A – B
	Gross amount of recognised financial liabilities USD	Gross amount of recognised financial liabilities offset in the statement of financial position USD	Net amount of financial liabilities presented in the statement of financial position USD
Type of liabilities			
Financial liabilities at fair value through profit or loss	1,170,298	-	1,170,298

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

4 Financial and capital risk management (Continued)

(b) Credit and counterparty risk (Continued)

Offsetting and amounts subject to master netting arrangements and similar agreements (Continued)

UBS Global Bonds Series 2 Segregated Portfolio (Continued)

Financial assets and liabilities subject to offsetting enforceable master netting arrangement and similar agreements

	C = A – B	At 31 December 2021		E = C – D1 – D2
		D1	D2	
		Related amounts not set-off in the statement of financial position		
	Net amounts of financial assets presented in the statement of financial position USD	Financial instruments USD	Cash collateral USD	Net credit exposure USD
Financial assets				
Citigroup Global Markets Inc	1,246,524	1,170,298	-	76,226
Canadian Imperial Bank of Commerce	1,315,662	-	-	1,315,662
Financial liabilities				
Citigroup Global Markets Inc	1,170,298	1,170,298	-	-

Amounts in D1 and D2 above relate to amounts subject to set-off that do not qualify for offsetting under (B) above. This includes (i) amounts which are subject to set-off against the asset (or liability) disclosed in “A” which have not been offset in the statement of financial position, and (ii) any financial collateral (including cash collateral), both received and pledged.

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

4 Financial and capital risk management (Continued)

(b) Credit and counterparty risk (Continued)

Offsetting and amounts subject to master netting arrangements and similar agreements (Continued)

UBS Global Bonds Series 2 Segregated Portfolio (Continued)

Assets subject to offsetting, enforceable master netting arrangement and similar agreements

	At 31 December 2020		
	A	B	C = A – B
		Gross amount of recognised financial liabilities offset in the statement of financial position	Net amount of financial assets presented in the statement of financial position
	Gross amount of recognised financial assets	of financial position	financial position
	USD	USD	USD
Type of assets			
Financial assets at fair value through profit or loss	2,252,427	-	2,252,427
Margin deposits	11,524,491	-	11,524,491
Deposit with brokers	355,659	-	355,659

Liabilities subject to offsetting enforceable master netting arrangement and similar agreements

	At 31 December 2020		
	A	B	C = A – B
		Gross amount of recognised financial liabilities offset in the statement of financial position	Net amount of financial liabilities presented in the statement of financial position
	Gross amount of recognised financial liabilities	of financial position	financial position
	USD	USD	USD
Type of liabilities			
Financial liabilities at fair value through profit or loss	10,262,262	-	10,262,262

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

4 Financial and capital risk management (Continued)

(b) Credit and counterparty risk (Continued)

Offsetting and amounts subject to master netting arrangements and similar agreements (Continued)

UBS Global Bonds Series 2 Segregated Portfolio (Continued)

Financial assets and liabilities subject to offsetting enforceable master netting arrangement and similar agreements

	C = A – B	At 31 December 2020		E = C – D1 – D2
		D1	D2	
		Related amounts not set-off in the statement of financial position		
	Net amounts of financial assets presented in the statement of financial position USD	Financial instruments USD	Cash collateral USD	Net credit exposure USD
Financial assets				
Citigroup Global Markets Inc	11,897,003	10,254,097	-	1,642,906
JP Morgan Chase Bank N. A. London	2,235,574	-	-	2,235,574
Financial liabilities				
Barclays Bank Wholesale London	8,165	-	-	8,165
Citigroup Global Markets Inc	10,254,097	10,254,097	-	-

Amounts in D1 and D2 above relate to amounts subject to set-off that do not qualify for offsetting under (B) above. This includes (i) amounts which are subject to set-off against the asset (or liability) disclosed in "A" which have not been offset in the statement of financial position, and (ii) any financial collateral (including cash collateral), both received and pledged.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in settling a liability, including a redemption request. Shares not redeemed will be carried forward for redemption on the next dealing day based on the redemption price as at that dealing day, subject to the same limitation. The directors may at any time suspend the right of holders of redeemable shares to redeem shares and will at the same time cease to issue shares in certain circumstances as mentioned in the Explanatory Memorandum.

The Segregated Portfolios are exposed to daily redemptions of shares in the Segregated Portfolios. The Segregated Portfolios invest the majority of their assets in investments that are traded in an active market and are considered to be readily realisable.

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

4 Financial and capital risk management (Continued)

(c) Liquidity risk (Continued)

The Segregated Portfolios also invest in derivative financial instruments and debt securities that are traded over the counter. As a result, the Segregated Portfolios may not be able to liquidate quickly their investments in these instruments at an amount close to their fair value to meet their liquidity requirements due to adverse market conditions leading to limited liquidity. It is the intent of the Manager to monitor the Segregated Portfolios' liquidity position on a daily basis.

In the event that redemption requests on a dealing day in aggregate exceeds 10% of the total number of shares attributable to the Segregated Portfolio then in issue, the Segregated Portfolio is entitled to reduce the requests ratably and pro rata amongst all shareholders who have submitted the redemption requests on the relevant dealing day.

The tables below analyse the Segregated Portfolios' non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the year/period end date to the contractual maturity date. The amounts in the tables below are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

UBS Global Bonds Series 1 Segregated Portfolio

	Less than 1 month USD	1-3 months USD	More than 3 months USD
At 31 January 2022 (date of termination)			
Management fee payable	55,898	-	-
Fund servicing fee payable	6,654	-	-
Amounts payable on redemption	156,664,437	-	-
Accounts payable and accrued expenses	8,876	-	-
Total financial liabilities	156,735,865	-	-
At 31 December 2020			
Management fee payable	109,883	-	-
Fund servicing fee payable	7,356	-	-
Accounts payable and accrued expenses	21,110	-	-
Total financial liabilities	138,349	-	-

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

4 Financial and capital risk management (Continued)

(c) Liquidity risk (Continued)

UBS Global Bonds Series 2 Segregated Portfolio

	Less than 1 month USD	1-3 months USD	More than 3 months USD
At 31 December 2021			
Management fee payable	266,581	-	-
Fund servicing fee payable	10,409	-	-
Accounts payable and accrued expenses	29,515	-	-
Net assets attributable to holders of redeemable shares	245,737,799	-	-
Total financial liabilities	246,044,304	-	-
At 31 December 2020			
Due to brokers	257,804	-	-
Management fee payable	410,713	-	-
Fund servicing fee payable	16,068	-	-
Accounts payable and accrued expenses	33,883	-	-
Net assets attributable to holders of redeemable shares	379,002,195	-	-
Total financial liabilities	379,720,663	-	-

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

4 Financial and capital risk management (Continued)

(c) Liquidity risk (Continued)

UBS Global Bonds Series 3 Segregated Portfolio

	Less than 1 month USD	1-3 months USD	More than 3 months USD
At 31 December 2021			
Management fee payable	140,932	-	-
Fund servicing fee payable	15,383	-	-
Amounts payable on redemption	1,190,292	-	-
Accounts payable and accrued expenses	30,781	-	-
Other payables	-	-	1,000
Net assets attributable to holders of redeemable shares	354,190,715	-	-
Total financial liabilities	355,568,103	-	1,000
	Less than 1 month USD	1-3 months USD	More than 3 months USD
At 31 December 2020			
Management fee payable	174,002	-	-
Fund servicing fee payable	19,310	-	-
Accounts payable and accrued expenses	34,607	-	-
Other payables	-	-	963
Net assets attributable to holders of redeemable shares	444,717,910	-	-
Total financial liabilities	444,945,829	-	963

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

4 Financial and capital risk management (Continued)

(c) Liquidity risk (Continued)

UBS China Equity Select Cherry Segregated Portfolio II

	Less than 1 month USD	1-3 months USD	More than 3 months USD
At 31 December 2021			
Management fee payable	133,722	-	133,722
Fund servicing fee payable	3,714	-	3,714
Accounts payable and accrued expenses	19,031	-	19,031
Total financial liabilities	156,467	-	156,467

Shares are redeemed on demand at holder's option. However, the directors do not envisage that the contractual maturity disclosed in the tables above will be representative of the actual cash outflows, as holders typically retain them for the medium to long term.

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

4 Financial and capital risk management (Continued)

(c) Liquidity risk (Continued)

The tables below analyse the gross settled derivative financial instruments of the Segregated Portfolios based on an expected maturity basis rather than on a contractual basis, as the contractual maturities for such contracts are not considered to be essential to an understanding of the timing of cash flows based on the Segregated Portfolios' investment strategies. The amounts disclosed in the table represent the undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

UBS Global Bonds Series 2 Segregated Portfolio

	Less than 1 month USD	1-3 months USD	More than 3 months USD
At 31 December 2021			
Gross settled derivatives			
Forward foreign exchange contracts			
- Outflow	(91,580,140)	-	-
- Inflow	92,895,802	-	-
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2020			
Gross settled derivatives			
Forward foreign exchange contracts			
- Outflow	(146,468,665)	-	-
- Inflow	148,712,927	-	-
	<u> </u>	<u> </u>	<u> </u>

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

4 Financial and capital risk management (Continued)

(c) Liquidity risk (Continued)

The table below analyses the Segregated Portfolios' net settled derivative financial instruments in a loss position for which the contractual maturities are considered to be essential to an understanding of the timing of cash flows based on the Segregated Portfolios' investment strategy.

UBS Global Bonds Series 1 Segregated Portfolio

	Less than 1 month USD	1-3 months USD	More than 3 Months USD
At 31 December 2020			
Net settled derivatives			
Interest rate swaps	1,628,259	-	2,510,070

UBS Global Bonds Series 2 Segregated Portfolio

	Less than 1 month USD	1-3 months USD	More than 3 months USD
At 31 December 2021			
Net settled derivatives			
Interest rate swaps	-	1,165,278	5,020
At 31 December 2020			
Net settled derivatives			
Interest rate swaps	-	561,380	9,692,717

As at 31 January 2022 (date of termination), UBS Global Bonds Series 1 Segregated Portfolio does not hold any derivative financial instruments in a loss position. As at 31 December 2021, UBS Global Bonds Series 3 Segregated Portfolio and UBS China Equity Select Cherry Segregated Portfolio II do not hold any net settled derivative financial instruments in a loss position.

As at 31 December 2020, UBS Global Bonds Series 3 Segregated Portfolio does not hold any net settled derivative financial instruments in a loss position.

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

4 Financial and capital risk management (Continued)

(c) Liquidity risk (Continued)

The Segregated Portfolios look to manage their liquidity risks by investing predominantly in investments that can be liquidated within 3 months or less. The following table illustrates the expected liquidity of assets held:

At 31 December 2021

	Less than 1 month USD	1-3 months USD	More than 3 months USD
UBS Global Bonds Series 1 Segregated Portfolio¹			
Total assets	156,735,865	-	-
UBS Global Bonds Series 2 Segregated Portfolio			
Total assets	16,071,804	172,462,543	58,680,255
UBS Global Bonds Series 3 Segregated Portfolio			
Total assets	3,034,652	11,784,502	340,749,949
UBS China Equity Select Cherry Segregated Portfolio II			
Total assets	63,538,351	-	-

At 31 December 2020

	Less than 1 month USD	1-3 months USD	More than 3 months USD
UBS Global Bonds Series 1 Segregated Portfolio			
Total assets	8,543,144	15,593,261	153,960,766
UBS Global Bonds Series 2 Segregated Portfolio			
Total assets	20,103,972	18,351,805	351,527,148
UBS Global Bonds Series 3 Segregated Portfolio			
Total assets	2,399,693	2,027,130	440,519,969

As at 31 January 2022 (date of termination), no shareholders held shares of UBS Global Bonds Series 1 Segregated Portfolio on a nominee basis (2020: two shareholders held 99%). As at 31 December 2021, one shareholder held 97% of the total net assets of UBS Global Bonds Series 2 Segregated Portfolio on a nominee basis (2020: one shareholder held 97%). As at 31 December 2021, one shareholder held 100% of the total net assets of UBS Global Bonds Series 3 Segregated Portfolio on a nominee basis (2020: one shareholder held 100%). As at 31 December 2021, one shareholder held 100% of the total net assets of UBS China Equity Select Cherry Segregated Portfolio II on a nominee basis.

¹ At 31 January 2022 (date of termination).

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

4 Financial and capital risk management (Continued)

(d) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting date. The Segregated Portfolios utilise the last traded market price for both financial assets and financial liabilities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, management will determine the point within the bid-ask spread that is most representative of fair value.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques. The Segregated Portfolios use a variety of methods and make assumptions that are based on market conditions existing at each year/period end date. Valuation techniques used for non-standardised financial instruments such as spot/forward foreign exchange contracts, include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Segregated Portfolios for similar financial instruments.

IFRS 13 requires the Segregated Portfolios to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

4 Financial and capital risk management (Continued)

(d) Fair value estimation (Continued)

The determination of what constitutes “observable” requires significant judgement by the management. The management considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following tables analyse within the fair value hierarchy the Segregated Portfolios’ financial assets and liabilities measured at fair value:

UBS Global Bonds Series 1 Segregated Portfolio

At 31 December 2020	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial assets				
Held for trading				
- Bonds	-	170,587,114	-	170,587,114
Total financial assets at fair value through profit or loss	-	170,587,114	-	170,587,114
Financial liabilities				
Held for trading				
- Interest rate swaps	-	4,138,329	-	4,138,329
Total financial liabilities at fair value through profit or loss	-	4,138,329	-	4,138,329

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

4 Financial and capital risk management (Continued)

(d) Fair value estimation (Continued)

UBS Global Bonds Series 2 Segregated Portfolio

At 31 December 2021	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial assets				
Held for trading				
- Bonds	-	243,108,556	-	243,108,556
- Forward foreign exchange contracts	-	1,315,662	-	1,315,662
Total financial assets at fair value through profit or loss	-	244,424,218	-	244,424,218
Financial liabilities				
Held for trading				
- Forward foreign exchange contracts	-	-	-	-
- Interest rate swaps	-	1,170,298	-	1,170,298
Total financial liabilities at fair value through profit loss	-	1,170,298	-	1,170,298
At 31 December 2020	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial assets				
Held for trading				
- Bonds	-	371,521,722	-	371,521,722
- Forward foreign exchange contract	-	2,252,427	-	2,252,427
Total financial assets at fair value through profit or loss	-	373,774,149	-	373,774,149
Financial liabilities				
Held for trading				
- Forward foreign exchange contracts	-	8,165	-	8,165
- Interest rate swaps	-	10,254,097	-	10,254,097
Total financial liabilities at fair value through profit loss	-	10,262,262	-	10,262,262

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

4 Financial and capital risk management (Continued)

(d) Fair value estimation (Continued)

UBS Global Bonds Series 3 Segregated Portfolio

At 31 December 2021	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial assets				
Held for trading				
- Bonds	-	352,534,451	-	352,534,451
Total financial assets at fair value through profit or loss	-	352,534,451	-	352,534,451
At 31 December 2020	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial assets				
Held for trading				
- Bonds	-	442,547,099	-	442,547,099
Total financial assets at fair value through profit or loss	-	442,547,099	-	442,547,099

UBS China Equity Select Cherry Segregated Portfolio II

At 31 December 2021	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial assets				
Held for trading				
- Equity	61,312,639	-	-	61,312,639
Total financial assets at fair value through profit or loss	61,312,639	-	-	61,312,639

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities, debt securities, money market instruments, mutual funds and index futures.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. These include debt securities and derivatives. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

4 Financial and capital risk management (Continued)

(d) Fair value estimation (Continued)

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. As at 31 December 2021 and 2020, there were no investments classified under level 3 for UBS Global Bonds Series 2 Segregated Portfolio, UBS Global Bonds Series 3 Segregated Portfolio and UBS China Equity Select Cherry Segregated Portfolio II. As at 31 January 2022 and 31 December 2020, there were no investments classified under level 3 for UBS Global Bonds Series 1 Segregated Portfolio.

There were no transfers of financial instruments between levels for UBS Global Bonds Series 2 Segregated Portfolio, UBS Global Bonds Series 3 Segregated Portfolio and UBS China Equity Select Cherry Segregated Portfolio II for the year/period ended 31 December 2021 and 2020. There were no transfers of financial instruments between levels for UBS Global Bonds Series 1 Segregated Portfolio for the period ended 31 January 2022 and year ended 31 December 2020.

The assets and liabilities, excluding financial assets and liabilities at fair value through profit or loss, are carried at amortised cost; their carrying values are a reasonable approximation of fair value. There are no other assets or liabilities not at fair value but for which the fair value is disclosed.

(e) Capital risk management

The capital of the Segregated Portfolios is represented by the redeemable shares, and shown as net assets attributable to holders of redeemable shares in the statement of financial position for UBS Global Bonds Series 2 Segregated Portfolio and UBS Global Bonds Series 3 Segregated Portfolio and total equity for UBS Global Bonds Series 1 Segregated Portfolio and UBS China Equity Select Cherry Segregated Portfolio II. The amount of net assets attributable to holders of redeemable shares and total equity can change significantly on a daily basis as the Segregated Portfolios are subject to daily subscriptions and redemptions at the discretion of holders of redeemable shares. The Segregated Portfolios' objectives when managing capital are to safeguard the Segregated Portfolios' ability to continue as a going concern in order to provide returns for holders of redeemable shares and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Segregated Portfolios.

In order to maintain or adjust the capital structure, the Company's policy is to perform the following:

- monitor the level of daily subscriptions and redemptions relative to the liquid assets; and
- redeem and issue shares in accordance with the offering documents of the Segregated Portfolios.

The directors and the Manager monitor capital on the basis of the value of net assets attributable to holders of redeemable shares.

NOTES TO THE FINANCIAL STATEMENTS

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	UBS Global Bonds Series 1 Segregated Portfolio	UBS Global Bonds Series 2 Segregated Portfolio
	For the period from 1 January 2021 to 31 January 2022 (date of termination)	For the year ended 31 December 2021
	USD	USD
Change in unrealised appreciation /(depreciation) on financial assets and liabilities at fair value through profit or loss	8,845,156	(1,192,554)
Realised (depreciation)/appreciation on financial assets and liabilities at fair value through profit or loss	(10,565,475)	(9,279,040)
Interest derived from financial assets and liabilities at fair value through profit or loss	2,745,795	8,489,449
Net gains/(losses) on financial assets and liabilities at fair value through profit or loss	1,025,476	(1,982,145)

	UBS Global Bonds Series 3 Segregated Portfolio	UBS China Equity Select Cherry Segregated Portfolio II	
	For the year ended 31 December 2021 USD	For the year ended 31 December 2020 USD	For the period from 8 February 2021 (date of commencement of operations) to 31 December 2021 USD
Change in unrealised (depreciation)/appreciation on financial assets and liabilities at fair value through profit or loss	(25,873,022)	5,291,934	(26,853,184)
Realised depreciation on financial assets and liabilities at fair value through profit or loss	(48,033)	(20,468,101)	(26,291,659)
Interest derived from financial assets and liabilities at fair value through profit or loss	19,457,371	21,952,225	-
Net (losses)/gains on financial assets and liabilities at fair value through profit or loss	(6,463,684)	6,776,058	(53,144,843)

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

6 Taxation

Cayman Islands

Under current laws of the Cayman Islands, there are no income, estate, corporation, capital gains or other taxes payable by the Company. As a result, no provision for taxes has been made.

Hong Kong

The Company would only be exposed to Hong Kong profits tax if:

- (i) it is not exempted under the Revenue (Profits Tax Exemption for Offshore Funds) Ordinance 2006, the Inland Revenue (Amendment) (No. 2) Ordinance 2015 and the Inland Revenue (Profits Tax Exemption for Funds) (Amendment) Ordinance 2019 (collectively the "Ordinances"); and
- (ii) it is treated as carrying on a trade or business in Hong Kong either on its own account or through any person as an agent.

If the Company is not exempt under the Ordinance and is treated as carrying on a trade or business in Hong Kong, a liability to profits tax, currently at the rate of 16.5% would arise in respect of any profits which arise in or are derived from Hong Kong and which are not capital profits or exempt profits. No provision for Hong Kong profits tax has been made as the Manager believes that no such tax exposure existed at the year end.

Withholding tax on dividend and interest income

Withholding tax from certain countries was charged on certain dividend income and interest income received during the period.

7 Share capital and net assets attributable to holders of redeemable shares

(a) Share capital

100 founder shares of the Company with par value RMB1 each were issued on the dates of establishment. These founder shares carry no right to dividends and on a winding up rank only for the return of the capital paid up thereon after the return of the capital paid up on the redeemable shares. Founder shares are not redeemable.

(b) Net assets attributable to holders of redeemable shares

In accordance with the provisions of the Offering Memorandum, investments are valued based on their last traded prices at the close of business on the relevant valuation day for the purpose of determining net asset value per redeemable share for subscriptions and redemptions and for various fee calculations.

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

7 Share capital and net assets attributable to holders of redeemable shares (Continued)

(b) Net assets attributable to holders of redeemable shares and total equity (Continued)

This is consistent with the inputs prescribed in the Segregated Portfolios' Offering Memorandum, for the valuation of investments for the purpose of determining net asset value per redeemable share for subscriptions and redemptions and for various fee calculations.

In addition, in accordance with the provisions of the Offering Memorandum, preliminary expenses are amortised in the first three years. However, as stated in note 2(l), preliminary expenses are expensed as incurred. At 31 January 2022 (date of termination), the expensing of preliminary expenses as stated in the financial statements resulted in an increase in accrued expenses by USDnil (2020: USDnil) for UBS Global Bonds Series 1 Segregated Portfolio when compared with the methodology indicated in the Offering Memorandum. As at 31 December 2021, the expensing of preliminary expenses as stated in the financial statements resulted in an increase in accrued expenses by USDnil (2020: USD919) for UBS Global Bonds Series 2 Segregated Portfolio, USD3 (2020: USD3,142) for UBS Global Bonds Series 3 Segregated Portfolio and USD4,355 for UBS China Equity Select Cherry Segregated Portfolio II when compared with the methodology indicated in the Offering Memorandum.

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

7 Share capital and net assets attributable to holders of redeemable shares (Continued)

(b) Net assets attributable to holders of redeemable shares and total equity (Continued)

UBS Global Bonds Series 1 Segregated Portfolio

At 31 January 2022 (date of termination) ¹

	Class A (USD) Shares
Number of redeemable shares in issue:	
Balance at the beginning of the period	1,775,900
Total subscriptions	-
Total redemptions	(1,775,900)
	<hr/>
Balance at the end of the period	-
	<hr/>
	USD
Total equity (at trading value)	-
Total equity per share (at trading value)	-
	<hr/>

At 31 December 2020

	Class A (USD) Shares
Number of redeemable shares in issue:	
Balance at the beginning of the year	2,315,620
Total subscriptions	-
Total redemptions	(539,720)
	<hr/>
Balance at the end of the year	1,775,900
	<hr/>
	USD
Total equity (at trading value)	173,820,493
Total equity per share (at trading value)	97.877
	<hr/>

¹ For the period from 1 January 2021 to 31 January 2022 (date of termination).

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

7 Share capital and net assets attributable to holders of redeemable shares (Continued)

(b) Net assets attributable to holders of redeemable shares and total equity (Continued)

UBS Global Bonds Series 2 Segregated Portfolio

At 31 December 2021

	Class FR-qdist (SGD) Hedged shares	Class FR-qdist (USD) Shares
Number of redeemable shares in issue:		
Balance at the beginning of the year	2,038,760	2,414,032
Total subscriptions	-	-
Total redemptions	(725,797)	(803,152)
Balance at the end of the year	<u>1,312,963</u>	<u>1,610,880</u>
	USD	USD
Net assets attributable to holders of redeemable shares (at trading value)	92,608,156	153,129,643
Net assets attributable to holders of redeemable shares per share (at trading value)	<u>70.53</u>	<u>95.06</u>

At 31 December 2020

	Class FR-qdist (SGD) Hedged shares	Class FR-qdist (USD) Shares
Number of redeemable shares in issue:		
Balance at the beginning of the year	3,364,857	3,779,603
Total subscriptions	-	-
Total redemptions	(1,326,097)	(1,365,571)
Balance at the end of the year	<u>2,038,760</u>	<u>2,414,032</u>
	USD	USD
Net assets attributable to holders of redeemable shares (at trading value)	147,707,683	231,295,431
Net assets attributable to holders of redeemable shares per share (at trading value)	<u>72.450</u>	<u>95.813</u>

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

7 Share capital and net assets attributable to holders of redeemable shares (Continued)

(b) Net assets attributable to holders of redeemable shares and total equity (Continued)

UBS Global Bonds Series 3 Segregated Portfolio

At 31 December 2021

	Class A-qdist (HKD) Shares	Class A-qdist (USD) Shares	Class K-1-qdist (USD) Shares	Class Q-qdist (USD) Shares
Number of redeemable shares in issue:				
Balance at the beginning of the year	698,804	2,019,056	1,408,283	1,038,131
Total subscriptions	-	-	-	16,449
Total redemptions	(169,663)	(341,841)	(100,000)	(250,559)
Balance at the end of the year	<u>529,141</u>	<u>1,677,215</u>	<u>1,308,283</u>	<u>804,021</u>
	USD	USD	USD	USD
Net assets attributable to holders of redeemable shares (at trading value)	6,217,552	153,987,447	120,135,011	73,850,708
Net assets attributable to holders of redeemable shares per share (at trading value)	<u>11.750</u>	<u>91.811</u>	<u>91.826</u>	<u>91.852</u>

At 31 December 2020

	Class A-qdist (HKD) Shares	Class A-qdist (USD) Shares	Class K-1-qdist (USD) Shares	Class Q-qdist (USD) Shares
Number of redeemable shares in issue:				
Balance at the beginning of the period	763,364	2,265,315	1,458,283	1,234,809
Total subscriptions	-	-	30,006	1,999
Total redemptions	(64,560)	(246,259)	(80,006)	(198,677)
Balance at the end of the period	<u>698,804</u>	<u>2,019,056</u>	<u>1,408,283</u>	<u>1,038,131</u>
	USD	USD	USD	USD
Net assets attributable to holders of redeemable shares (at trading value)	8,732,493	197,097,872	137,508,232	101,382,455
Net assets attributable to holders of redeemable shares per share (at trading value)	<u>12.496</u>	<u>97.619</u>	<u>97.642</u>	<u>97.659</u>

UBS (CAY) INVESTMENT FUND SPC**NOTES TO THE FINANCIAL STATEMENTS****7 Share capital and net assets attributable to holders of redeemable shares (Continued)****(b) Net assets attributable to holders of redeemable shares and total equity (Continued)****UBS China Equity Select Cherry Segregated Portfolio II**

A reconciliation of the total equity as reported in the Statement of Financial Position to the total equity value as determined for the purposes of processing unit subscriptions and redemptions is provided below.

At 31 December 2021¹

	Class K-1 (USD) Shares
Number of redeemable shares in issue:	
Balance at the beginning of the period	-
Total subscriptions	1,500,000
Total redemptions	(500,000)
Balance at the end of the period	<u>1,000,000</u>
	USD
Total equity	63,381,884
Adjustment for preliminary expenses	4,355
Total equity (at trading value)	<u>63,386,239</u>
Total equity per share (at trading value)	<u>63,386</u>

¹ For the period from 8 February 2021 (date of commencement of operations) to 31 December 2021.

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

8 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operational decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

(a) Management fee

The Company appointed UBS Asset Management (Hong Kong) Limited as Manager to provide management services to the Segregated Portfolios. The Manager is entitled to receive from the Segregated Portfolios a management fee in respect of each class, calculated as at each valuation day and payable monthly in arrears, equal to a percentage of the net asset value of each Segregated Portfolio as follows:

	Class A	Class FR-qdis	Class K-1	Class F Shar	Class Q
UBS Global Bonds Series 1 Segregated Portfolio ¹	0.50% per annum	0.50% per annum	-	-	-
UBS Global Bonds Series 2 Segregated Portfolio	-	0.60% per annum	0.40% per annum	-	-
UBS Global Bonds Series 3 Segregated Portfolio	0.54% per annum	-	0.43% per annum	-	0.35% per annum
UBS China Equity Select Cherry Segregated Portfolio II ²	-	-	1.8% per annum	-	-

Management fee for the period/year and management fee payable at each reporting date for the current period/year and 31 December 2020 for each of the Segregated Portfolios were summarised below:

	Currency	Management fee		Management fee payable	
		2021	2020	2021	2020
UBS Global Bonds Series 1 Segregated Portfolio ¹	USD	741,756	790,851	55,898	109,883
UBS Global Bonds Series 2 Segregated Portfolio	USD	1,734,791	2,691,918	266,581	410,713
UBS Global Bonds Series 3 Segregated Portfolio	USD	1,874,262	2,083,756	140,932	174,002
UBS China Equity Select Cherry Segregated Portfolio II ²	USD	1,771,134	-	133,722	-

¹ At 31 January 2022 (date of termination)

² For the period from 8 February 2021 (date of commencement of operations) to 31 December 2021.

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

8 Related party transactions (Continued)

(b) Fund servicing fee

The Manager is entitled to receive from the Segregated Portfolios a fund servicing fee in respect of each class for providing administrative services to the Segregated Portfolios. It is calculated as at each valuation day and payable monthly in arrears, equal to a percentage of the net asset value of each Segregated Portfolio as follows:

	Class A	Class FR-qdis	Class K-1	Class A
UBS Global Bonds Series 1 Segregated Portfolio ¹	0.05% per annum	0.05% per annum	-	-
UBS Global Bonds Series 2 Segregated Portfolio	-	0.05% per annum	0.05% per annum	-
UBS Global Bonds Series 3 Segregated Portfolio	0.06% per annum	-	0.06% per annum	0.06% per annum
UBS China Equity Select Cherry Segregated Portfolio II ²	-	-	0.05% per annum	-

Fund servicing fee for the period/year and Fund servicing fee payable at each reporting date for the current period/year and 31 December 2020 for each of the Segregated Portfolios were summarized below:

		Fund servicing fee		Fund servicing fee payable	
	Currency	2021	2020	2021	2020
UBS Global Bonds Series 1 Segregated Portfolio ¹	USD	88,304	94,149	6,654	7,356
UBS Global Bonds Series 2 Segregated Portfolio	USD	144,566	224,327	10,409	16,068
UBS Global Bonds Series 3 Segregated Portfolio	USD	207,679	232,046	15,383	19,310
UBS China Equity Select Cherry Segregated Portfolio II ²	USD	49,198	-	3,714	-

¹ At 31 January 2022 (date of termination)

² For the period from 8 February 2021 (date of commencement of operations) to 31 December 2021.

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

8 Related party transactions (Continued)

(c) Directors' fee

Fees were paid to the directors during the period/year ended 31 December 2021 and 31 December 2020 for each of the Segregated Portfolios were summarized below:

	Currency	2021	2020
UBS Global Bonds Series 1 Segregated Portfolio ¹	USD	8,189	-
UBS Global Bonds Series 2 Segregated Portfolio	USD	7,982	-
UBS Global Bonds Series 3 Segregated Portfolio	USD	9,411	-
UBS China Equity Select Cherry Segregated Portfolio II ²	USD	1,057	-

(d) Custodian and administration fee

The Administrator is entitled to receive a custodian and administration fee calculated daily and payable monthly in arrears, subject to a monthly minimum fee of US\$10,000, equal to a percentage of the aggregate net asset value of the Segregated Portfolios at the beginning of each month at an annual rate of:

For UBS Global Bonds Series 1 Segregated Portfolio¹, UBS Global Bonds Series 2 Segregated Portfolio, UBS Global Bonds Series 3 Segregated Portfolio and UBS China Equity Select Cherry Segregated Portfolio II².

0.065% of the NAV per annum

0.065% for the first US\$200 million and 0.06% on top of US\$200 million of the NAV per annum

0.006% of the NAV per annum

¹ At 31 January 2022 (date of termination)

² For the period from 8 February 2021 (date of commencement of operations) to 31 December 2021.

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

8 Related party transactions (Continued)

(d) Custodian and administration fee (Continued)

Administration fees for the period/year and Administration fees payable as at each reporting date and 31 December 2020 for each of the Segregated Portfolios were summarized below:

	Currency	Administration fees		Administration fees payable	
		2021	2020	2021	2020
UBS Global Bonds Series 1 Segregated Portfolio ¹	USD	90,404	147,630	5,324	9,563
UBS Global Bonds Series 2 Segregated Portfolio	USD	151,479	341,922	8,327	20,128
UBS Global Bonds Series 3 Segregated Portfolio	USD	210,127	333,940	12,163	22,559
UBS China Equity Select Cherry Segregated Portfolio II ²	USD	49,894	-	2,972	-

¹ At 31 January 2022 (date of termination)

² For the period from 8 February 2021 (date of commencement of operations) to 31 December 2021.

(e) Founder shares

As at each reporting date of the Sub-Funds and 31 December 2020, all 100 founder shares of the Company were held by Intertrust Fund Services (Cayman) Limited as trustee of UBS (CAY) Investment Fund SPC Star Trust.

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

9 Derivative financial instruments

(a) Forward foreign exchange contracts

Forward foreign exchange contracts are contractual obligations to buy or sell foreign currencies at specific rate established on over-the-counter markets.

The Segregated Portfolios may from time to time hold forward foreign exchange contracts to manage the currency risk exposure. The details of outstanding forward foreign exchange contracts as at year/period end were as follows:

UBS Global Bonds Series 2 Segregated Portfolio

At 31 December 2021

Contract to deliver	In exchange for	Settlement date	Broker	Fair value USD
USD-91,580,140	SGD125,245,000	12 January 2022	Canadian Imperial Bank of Commerce	1,315,662

At 31 December 2020

Contract to deliver	In exchange for	Settlement date	Broker	Fair value USD
USD-144,162,637	SGD193,485,000	21 January 2021	JP Morgan Chase Bank N. A. London	2,235,574
USD-1,594,788	SGD2,130,000	21 January 2021	Citigroup Global Markets Inc	16,853
SGD-940,000	USD703,075	21 January 2021	Barclays Bank Wholesale London	(8,165)

There were no forward foreign exchange contracts held by Global Bonds Series 1 Segregated Portfolio, UBS Global Bonds Series 3 Segregated Portfolio and UBS China Equity Select Cherry Segregated Portfolio II as at each reporting date and 31 December 2020.

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

9 Derivative financial instruments (Continued)

(b) Interest rate swaps

Interest rate swaps are contractual obligation to exchange interest payment on a specified notional amount.

The details of purchased interest rate swaps as at each reporting date and 31 December 2020 were as follows:

UBS Global Bonds Series 1 Segregated Portfolio

As at 31 January 2022, the Sub-Fund had disposed all interest rate swaps and did not hold any interest rate swap.

At 31 December 2020

Pay	Receive	Termination Date	Notional amounts USD	Broker	Counterparty	Fair value USD
Fix at 5.15%	Flt USD LIBOR 3M + 3.286%	05/01/2021	50,000,000	Citigroup Global Markets Inc.	Bank of America	(830,553)
Fix at 3.5%	Flt USD LIBOR 3M + 1.575%	14/01/2022	6,000,000	Citigroup Global Markets Inc.	Morgan Stanely	(180,305)
Fix at 4.2%	Flt USD LIBOR 3M + 2.382%	03/01/2021	55,000,000	Citigroup Global Markets Inc.	Goldman sachs	(797,706)
Fix at 3.76%	Flt USD LIBOR 3M + 1.759%	10/01/2022	7,000,000	Citigroup Global Markets Inc.	Morgan Stanely	(222,544)
Fix at 3.75%	Flt USD LIBOR 3M + 1.7675%	12/01/2022	10,000,000	Citigroup Global Markets Inc.	Morgan Stanely	(313,213)
Fix at 7.5%	Flt USD LIBOR 3M + 5.49%	07/07/2021	16,000,000	Citigroup Global Markets Inc.	Morgan Stanely	(509,243)
Fix at 0.1932%	Flt USD LIBOR 3M	04/01/2022	18,000,000	Citigroup Global Markets Inc.	JP Morgan Chase Bank	(1,249)
Fix at 6.45%	Flt USD LIBOR 3M + 4.518%	05/07/2021	45,000,000	Citigroup Global Markets Inc.	Goldman sachs	(1,283,516)

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

9 Derivative financial instruments (Continued)

(b) Interest rate swaps (Continued)

UBS Global Bonds Series 2 Segregated Portfolio

At 31 December 2021

Pay	Receive	Termination Date	Notional amounts USD	Broker	Counterparty	Fair value USD
Fix at 0.189%	Flt USD LIBOR 3M + 0%	15/03/2022	25,000,000	Citigroup Global Markets Inc.	BNP Paribas	(978)
Fix at 4.75%	Flt USD LIBOR 3M + 1.79084%	11/02/2022	7,000,000	Citigroup Global Markets Inc.	Deutsche Bank AG	(131,822)
Fix at 2.5%	Flt USD LIBOR 3M + 2.26178%	01/04/2022	25,000,000	Citigroup Global Markets Inc.	JPMorgan Chase Bank	(5,020)
Fix at 4.64%	Flt USD LIBOR 3M + 1.72053%	09/02/2022	56,000,000	Citigroup Global Markets Inc.	Deutsche Bank AG	(1,032,478)

At 31 December 2020

Pay	Receive	Termination Date	Notional amounts USD	Broker	Counterparty	Fair value USD
Fix at 6.82%	Flt USD LIBOR 3M + 3.89936%	25/04/2021	30,000,000	Citigroup Global Markets Inc.	JP Morgan Chase Bank	(397,623)
Fix at 4.92%	Flt USD LIBOR 3M + 2.04375%	23/10/2021	20,000,000	Citigroup Global Markets Inc.	Citibank N. A.	(534,111)
Fix at 9.08%	Flt USD LIBOR 3M + 6.13106%	02/05/2021	10,000,000	Citigroup Global Markets Inc.	JP Morgan Chase Bank	(136,162)
Fix at 6.62%	Flt USD LIBOR 3M + 3.70897%	26/04/2021	20,000,000	Citigroup Global Markets Inc.	Deutsche Bank AG	(264,339)
Fix at 5.35%	Flt USD LIBOR 3M + 2.44414%	27/04/2021	38,000,000	Citigroup Global Markets Inc.	JP Morgan Chase Bank	(503,845)
Fix at 8.72%	Flt USD LIBOR 3M + 5.75499%	27/04/2021	5,000,000	Citigroup Global Markets Inc.	JP Morgan Chase Bank	(66,848)
Fix at 5.36%	Flt USD LIBOR 3M + 2.45956%	30/07/2021	25,000,000	Citigroup Global Markets Inc.	Deutsche Bank AG	(836,125)
Fix at 5.24%	Flt USD LIBOR 3M + 2.35805%	02/11/2021	45,000,000	Citigroup Global Markets Inc.	JP Morgan Chase Bank	(1,209,356)
Fix at 6.87%	Flt USD LIBOR 3M + 3.92636%	15/08/2021	9,500,000	Citigroup Global Markets Inc.	Deutsche Bank AG	(353,874)
Fix at 4.75%	Flt USD LIBOR 3M + 1.79084%	11/02/2022	7,000,000	Citigroup Global Markets Inc.	Deutsche Bank AG	(323,097)
Fix at 9.75%	Flt USD LIBOR 3M + 6.79241%	08/05/2021	7,000,000	Citigroup Global Markets Inc.	Deutsche Bank AG	(95,093)
Fix at 4.91%	Flt USD LIBOR 3M + 2.0072%	08/11/2021	50,000,000	Citigroup Global Markets Inc.	Deutsche Bank AG	(1,338,247)
Fix at 4.64%	Flt USD LIBOR 3M + 1.72053%	09/02/2022	56,000,000	Citigroup Global Markets Inc.	Deutsche Bank AG	(2,532,073)
Fix at 5.9%	Flt USD LIBOR 3M + 5.1977%	27/03/2021	35,000,000	Citigroup Global Markets Inc.	BNP Paribas	(561,380)
Fix at 5.06%	Flt USD LIBOR 3M + 2.2099%	20/10/2021	42,000,000	Citigroup Global Markets Inc.	BNP Paribas	(1,101,924)

There were no interest rate swaps held by UBS Global Bonds Series 3 Segregated Portfolio and UBS China Equity Select Cherry Segregated Portfolio II as at 31 December 2021.

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

10 Distribution to holders of redeemable shares

The directors of the Company intend to pay out distributions to unitholders of Class FR-qdist units of UBS Global Bonds Series 1 Segregated Portfolio, Class FR-qdist units of UBS Global Bonds Series 2 Segregated Portfolio and Class A-qdist, Class K-1-qdist and Class Q-qdist of UBS Global Bonds Series 3 Segregated Portfolio.

The following table summarise the distributions made by UBS Global Bonds Series 1 Segregated Portfolio for the period ended 31 January 2022 (date of termination) and year ended 31 December 2020 and UBS Global Bonds Series 2 Segregated Portfolio and UBS Global Bonds Series 3 Segregated Portfolio for the year ended 31 December 2021 and 2020.

UBS Global Bonds Series 1 Segregated Portfolio

For the period ended 31 January 2022

Class FR-qdist (USD) Shares	Total USD
USDo.41 per share for 1,770,850 shares on 15 January 2021	726,048
USDo.4 per share for 1,693,850 shares on 15 April 2021	677,540
USDo.4 per share for 1,682,250 shares on 15 July 2021	672,900
USDo.39 per share for 1,651,250 shares on 15 October 2021	643,988
	<hr/>
	2,720,476
	<hr/>

For the year ended 31 December 2020

Class FR-qdist (USD) Shares	Total USD
USD 0.88 per share on 2,315,620 shares on 15 January 2020	2,037,746
USD 0.82 per share on 2,059,450 shares on 15 April 2020	1,688,749
USD 0.71 per share on 1,848,400 shares on 15 July 2020	1,312,364
USD 0.43 per share on 1,786,900 shares on 15 October 2020	768,367
	<hr/>
	5,807,226
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UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

10 Distribution to holders of redeemable shares (Continued)

UBS Global Bonds Series 2 Segregated Portfolio

For the year ended 31 December 2021

Class FR-qdist (SGD hedged) Shares	USD	Class FR-qdist (USD) Shares	USD	Total USD
SGDo.34 per share for 2,088,737.5 shares on 15 January 2021	491,696	USD0.35 per share for 2,296,031.77 shares on 15 January 2021	803,611	1,295,307
SGDo.35 per share for 1,627,168.57 shares on 15 April 2021	426,743	USD0.35 per share for 2,088,737.5 shares on 15 April 2021	731,058	1,157,801
SGDo.38 per share for 1,418,242.65 shares on 15 July 2021	398,015	USD0.35 per share for 1,888,845 shares on 15 July 2021	661,096	1,059,111
SGDo.35 per share for 1,385,292.648 shares on 15 October 2021	359,803	USD0.33 per share for 1,702,379.996 shares on 15 October 2021	561,785	921,588
				<u>4,433,807</u>

For the year ended 31 December 2020

Class FR-qdist (SGD hedged) Shares	USD	Class FR-qdist (USD) Shares	USD	Total USD
SGD 0.7 per share on 3,364,857.051 shares on 15 January 2020	1,749,731	USD 0.81 per share on 3,779,603.022 shares on 15 January 2020	3,061,478	4,811,209
SGD 0.76 per share on 3,063,557.199 shares on 15 April 2020	1,635,676	USD 0.76 per share on 3,351,304.268 shares on 15 April 2020	2,546,991	4,182,667
SGD 0.65 per share on 2,123,659.699 shares on 15 July 2020	993,865	USD 0.65 per share on 2,741,376.768 shares on 15 July 2020	1,781,895	2,775,760
SGD 0.35 per share on 2,053,659.699 shares on 15 October 2020	528,011	USD 0.37 per share on 2,550,531.768 shares on 15 October 2020	943,697	1,471,708
				<u>13,241,344</u>

NOTES TO THE FINANCIAL STATEMENTS

UBS Global Bonds Series 3 Segregated Portfolio

Class A-qdist (USD)		Class A-qdist (HKD)		Class K-1-qdist (USD)		Class Q-qdist (USD)		Total USD
Shares	USD	Shares	USD	Shares	USD	Shares	USD	
USD0.91 per share for 2,019,056.039 shares on 15 January 2021	1,837,341	HKD0.91 per share for 698,803.927 shares on 15 January 2021	82,013	USD0.95 per share for 1,378,283.155 shares on 15 January 2021	1,309,369	USD0.96 per share for 1,038,130.948 shares on 15 January 2021	996,606	4,225,329
USD0.9 per share for 1,942,473.566 shares on 15 April 2021	1,748,226	HKD0.9 per share for 698,803.927 shares on 15 April 2021	80,978	USD0.93 per share for 1,328,283.155 shares on 15 April 2021	1,235,303	USD0.94 per share for 1,009,133.04 shares on 15 April 2021	948,585	4,013,092
USD0.91 per share for 1,855,772.725 shares on 15 July 2021	1,688,753	HKD0.91 per share for 690,803.927 shares on 15 July 2021	80,927	USD0.94 per share for 1,328,283.155 shares on 15 July 2021	1,248,586	USD0.95 per share for 1,005,605.227 shares on 15 July 2021	955,325	3,973,591
USD0.91 per share for 1,737,258.153 shares on 15 October 2021	1,580,905	HKD0.91 per share for 579,140.511 shares on 15 October 2021	67,757	USD0.95 per share for 1,308,283.155 shares on 15 October 2021	1,242,869	USD0.96 per share for 880,523.235 shares on 15 October 2021	845,302	3,736,833
								15,948,845

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

10 Distribution to holders of redeemable shares (Continued)

UBS Global Bonds Series 3 Segregated Portfolio (Continued)

For the year ended 31 December 2020

Class A-qdist (USD)		Class A-qdist (HKD)		Class K-1-qdist (USD)		Class Q-qdist (USD)		Total USD
Shares	USD	Shares	USD	Shares	USD	Shares	USD	
USD 1.04 per share on 2,263,099.842 shares on 15 January 2020	2,353,624	HKD 1.04 per share on 763,363.749 shares on 15 January 2020	102,162	USD 1.08 per share on 1,458,283.155 shares on 15 January 2020	1,574,946	USD 1.09 per share on 1,234,808.641 shares on 15 January 2020	1,345,941	5,376,673
USD 1.03 per share on 2,111,116.327 shares on 15 April 2020	2,174,450	HKD 1.03 per share on 713,363.749 shares on 15 April 2020	94,802	USD 1.06 per share on 1,438,289.342 shares on 15 April 2020	1,524,586	USD 1.08 per share on 1,077,237.176 shares on 15 April 2020	1,163,416	4,957,254
USD 0.91 per share on 2,096,116.327 shares on 15 July 2020	1,907,466	HKD 0.91 per share on 713,363.749 shares on 15 July 2020	83,733	USD 0.94 per share on 1,438,289.342 shares on 15 July 2020	1,351,992	USD 0.95 per share on 1,064,161.941 shares on 15 July 2020	1,010,954	4,354,145
USD 0.91 per share on 2,067,519.041 shares on 15 October 2020	1,881,442	HKD 0.91 per share on 713,363.749 shares on 15 October 2020	83,762	USD 0.95 per share on 1,438,289.342 shares on 15 October 2020	1,366,375	USD 0.96 per share on 1,055,653.518 shares on 15 October 2020	1,013,427	4,345,006
								19,033,078

UBS (CAY) INVESTMENT FUND SPC

NOTES TO THE FINANCIAL STATEMENTS

11 Subsequent event

Refer to Note 1 to the financial statements in relation to the winding down of UBS Global Bonds Series 1 Segregated Portfolio. All the redeemable shares held by shareholders have been redeemed on 31 January 2022, which have been settled on 8 February 2022.

Other than the Segregated Portfolios that have been fully redeemed as described above, the table below summarises the aggregates of shares and amounts redeemed subsequent to 31 December 2021.

	Shares	Total
UBS Global Bonds Series 2 Segregated Portfolio	2,909,401	USD263,203,684
UBS Global Bonds Series 3 Segregated Portfolio	588,120	USD50,369,772

12 Approval of financial statements

The financial statements were approved by the directors on 29 July 2022.