

UBS ETF Q&A

UBS (Irl) Fund Solutions plc – Closure of HFRX Global Hedge Fund Index SF UCITS ETF

1. What is happening?

UBS ETF has decided to **liquidate** the fund as of the effective date, 27th October 2020. The fund will thereafter cease to exist, the remaining proceeds will be paid back to the investor. Please see below for a summary of changes for each share class of the relevant sub-fund.

UBS ETF (IE) HFRX Global Hedge Fund Index SF UCITS ETF

Pre-liquidation date (before 27 th October 2020)	
ETF Name	UBS ETF (IE) HFRX Global Hedge Fund Index SF UCITS ETF
ETF share class	(CHF) A-acc (EUR) A-acc (GBP) A-acc (USD) A-acc
ISIN	IE00B5280Y01 IE00B54DDP56 IE00B53B4246 IE00B53PTF40
ETF listings / ticker	SIX (HFCHAS SW) SIX (HFEUAS SW), XETRA (UIQC GY) SIX (HFGBAS SW) SIX (HFUSAS SW)
ETF fee	0.32% p.a.
Reference index	HFRX Global Hedge Fund Index hedged to CHF (Total Return) HFRX Global Hedge Fund Index hedged to EUR (Total Return) HFRX Global Hedge Fund Index hedged to GBP (Total Return) HFRX Global Hedge Fund Index (Total Return)
Index ticker	HFRXGLC HFRXGLE HFRXGLG HFRXGL
Replication methodology	Indirect (swap-based)

The timeline for the changes to the sub-funds is provided as follows

- Last trading day on the secondary market, including on exchange (as above): **19 October 2020**
- Last trading on the primary market: **27 October 2020**
- Effective date (at fund level): **27 October 2020**

The time(s) at which shareholders receive any redemption proceeds will depend, among others, on the existing timeframes and arrangements in place with the respective custodian, broker and/or the relevant settlement system involved for processing such payments, which in individual cases may take up to a few weeks.

2. Why is UBS liquidating these funds?

The decision to undertake the closure of the mentioned sub-fund was taken following an internal product review and it was mainly driven by low trading volumes, resulting in low levels of asset under management which no longer allowed for effective management in the best interest of our investors.

3. What does the liquidation process look like?

At the end of the termination period, the Portfolio Manager will sell all securities of the fund and will close any future and forward transaction if applicable. Once all underlying has been sold and settled in the fund account, the final NAV will be calculated and published. The proceeds will be paid within 3 business days after the final NAV publication. Although it is the aim to sell and release the final proceeds as fast as possible, there might be delays in selling the underlying securities. However, UBS Asset Management expects the final payment to be made no later than November 03, 2020. Clients with residual fund units will automatically enter in the closure process and will receive the proceeds from their custody bank after the final payment has been made.

4. Are there any cost implications as a result of these changes?

There will be no increase in the total expense ratio as a result of this change. The liquidation costs have been born by the fund.

5. What happens if investors with positions in the affected ETFs do not react?

Clients with residual fund units will automatically enter in the closure process. At the end of the termination period, these investors will receive their redemption proceeds in strict accordance with the number of shares they hold. The payment of the redemption proceeds resulting from the compulsory redemption will take place in the relevant reference currency. The time(s) at which shareholders receive any such redemption proceeds will depend, among others, on the existing timeframes and arrangements in place with the respective custodian, broker and/or the relevant settlement system involved for processing of such payments, which in individual cases may take up to a few weeks.

6. What is the expected impact on my investment from a tax perspective?

All investors are strongly advised to consult their tax advisor to assess (a) the impact of the above changes and any potential tax consequences thereof and (b) and potential changes between current and / or future taxation of their investment under the laws of the countries of their nationality, residence, domicile or incorporation.

Risk information

UBS ETF (IE) HFRX Global Hedge Fund Index SF UCITS ETF

The fund delivers the return of a broadly diversified hedge fund index and may therefore be subject to high fluctuations in value. For this reason, an investment horizon of at least five years and corresponding risk tolerance and capacity are required. The returns payable on the fund are dependant on payments received by the fund from the swap counterparty under the terms of the relevant swap and, therefore, are subject to the credit risk of the swap counterparty. In the event that the swap counterparty defaults under the terms of the relevant swap, the fund may suffer a loss. Every fund has specific risks, which can significantly increase under unusual market conditions. The fund's assets are passively managed. As a result, the net asset value of the fund's assets is materially dependent on the performance of the underlying investments. Losses that could be avoided via active management will not be offset.

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