

## SUPPLEMENT 1

**Dated 30 April 2020 to the Prospectus issued for  
UBS (Irl) Investor Selection PLC**

### **UBS Global Emerging Markets Opportunity Fund**

This Supplement contains information relating specifically to UBS Global Emerging Markets Opportunity Fund (the "**Sub-Fund**"), a Sub-Fund of UBS (Irl) Investor Selection PLC (the "**Company**"), an open-ended umbrella fund with segregated liability between Sub-Funds authorised by the Central Bank on 16 December, 2009 as a UCITS pursuant to the UCITS Regulations.

**This Supplement forms part of and should be read in the context of and in conjunction with the Prospectus for the Company dated 30 April 2020 (the "Prospectus"), as amended and supplemented from time to time and is incorporated herein.**

The Directors of the Company whose names appear in the Prospectus under the heading "Management and Administration" accept responsibility for the information contained in this Supplement and the Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Supplement and in the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

**Investors' attention is drawn to the fact that Shares in the Sub-Fund are not the same as deposits or obligations which are guaranteed or endorsed by any bank and accordingly, the value of any amount invested in the Sub-Fund may fluctuate.**

UBS Asset Management (Singapore) Ltd has been appointed as the investment manager to the Sub-Fund (the "**Investment Manager**").

The Investment Manager may use derivative instruments in the context of its management of the assets of the Sub-Fund, to reduce exposure to a market in advance of raising cash from asset sales to fund redemptions, or to hedge against the value of securities held or markets to which the Sub-Fund is exposed. **The use of derivatives entails certain risks to the Sub-Fund including those set out under "Risk Factors" in the Prospectus.** Investors are also encouraged to read Appendix III of the Prospectus which describes the types of derivatives which the Company may use, the purposes of their intended use and their effect. In accordance with the Central Bank requirements, leverage resulting from the use of derivatives will not exceed 100% of the Sub-Fund's net assets. Global exposure (as prescribed in the Central Bank UCITS Regulations) relating to Financial Derivative Instruments will be measured using the commitment approach. The commitment approach calculates global exposure by measuring the market value of the underlying exposures of Financial Derivative Instruments.

**An investment in the Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. Investors should read and consider the section entitled "Risk Factors" before investing in the Sub-Fund.**

#### **1. Interpretation**

The expressions below shall have the following meanings:

- "Business Day" means any day (except Saturday or Sunday) on which banks in Dublin are generally open for business or such other day or days as may be determined by the Directors and/or the Manager and notified in advance to Shareholders.
- "Initial Offer Period" the Initial Offer Period for all active Classes of the Sub-Fund has now closed. The Initial Offer Period for all other Classes shall continue until 30 October 2020 or such earlier or later date on which the first Shares of the relevant Class are issued at which point the Initial Offer Period of such Class shall automatically end. Shares in inactive Classes will be issued during their respective Initial Offer Periods at their respective Initial Prices. Thereafter, Shares in such Classes will be issued as at the relevant Subscription Day at their Net Asset Value per Share.
- "Initial Price" the Initial Price for each Class is set out in the Prospectus under "Available Classes". These Initial Prices apply during the Initial Offer Period, following which such Classes are available for subscription on any Subscription Day at their respective Net Asset Values.
- "Redemption Day" means each Business Day and/or such other day or days as may be determined by the Directors and/or the Manager and notified in advance to Shareholders provided that there shall be at least two Redemption Days in each month occurring at regular intervals.
- "Redemption Deadline" means 2.00p.m. Irish time on the Business Day immediately preceding the relevant Redemption Day or such other time and/or day as the Directors and/or the Manager may determine on an exceptional basis only and notify in advance to all Shareholders, provided always that the Redemption Deadline is no later than the Valuation Point.
- "Subscription Day" means each Business Day and/or such other day or days as may be determined by the Directors and/or the Manager and notified in advance to Shareholders provided that there shall be at least two Subscription Days in each month occurring at regular intervals.
- "Subscription Deadline" means 2.00p.m. Irish time on the Business Day immediately preceding the relevant Subscription Day or such other time and/or day as the Directors and/or the Manager may determine on an

exceptional basis only and notify in advance to all Shareholders, provided always that the Subscription Deadline is no later than the Valuation Point.

"Valuation Day" means each Subscription Day and Redemption Day, as the case may be, and/or such other day or days as the Directors and/or the Manager may from time to time determine and notify in advance to Shareholders provided that there shall be at least one Valuation Day in respect of each Subscription Day and Redemption Day.

"Valuation Point" means 10.45p.m. Irish time on the Valuation Day.

All other defined terms used in this Supplement shall have the same meaning as in the Prospectus.

## 2. Classes of Shares

As at the date of this Supplement, the following categories of Shares are available for investment: Class P, Class N, Class K-1, Class K-B, Class F, Class Q, Class I-A1, Class I-A2, Class I-A3, Class I-B, Class U-B, and Class Seeding.

Please see the section of the Prospectus entitled "Available Classes" to see the various Classes available in these categories. As at the date of this Supplement, all of the Classes available for issue are accumulation. Classes which pay dividends may in the future be available. Confirmation of whether a Class is available, has launched/is active and its date of launch/activation are available from the Administrator upon request.

Notwithstanding the section of the Prospectus entitled "Available Classes", in respect of the (USD) I-A3-PF Class of the Fund, the minimum subscription will be USD 50 million (or the equivalent in the applicable currency). Subscription in the (USD) I-A3-PF Class of the Fund is at the discretion of the Directors or the Manager.

Share Classes	Initial Offer Period
Classes with "Seeding" and "P" or "N" or "K-1" or "K-B" or "F" or "Q" or "I-A1" or "I-A2" or "I-A3" or "I-B" or "U-B" in their name.	The Initial Offer Period will commence at 9.00 a.m. on 1 May 2020 and end at 5.00 p.m. on 30 October 2020 or such earlier or later date on which the first Shares of the relevant Class are issued at which point the Initial Offer Period of such Class shall automatically end.

## 3. Base Currency of the Sub-Fund

The Base Currency of the Sub-Fund shall be USD.

## 4. Typical Investor Profile

The actively managed Sub-Fund is aimed at investors who are looking to invest for the medium to long term and are prepared to accept fluctuations in the value of their capital, including capital loss, and who are also prepared to accept the possibility of paying income and capital gains tax on returns.

## 5. Investment Objective

The Sub-Fund seeks to achieve capital appreciation on a risk adjusted basis over the medium to long term.

There can be no guarantee that the Sub-Fund will be able to achieve its investment objective or be profitable.

## 6. Investment Policies

In pursuit of its investment objective, the Sub-Fund will primarily invest in equity and equity related securities and other investments as set out below in global emerging countries, listed or traded in regulated markets or exchanges set out in Appendix II of the Prospectus.

The Investment Manager currently considers the following markets, generally based on the Morgan Stanley Capital International ("**MSCI**") classification (but not including all markets in that classification), as global emerging markets: Argentina, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, South Korea, Malaysia, Mexico, Morocco, Pakistan, Peru, Philippines, Poland, Russia, Saudi Arabia, South Africa, Sri Lanka, Taiwan, Thailand, and Turkey. The list of markets is not exhaustive and may change over time.

The Sub-Fund is actively managed. The Investment Manager uses the MSCI Emerging Markets Index (net div. reinvested) (the "**Reference Index**") for performance comparison, risk management and portfolio construction purposes. The Investment Manager can build the portfolio at their discretion and, concerning the selection of equities and their weightings, is not bound to the Reference Index. Accordingly the portfolio may deviate from the Reference Index with regards to allocations.

The Investment Manager will focus on equities which it believes stand to benefit most from emerging market growth. The Sub-Fund will focus on what the Investment Manager believes are the most attractive stocks and industries and will take active risks in line with the size of opportunities. The Investment Manager will not restrict the investments to a particular capitalisation range or geographical or industrial spread. The Investment Manager will select companies according to a combination of fundamental analysis (both macroeconomic and company specific), quantitative analysis and tactical criteria. Fundamental analysis is based on the theory that the market price of a stock tends to move towards its 'real value' or 'intrinsic value'. It involves an analysis of the economic, financial and other qualitative factors related to a stock in order to determine its intrinsic value. Fundamental analysis is usually approached either on a macroeconomic or "top-down" basis or a company specific or "bottom-up" basis. The top-down approach involves an analysis of global, regional and/or national economic factors. The bottom-up approach involves analysing specific businesses. Quantitative analysis

involves data-driven analysis of a stock or a particular market, such as examining a company's financial situation (such as revenues, earnings, liabilities, expenses and assets) or a country's economic indicators gross domestic product ("**GDP**") growth rates, inflation and interest rates. The Investment Manager believes that the intrinsic value of a security is determined by the fundamentals that drive the security's future cash flow. The Investment Manager seeks to compare the fundamental value of a stock and its current market price to determine if the stock is under or overvalued. The Investment Manager does this by analysing what future cash flows will be available to the relevant company's shareholders and seeking to determine whether the current market price of the security reflects these future cash flows. The Investment Manager believes that discrepancies between a security's market price and its intrinsic value arise from the behaviour and structure of the market (such as, most commonly, investors' over-reaction to short-term influences over a company and under-reaction to structural change in a company) and provide investment opportunities. The Investment Manager intends to use a variety of proprietary research tools to analyse stocks including industry level research, prospective growth rates, profitability, competitive positioning, cash-flow, strategy and management. The tactical elements which the Investment Manager may consider in constructing the Sub-Fund's portfolio may include short-term financial, operational, economic and political conditions affecting the portfolio. The Investment Manager employs a risk management system, which aims to measure and manage the risk generated by individual positions, sectors and countries. Risk management for the Investment Manager starts at the individual company level, by analysing company management, balance sheets and cash flows.

The Investment Manager's focused stock-picking methodology is reflected in a concentrated portfolio. The Investment Manager will generally seek to hold between 20 to 50 positions. However this is indicative only, and does not constitute an investment restriction by which the Investment Manager will be bound.

The Sub-Fund's assets may be invested directly in equities listed on the Russian Trading System stock exchange, as well as on the Moscow Interbank Currency Exchange. Such investments in Russian securities are not a primary investment focus of the Investment Manager, and are not expected to exceed 50% of the Net Asset Value of the Sub-Fund at any one time.

The Sub-Fund will invest directly in equities through the use of such instruments as, without limitation, shares listed on a Recognised Exchange (common or preferred) and warrants. Securities in which the Sub-Fund invests may be in either registered or bearer form though it is anticipated that the majority of the securities will be in registered form and securities will be purchased in bearer form only when investing in equities in certain emerging markets. The Sub-Fund may experience greater price volatility and significantly lower liquidity than a portfolio invested in securities issued in more developed countries.

The Sub-Fund may invest in and have direct access to certain eligible China A Shares listed on the Shanghai and Shenzhen Stock Exchanges via the Shanghai-Hong Kong Stock Connect Scheme and the Shenzhen-Hong Kong Stock Connect (as further described in the sub-section headed "Investment in Hong Kong and Shenzhen Stock Connect Schemes" below). Exposure to China A Shares through

the Shanghai-Hong Kong Stock Connect Schemes will not be more than 10% of the Sub-Fund's Net Asset Value.

The Sub-Fund may also invest in equities through American Depositary Receipts ("**ADRs**"), Global Depositary Receipts ("**GDRs**"), participation notes and equity linked notes where such investment represents a more practical, efficient or less costly way of gaining exposure to the relevant security or market. Such indirect investment will be classified as if it represented the actual underlying security for the purposes of applying any investment restrictions applicable to the Sub-Fund. American Depositary Receipts or Global Depositary Receipts are certificates issued by a depository bank, representing shares held by the bank, usually by a branch or correspondent in the country of issue of the shares, which trade independently from the shares.

Investment can also be made, up to a maximum of 10% of the Sub-Fund's net assets, in open-ended collective investment schemes, including exchange traded funds and UCITS domiciled in the EU (including, but not limited to, Austria, Belgium, France, Germany, Ireland, Italy, Luxembourg and the UK). As part of this 10% limit, the Sub-Fund may also invest in regulated open-ended AIFs, which will primarily be AIFs domiciled in the EU, and which fall within the requirements set out in the Central Bank Rules and the level of protection of which is equivalent to that provided to unitholders of a UCITS. The Sub-Fund will invest in such schemes primarily when the investment focus of such schemes is consistent with the Sub-Fund's primary investment focus. Investment in other funds is not a primary investment focus of the Sub-Fund.

Any investment in open-ended exchange traded funds will be in accordance with the investment limits for collective investment schemes and any investment in close-ended exchange traded funds will be in accordance with the investment limits for transferable securities, as set out under the heading "Permitted Investments and Investment Restrictions" in the Prospectus.

The Investment Manager may invest in futures (for example, single stock or basket equity futures and stock index futures) for efficient portfolio management purposes such as to equitize cash (in other words, to invest excess cash on an ongoing basis in futures contracts on particular securities or stock indices, or to seek such exposure for cash in the portfolio on a short-term basis pending a decision to purchase a particular security or to reallocate assets on a longer term basis). In addition, the Investment Manager may use derivative instruments to reduce exposure to a market in advance of raising cash from asset sales to fund redemptions, or to hedge against the value of securities held or markets to which the Sub-Fund is exposed. The Investment Manager will employ a risk management process in order to accurately measure, monitor and manage the risks attached to financial derivative positions and details of this process have been provided to the Central Bank. Using derivatives in this way may increase the degree of leverage in the Sub-Fund relative to the market, or by taking short positions, reduce the Sub-Fund's overall exposure to particular markets, individual securities or specific market factors, such as currency and interest rates. The Investment Manager will not utilise financial derivatives which have not been included in the risk management process until such time as a revised risk management process has been submitted to and cleared by the Central Bank.

The Sub-Fund may use repurchase/reverse repurchase agreements and securities lending (i.e. Securities Financing Transactions) in accordance with the requirements of SFTR and the Central Bank Rules. Any type of assets that may be held by the Sub-Fund in accordance with its investment objective and policies may be subject to such Securities Financing Transactions. There is no restriction on the proportion of assets that may be subject to Securities Financing Transactions which at any given time is expected to be 100% of the Net Asset Value of the Sub-Fund. The proportion of assets that may be subject to Securities Financing Transactions is 100% of the Net Asset Value of the Sub-Fund. Use of Total Return Swaps by the Sub-Fund is not envisaged. In any case the most recent semi-annual and annual report of the Company will express as an absolute amount and as a percentage of the Sub-Fund's assets the amount of Sub-Fund assets subject to Securities Financing Transactions.

It is expected that the total gross long position will not exceed 100% of the Net Asset Value of the Sub-Fund and the total gross short position will not exceed 0% of the Net Asset Value of the Sub-Fund. However, the total gross long positions and the total gross short positions may exceed or fall below these percentages depending on changes in the Investment Manager's investment strategy.

Transaction costs may be incurred in respect of Securities Financing Transactions and efficient portfolio management techniques in respect of the Sub-Fund. The Company shall ensure that all revenues arising from Securities Financing Transactions and efficient portfolio management techniques and instruments, net of direct and indirect operational costs and fees, are returned to the Sub-Fund. Any direct and indirect operational costs/fees arising from Securities Financing Transactions and efficient portfolio management techniques do not include hidden revenue and will be paid to such entities as outlined in the annual report of the Company, which shall indicate if the entities are related to the Depositary.

Information on the collateral management policy for the Sub-Fund is set out under the heading "Collateral Management Policy" in the Prospectus.

Investors should consult the sections of the Prospectus entitled "Risk Factors- Counterparty Risk", "Risk Factors- Derivatives and Securities Financing Transactions and Techniques and Instruments Risk" and "Conflicts of Interest" for more information on the risks associated with Securities Financing Transactions efficient portfolio management.

The Investment Manager may also invest in debt securities, such as, without limitation, government, local government or municipal bonds and corporate bonds (which may each be fixed or floating rate and which are considered above investment grade by Standard & Poor's or have been given an equivalent rating by any of the other principal rating agencies). Investment in debt securities is not a primary investment focus of the Sub-Fund.

The Investment Manager may employ spot foreign exchange transactions, forward foreign exchange contracts and currency futures, to seek to hedge the foreign exchange exposure of the assets of the Sub-Fund in order to neutralise, so far as possible, the impact of fluctuations in the relevant exchange rates.

Pending investment of the proceeds of a placing or offer of Shares or where market or other factors so warrant, the Sub-Fund's assets may be invested in money market instruments, including, but not limited to, certificates of deposit, fixed or floating rate notes and fixed or variable rate commercial paper (which are considered above investment grade by Standard & Poor's or have been given an equivalent rating by any of the other principal rating agencies) and in cash deposits denominated in such currency or currencies as the Investment Manager may determine. Though investment in money market instruments is not a primary investment focus of the Sub-Fund, under certain exceptional circumstances, the Sub-Fund may be significantly invested in money market instruments.

In accordance with the Central Bank requirements, leverage resulting from the use of derivatives will not exceed 100% of the Sub-Fund's net assets. Global exposure (as prescribed in the Central Bank UCITS Regulations) relating to Financial Derivative Instruments will be measured using the commitment approach. The commitment approach calculates global exposure by measuring the market value of the underlying exposures of Financial Derivative Instruments.

The Investment Manager will employ a risk management process relating to its use of financial derivatives, and will not utilise financial derivatives which have not been included in the risk management process until such time as a revised risk management process has been submitted to and cleared by the Central Bank.

The Company shall not make any change to the investment objectives of the Sub-Fund, or any material change to the investment policy of the Sub-Fund, unless the Shareholders have, in advance, on the basis of a simple majority of votes cast at a general meeting of the Shareholders or with the prior written approval of Shareholders of the Sub-Fund (in accordance with the Articles of Association), approved such change(s). In accordance with the requirements of the Central Bank UCITS Regulations, "material" shall be taken to mean, although not exclusively, changes which would significantly alter the asset type, credit quality, borrowing limits or risk profile of the Sub-Fund. In the event of a change of the investment objective and/or material change to the investment policy of the Sub-Fund, on the basis of a simple majority of votes cast at a general meeting of the Shareholders, Shareholders in the Sub-Fund will be given reasonable notice of such change to enable them redeem their Shares prior to implementation of such a change.

#### *Investment in Hong Kong Stock and Shenzhen Connect Schemes*

The Sub-Fund may invest in certain eligible China A Shares through the Shanghai-Hong Kong Stock Connect Scheme and Shenzhen-Hong Kong Stock Connect Schemes (the "**Connect Schemes**"). The Connect Schemes are securities trading and clearing links programmes developed by, amongst others, The Stock Exchange of Hong Kong Limited (and the Shenzhen Stock Exchange in the case of the Shenzhen-Hong Kong Stock Connect Scheme) ("**SEHK**"), Shanghai Stock Exchange ("**SSE**"), Hong Kong Securities Clearing Company Limited ("**HKSCC**") and China Securities Depository and Clearing Corporation Limited ("**ChinaClear**"), with an aim to achieve mutual stock market access between mainland China and Hong Kong and Shenzhen. In the initial phase, the SSE-listed China A Shares eligible for trading by Hong Kong and overseas investors under the Connect Schemes include all the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index, and all the SSE-listed



China A Shares that are not included as constituent stocks of the relevant indices but which have corresponding H-Shares listed on the SEHK, except the following:

- (a) SSE-listed shares which are not traded in Renminbi ("**RMB**"); and
- (b) SSE-listed shares which are included in the "risk alert board".

The term "China A Shares" means domestic shares in the People's Republic of China ("**PRC**") incorporated companies listed on either the SSE or the Shenzhen Stock Exchange, the prices of which are quoted in RMB and which are available to such investors as approved by the China Securities Regulatory Commission ("**CSRC**").

In addition to those risk factors set out in relation to the PRC investment, a number of the key risks of investing in selective China A Shares listed on the SSE via the Connect Scheme are set out in the section entitled "Risk Factors".

## **7. Investment Manager**

The Manager has appointed UBS Asset Management (Singapore) Ltd, as investment manager to the Sub-Fund with discretionary powers pursuant to an Investment Management Agreement. Under the terms of the Investment Management Agreement, UBS Asset Management (Singapore) Ltd, is responsible, subject to the overall supervision and control of the Manager, for managing the assets and investments of the Sub-Fund in accordance with the investment objective and policies.

UBS Asset Management (Singapore) Ltd registered office is One Raffles Quay, #50-01 North Tower, Singapore 048583. UBS Asset Management (Singapore) Ltd., a subsidiary of UBS Asset Management AG incorporated in Singapore, is regulated by the Monetary Authority of Singapore. UBS Asset Management (Singapore) Ltd. has been managing collective investment schemes and discretionary funds since 1993.

## **8. Offer**

Shares in the Sub-Fund will be issued at the Initial Price when first issued during their Initial Offer Period and subsequently at their Net Asset Value per Share.

The Initial Offer Period described above may be shortened or extended at the discretion of the Directors and/or the Manager (in the case of all Classes) in accordance with the requirements of the Central Bank.

## **9. Application for Shares**

Applications for Shares may be made through the Administrator (or its delegate) on behalf of the Company. Applications received and accepted by the Administrator (or its delegate) prior to the Subscription Deadline for the relevant Subscription Day will be processed on that Subscription Day.

Any applications received after the Subscription Deadline for a particular Subscription Day will be processed on the following Subscription Day unless the Directors and/or the Manager in their absolute discretion on an exceptional basis only otherwise determine to accept one or more applications received after the Subscription Deadline for processing on that Subscription Day provided that such application(s) have been received prior to the Valuation Point for the particular Subscription Day.

#### *Currency of Payment*

Subscription monies are payable in the Base Currency or in the denominated currency of the relevant Class. The Company may accept payment in such other currencies as the Directors and/or the Manager may agree at the prevailing exchange rate quoted by the Administrator. The cost and risk of converting currency will be borne by the investor.

#### *Timing of Payment*

Payment in respect of subscriptions must be received in cleared funds by the Depositary no later than 5.00 p.m. Irish time on the second Business Day immediately following the Subscription Day or by such other time and/or day as the Directors and/or the Manager may determine provided that the Directors and the Manager reserve the right to defer the issue of Shares until receipt of cleared subscription monies by the Depositary. If payment in cleared funds in respect of a subscription has not been received by the relevant time, the Directors and/or the Manager or their delegate may cancel the allotment and/or charge the investor interest to cover the expenses incurred by the Sub-Fund as a result, which will be paid into the assets of the Sub-Fund. The Directors and/or the Manager may waive such charges in whole or in part. In addition, the Directors and/or the Manager have the right to sell all or part of the investor's holding of Shares in the Sub-Fund in order to meet such charges.

The Directors and/or the Manager, in their sole and absolute discretion, may accept payment for subscriptions in specie on terms as set out under the section of the Prospectus headed "The Shares: Application for Shares: Method of Payment".

Dealing is carried out at forward pricing basis. i.e. the Net Asset Value next computed after receipt of subscription requests.

#### *Sales Charge*

In accordance with the Prospectus, a sales charge of up to 3% of the subscription amount may be added to the Initial Price and the Net Asset Value per Share.

## **10. Redemption of Shares**

Shareholders may redeem their Shares on and with effect from any Redemption Day at the Net Asset Value per Share calculated on or with respect to the relevant Redemption Day in accordance with the procedures specified below (save during any period when the calculation of Net Asset Value is suspended).

Dealing is carried out at forward pricing basis. i.e. the Net Asset Value next computed after receipt of redemption requests.

Shares will not receive or be credited with any dividend declared on or after the Redemption Day on which they were redeemed.

#### *Method of Payment*

Redemption payments will be made to the bank account detailed on the Application Form or as subsequently notified to the Administrator (or its delegate) in writing. Redemption payments following processing of instruments received by facsimile will only be made to the account of record of a Shareholder.

#### *Currency of Payment*

Shareholders will normally be repaid in the Base Currency or in the denominated currency of the relevant Class. If, however, a Shareholder requests to be repaid in any other freely convertible currency, the necessary foreign exchange transaction may be arranged by the Administrator, (or its delegate), at its discretion on behalf of and for the account, risk and expense of the Shareholder.

#### *Timing of Payment*

Redemption proceeds in respect of Shares will be paid as soon as practicable following the finalisation of the calculation of the Net Asset Value of the relevant Class, and in any event within 10 Business Days of the Redemption Deadline, provided that all the required documentation has been furnished to and received by the Administrator (or its delegate) in original form and subject to the section of the Prospectus headed "Deferral of Redemptions" under "Redemption of Shares".

### **11. Anti-dilution Measures**

The Directors and/or the Manager may adjust the price of Shares as described in the section in the Prospectus entitled "Swing Pricing".

### **12. Fees and Expenses**

Once launched the Sub-Fund shall bear (i) the fees and expenses relating to its registration for sale in various markets and (ii) its attributable portion of the fees and operating expenses of the Company. The Sub-Fund shall not bear any fees and expenses relating to its establishment, which shall be borne by the Investment Manager or one or more of its affiliates. The fees and operating expenses of the Company are set out in detail under the heading "Fees and Expenses" in the Prospectus.

The aggregate administrative fees and expenses, being, generally, the fees of the Manager, the Depositary and the Administrator together with all custody and transaction costs, auditors' fees, legal

fees, registration fees and Directors' fees ("Administrative Costs") charged to each Class of the Sub-Fund shall be 0.30% of the Net Asset Value of the Sub-Fund. The aggregate fees of the Investment Manager (the "Investment Management Fee") and the Administrative Costs shall be the percentage of the Net Asset Value of the Sub-Fund as set out in the table below. For the avoidance of doubt where Administrative Costs exceed 0.30% any deficit is paid by the Investment Manager. Where Administrative Costs are less than 0.30% any surplus may be paid to the Investment Manager, subject to the maximum aggregate Investment Management Fee and Administrative Costs percentage set out below.

The fees of the Manager, the Investment Manager, the Administrator and the Depositary shall accrue as of each Valuation Point and shall be payable monthly in arrears.

The attention of investors is drawn to the following fees and charges:

<b>Share Classes</b>	<b>Aggregate of Investment Management Fee and Administrative Costs as a % of Net Asset Value</b>
Classes with "P" in their name	2.07%
Classes with "N" in their name	2.40%
Classes with "K-1" in their name	1.55%
Classes with "K-B" in their name	0.30%
Classes with "F" in their name	1.00%
Classes with "Q" in their name	1.13%
Classes with "I-A1" in their name	1.10%
Classes with "I-A2" in their name	1.05%
Classes with "I-A3" in their name	1.00%
Classes with "I-B" in their name	0.30%
Classes with "U-B" in their name	0.30%
Classes with "Seeding" and "P" in their name	Up to 2.07%
Classes with "Seeding" and "N" in their name	Up to 2.40%
Classes with "Seeding" and "K-1" in their name	Up to 1.55%
Classes with "Seeding" and "K-B" in their name	Up to 0.30%
Classes with "Seeding" and "F" in their name	Up to 1.00%
Classes with "Seeding" and "Q" in their name	Up to 1.13%
Classes with "Seeding" and "I-A1" in their name	Up to 1.10%
Classes with "Seeding" and "I-A2" in their name	Up to 1.05%
Classes with "Seeding" and "I-A3" in their name	Up to 1.00%
Classes with "Seeding" and "I-B" in their name	Up to 0.30%
Classes with "Seeding" and "U-B" in their name	Up to 0.30%

The Investment Manager may from time to time and at its sole discretion and out of its own resources decide to rebate to Shareholders part or all of the Investment Management Fee and/or Performance

Fee. Any such rebates may be applied in paying up additional Shares to be issued to the Shareholder, or may (at the discretion of the Investment Manager) be paid in cash. The Investment Manager will also be entitled to a Performance Fee as described in "Performance Fee" below.

### *Performance Fee*

In respect of the (USD) I-A3-PF Class, the Investment Manager will be entitled to receive a Performance Fee in respect of net outperformance of the Fund against the MSCI Emerging Markets Net Dividend Reinvestment Index (MSCI Index Code: 891800).

The Performance Fee is payable out of the Sub-Fund's assets and will be capped annually at 1.25% of the respective Net Asset Value (prior to the deduction of the Performance Fee).

The Performance Fee will be calculated and accrued as at each Valuation Point. The Performance Fee will crystallise annually. The Performance Fee will be calculated in respect of each calendar year (a "Calculation Period"). The first Calculation Period in respect of any Class of Shares will be the period commencing on the Business Day immediately following the close of the Initial Offer Period for that Class and ending on the following 31 December in that calendar year.

For each Calculation Period, the Performance Fee payable will be equal to 20% of the Net Outperformance of the Net Asset Value (prior to the deduction of the Performance Fee) over the High Water Mark NAV, as adjusted for any subscriptions, conversions, redemptions and by the Hurdle Rate return at each Valuation Day, since the last payment of a Performance Fee at the end of a Calculation Period. The "Net Outperformance" is defined as the excess gain of the performance of the Net Asset Value (prior to deduction of any Performance Fee) over the performance of the Hurdle Rate, accumulated from the end of the Calculation Period where performance fees were last paid. The "Hurdle Rate" is the Reference Index which is an appropriate measure of the investment policy.

The "High Water Mark NAV" shall be the last Net Asset Value where a Performance Fee was paid at the end of a Calculation Period. For the purposes of the first calculation of the Performance Fee, the starting point for the relevant High Water Mark NAV is the Initial Price. A Performance Fee will be paid only if the performance of the Net Asset Value exceeds the performance of the Hurdle Rate, at the end of a Calculation Period. Any under-performance in a Calculation Period will be recovered before a Performance Fee becomes due in subsequent Calculation Periods.

Shareholders should note that as the Hurdle Rate return calculated with this methodology may be negative, then it is possible that a Class could incur financial losses, but a Performance Fee is still payable.

Shareholders should note that, as the Performance Fee is calculated at Class level and not at an individual Shareholder level, they may be charged a Performance Fee even where the Net Asset Value

of their Shares have remained the same or dropped in value, for example, where Shareholders purchase or redeem Shares at points other than the start of the Calculation Period. Furthermore, Shareholders who purchase Shares during a Calculation Period may benefit from an increase in the Net Asset Value of their Shares and may not be charged a Performance Fee or may be charged a lesser Performance Fee than would be the case if the Performance Fee was calculated at an individual Shareholder level.

The Performance Fee will normally be payable to the Investment Manager in arrears within 35 Business Days of the end of each Calculation Period. However, in the case of Shares redeemed during a Calculation Period, the accrued Performance Fee in respect of those Shares will be payable within 35 Business Days after the date of redemption.

If the Investment Management Agreement is terminated before the end of any Calculation Period, the Performance Fee in respect of the then current Calculation Period will be calculated and paid as though the date of termination were the end of the relevant Calculation Period.

The Depositary shall verify the calculation of the Performance Fee.

Performance Fees are payable on realised and unrealised capital gains taking into account realised and unrealised losses at the end of the Calculation Period. Consequently, Performance Fees may be paid on unrealised gains which may subsequently never be realised.

Positive performance relative to the Hurdle Rate may be generated by market movements as well as active management. This may lead to circumstances where a portion of the Performance Fee is paid based on market movements rather than due to the performance of the Investment Manager.

### **13. Risk Factors**

Persons interested in purchasing Shares in the Company should read the section headed "Risk Factors" in the main body of the Prospectus.

In addition, the following risk factors are specifically drawn to the attention of investors:

#### *Market Risk*

The value of the Sub-Fund may be effected by the decline of an entire market of an asset class, thus affecting the prices and values of the assets in the Sub-Fund. In an equity Sub-Fund, for instance, this is the risk that the equity market in question will go down. The higher the volatility of the market in which the Sub-Fund invests, the greater the risk. Such markets are subject to greater fluctuations in return.

Some of the Recognized Exchanges in which the Sub-Fund may invest may be less well-regulated than those in developed markets and may prove to be illiquid, insufficiently liquid or highly volatile from time to time. This may affect the price at which the Sub-Fund may liquidate positions to meet redemption requests or other funding requirements.

### *Emerging Markets Risk*

Investment in emerging markets involves risk factors and special considerations which may not be typically associated with investing in more developed markets. Political or economic change and instability may be more likely to occur and have a greater effect on the economies and markets of emerging countries. Adverse government policies, taxation, restrictions on foreign investment and on currency convertibility and repatriation, currency fluctuations and other developments in the laws and regulations of emerging countries in which investment may be made, including expropriation, nationalisation or other confiscation could result in loss to the Sub-Fund. By comparison with more developed securities markets, most emerging countries' securities markets are comparatively small, less liquid and more volatile. This may result in greater volatility in the Net Asset Value per Share (and consequently subscription and redemption prices for Shares) than would be the case in relation to funds invested in more developed markets. In addition, if a large number of securities have to be realised at short notice to meet substantial redemption requests for Shares in the Sub-Fund such sales may have to be effected at unfavourable prices which may in turn have an adverse effect on the Net Asset Value per Share.

In addition, settlement, clearing, safe custody and registration procedures may be underdeveloped, increasing the risks of error, fraud or default. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in emerging markets may not provide the same degree of investor information or protection as would generally apply in more developed markets. Investments in certain emerging markets may require consents or be subject to restrictions which may limit the availability of attractive investment opportunities to the Sub-Fund. Emerging markets generally are not as efficient as those in developed countries. In some cases, a market for the security may not exist locally and so transactions may need to be made on a neighbouring exchange. Emerging markets securities may incur brokerage or stock transfer taxes levied by foreign governments which would have the effect of increasing the cost of investment and which may reduce the realised gain or increase the loss on such securities at the time of sale. The issues of emerging markets securities, such as banks and other financial institutions, may be subject to less stringent regulation than would be the case for issuers in developed countries, and therefore potentially carry greater risk. In addition custodial expenses for emerging market securities are generally higher than for developed market securities. Dividend and interest payments from, and capital gains in respect of, emerging markets securities may be subject to foreign taxes that may or may not be reclaimable. Laws governing foreign investment and securities transactions in emerging markets may be less sophisticated than in developed countries. Accordingly, the Sub-Fund may be subject to additional risks, including inadequate investor protection, unclear or contradictory legislation or regulations and lack of enforcement thereof, ignorance or breach of legislation or regulations on the part of other market participants, lack of legal redress and breaches of confidentiality. It may be difficult to obtain and enforce a judgement in certain emerging markets in which assets of the Sub-Fund are invested. Furthermore, the standard of corporate governance and investor protection in emerging markets may not be equivalent to that provided in other jurisdictions.

### *Russia*

Whilst fundamental reforms relating to securities investments and regulations have been initiated in recent years there may still be certain ambiguities in interpretation and inconsistencies in their application. Monitoring and enforcement of applicable regulations remains uncertain.

Some equity securities in Russia are dematerialised and the only evidence of ownership is entry of the shareholder's name on the share register of the issues. The concept of fiduciary duty is not well established and Shareholders may, therefore, suffer dilution or loss of investment due to the actions of management without satisfactory legal remedy. Rules regulating corporate governance are undeveloped and, therefore, may offer little protection to minority Shareholders.

Specifically, with regard to investment in Russia, the Sub-Fund may only invest in Russian securities which are traded on the Moscow Exchange.

#### *Certain Risk Factors Concerning India*

Risks associated with the investments in India, including but not limited to the risks described below, could adversely affect the performance of the Sub-Fund and result in substantial losses. No assurance can be given as to the ability of the Sub-Fund to achieve any return on its investments and, in turn, any return on an investor's investment in the Sub-Fund. Accordingly, in acquiring Shares in the Sub-Fund, appropriate consideration should be given to the following factors:

#### *Currency Exchange Rate Risks*

Exchange controls have traditionally been administered with stringent measures under the Foreign Exchange Regulation Act ("**FERA**"). The Indian rupee is not convertible on the capital account and most capital account transactions require the prior permission of the RBI. However, throughout the 1990s, the RBI eased the exchange control regime and made it more market-friendly. In the year 1999, the Indian Parliament enacted the Foreign Exchange Management Act ("**FEMA**") to replace FERA. FEMA and the rules made thereunder constitute the body of exchange controls applicable in India. The significant shift in the approach to exchange controls under FEMA is the move from a regime of limited permitted transactions to one in which all transactions are permitted except a limited number to which restrictions apply. FEMA and the notifications under FEMA were effective commencing June 1, 2000. FEMA differentiates foreign exchange transactions between Capital Account Transactions and Current Account Transactions. A "Capital Account Transaction" is generally defined as one that alters the assets or liabilities, including contingent liabilities outside India, of persons resident in India or assets or liabilities in India of persons resident outside India. FEMA further provides for specific classes of transactions that fall within the ambit of Capital Account Transactions and the RBI has issued regulations governing each such class of transactions. Transactions other than Capital Account Transactions, including payments in connection with foreign trade, current businesses, services, short term credit and banking facilities, interest payments, living expenses, foreign travel, education and medical care are "Current Account Transactions".

The RBI has issued regulations governing such Current Account Transactions. While the regulatory regime for hedging genuine currency risk has been relaxed, it is still not practical, given the costs, to



hedge currency risks for more than relatively short periods of time, and even for short term hedging the cost can be high. Accordingly, currency risk in relation to the Indian rupee remains a significant risk factor, and the cost of hedging this currency risk (if available) could reduce the Sub-Fund's returns. A decrease in the value of the Indian rupee would adversely affect the Sub-Fund's returns, and such a decrease may be likely given India's current account deficits and its budget deficits.

The operation of the Sub-Fund's bank account in India is subject to regulation by RBI under the Indian foreign exchange regulations. The Indian domestic custodian acting also as the remitting banker will be authorised to convert currency and repatriate capital and income on behalf of the Sub-Fund. There can be no assurance that the Indian Government would not, in the future, impose certain restrictions on foreign exchange. The repatriation of capital may be hampered by changes in Indian regulations concerning exchange controls or political circumstances. In addition, India may in the future re-introduce foreign exchange control regulations which can limit the ability of the Sub-Fund to repatriate the dividends, interest or other income from the investments or the proceeds from sale of securities. Any amendments to the Indian exchange control regulations may impact adversely on the performance of the Sub-Fund.

Also, the exchange rate between the Indian rupee and the U.S. dollar has changed substantially in recent years and may fluctuate substantially in the future. During the period commencing on 1 January 2010 and ending on 31 December 2013, the value of the Indian rupee has depreciated against the U.S. dollar by an aggregate of approximately 32.83 per cent. Further depreciation of the value of the Indian rupee as regards foreign currencies will result in a higher cost to the Sub-Fund for foreign currency denominated expenses, including the purchase of certain capital equipment. In the past the Indian economy has experienced severe fluctuations in the exchange rates. There can be no assurance that such fluctuations will not occur in the future.

#### *Indian Legal System*

Indian civil judicial process to enforce remedies and legal rights is less developed, more lengthy and, therefore, more uncertain than that in more developed countries. Enforcement by the Sub-Fund of civil liabilities under the laws of a jurisdiction other than India may be adversely affected by the fact that the Sub-Fund's portfolio companies may have a significant amount of assets in India. The laws and regulations in India can be subject to frequent changes as a result of economic, social and political instability. In addition, the level of legal and regulatory protections customary in countries with developed securities markets to protect investors and securities transactions, and to ensure market discipline, may not be available. Where the legal and regulatory framework is in place, the enforcement may be inadequate or insufficient. Regulation by the exchanges and self-regulatory organisations may not be recognised as law that can be enforced through the judiciary or by means otherwise available to the investors in developed markets.

#### *Indian Capital Gains Tax*

The Sub-Fund currently expects to take benefit of the India-Ireland tax treaty by which capital gains arising from transfer of debt securities in India would not be subject to tax. It is however uncertain

whether the treaty claim of the Sub-Fund would be granted by the Indian tax authorities. The denial of India – Ireland tax treaty benefits may adversely affect taxability of the Sub-Fund which in turn may impact the return to investors.

#### *Taxation of Interest Income in India*

Subject to satisfaction of certain conditions, interest earned from investments made by FPIs in Government securities and rupee denominated corporate bonds would be subject to tax at the rate of 5% (plus surcharge and education cess). Where the conditions are not satisfied, interest income from investment in debt securities in India would be subject to tax at a beneficial rate of 10% under the India-Ireland tax treaty.

It is however uncertain whether the treaty claim of the Sub-Fund would be granted by the Indian tax authorities. The denial of India-Ireland tax treaty benefits may adversely affect taxability of the Sub-Fund which in turn may impact the return to investors. These risks are described in more detail under "India Taxation" in the "Taxation" section below.

#### *Updates to the SEBI and the RBI*

Under the FPI Regulations, for the Sub-Fund to be registered as an FPI under Category II which is a "broad based fund" or as a "broad based sub-account", it should have at least 20 investors with no single investor holding more than 49% of the units or shares of the fund. Though, if any institutional investor holds more than 49% of the units or shares of the fund, then such institutional investor should, in turn, be a "broad based fund" itself, and must satisfy the above criteria.

FPIs are obliged, under the terms of the undertakings and declarations made by them at the time of registration, to immediately notify the SEBI or the designated depository participant (as the case may be) of any change in the information provided in the application for registration. Failure by FPIs to adhere to the provisions of the Securities Exchange Board of India Act, 1992 ("**SEBI Act**"), the rules and the FPI Regulations thereunder renders them liable for punishment prescribed under the SEBI Act and the Securities Exchange Board of India (Intermediaries) Regulations, 2008 which include, inter alia, imposition of penalty and suspension or cancellation of the certificate of registration.

Investors should note that the Company may provide personal information and data regarding its beneficial owners of the Sub-Fund as and when sought by SEBI. In this regard, investors should note that the Company may disclose investor's personal information to SEBI where required by SEBI.

#### *Corporate Disclosure, Accounting, Custody and Regulatory Standards*

Indian disclosure and regulatory standards are in many respects less stringent than standards in certain OECD countries. There may be less publicly available information about Indian companies than is regularly published by or about companies in such other countries. The difficulty in obtaining such information may mean that the Sub-Fund may experience difficulties in obtaining reliable information regarding any corporate actions and dividends of companies in which the Sub-Fund has invested

which may, in turn, lead to difficulties in determining the Net Asset Value with the same degree of accuracy which might be expected from more established markets. Indian accounting standards and requirements also differ in significant respects from those applicable to companies in many OECD countries. Indian trading, settlement and custodial systems are not as developed as certain OECD countries, and the assets of the Sub-Fund which are traded in such markets and which have been entrusted to sub-custodians in such markets may be exposed to risk.

#### *Investigations*

Any investigations of, or actions against, the Sub-Fund initiated by SEBI or any other Indian regulatory authority may impose a ban of the investment and advisory activities of the Sub-Fund.

#### *No Investment Guarantee*

Investment in the Sub-Fund is not in the nature of a deposit in a bank account and is not protected by any government, government agency or other guarantee scheme which may be available to protect the holder of a bank deposit account. Any investment in the Sub-Fund is subject to fluctuations in value.

#### *Political, Regulatory, Settlement and Sub-Custodial Risk*

The value of the Sub-Fund's assets may be affected by uncertainties such as international political developments, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets.

#### *Risks Associated with the Connect Scheme*

The Connect Scheme is a programme novel in nature. The relevant regulations are untested and subject to change. The programme is subject to quota limitations which may restrict the Sub-Fund's ability to invest in China A Shares through the programme on a timely basis and as a result, the Sub-Fund's ability to access the China A Shares market (and hence to pursue its investment strategy) will be adversely affected. The PRC regulations impose certain restrictions on selling and buying of China A Shares. Hence the Sub-Fund may not be able to dispose of holdings of China A Shares in a timely manner. Also, a stock may be recalled from the scope of eligible stocks for trading via the Connect Scheme. This may adversely affect the investment portfolio or strategies of the Sub-Fund, for example, when the Investment Manager wishes to purchase a stock which is recalled from the scope of eligible stocks. Due to the differences in trading days, the Sub-Fund may be subject to a risk of price fluctuations in China A Shares on a day that the PRC market is open for trading but the Hong Kong market is closed.

#### *Liquidity Risk of Investing in China A Shares*

China A Shares may be subject to trading bands which restrict increases and decreases in the trading price. The Sub-Fund if investing through the Connect Scheme will be prevented from trading underlying China A Shares when they hit the "trading band limit". If this happens on a particular trading day, the Sub-Fund may be unable to trade China A Shares. As a result, the liquidity of the China A Shares may be adversely affected which in turn may affect the value of the Sub-Fund's investments.

#### *PRC tax considerations in relation to investment in China A Shares via the Connect Scheme*

On 14 November 2014, the Ministry of Finance, the State of Administration of Taxation and the CSRC jointly issued a notice in relation to the taxation rule on the Connect Scheme under Caishui 2014 No.81 ("**Notice No.81**"). Under Notice No.81, corporate income tax, individual income tax and business tax will be temporarily exempted on gains derived by Hong Kong and overseas resident investors (including the Sub-Fund) on the trading of China A Shares through the Connect Scheme with effect from 17 November 2014. However, Hong Kong and overseas investors are required to pay tax on dividends and/or bonus shares at the rate of 10% which will be withheld and paid to the relevant authority by the listed companies, unless an applicable double tax treaty could be applied to reduce the dividend withholding tax rate. As a result of Notice No.81, the uncertainty of providing for tax on gains derived from the disposal of Chinese securities now solely relates to investment in other types of Chinese securities (e.g. China B or H Shares).

Hong Kong and overseas investors are required to pay stamp duty arising from the trading of China A Shares and the transfer of China A Shares by way of succession or gift in accordance with the existing taxation rules in the PRC.

Investments in the securities markets of the PRC are in principle subject to the same risks as investments in emerging markets as well as, additionally, the specific market risks applying to the PRC. To date, not enough is known or can be assessed in respect of the impact of the reforms in the PRC as well as the related opening up of the Chinese economy and local equity markets. These measures could also have a negative effect on the economy and, thus, investments in the PRC. Additional regulations and uncertainties apply as a result of supplementary local restrictions on the buying and selling of equities (quotas), the convertibility of local currency, tax aspects and the trading/settlement of investments. At the present time, it is impossible to rule out future changes or amendments in respect of the regulations which apply.

#### *Currency Risk*

Assets of the Sub-Fund may be denominated in a currency other than the Base Currency and changes in the exchange rate between the Base Currency and the currency of the asset may lead to a depreciation of the value of the Sub-Fund's assets as expressed in the Base Currency. It may not be possible or practical to hedge against such exchange rate risk. The Investment Manager may, but is not obliged to, mitigate this risk by using financial instruments.

The Sub-Fund may from time to time enter into currency exchange transactions either on a spot basis or by buying currency exchange forward contracts. Neither spot transactions nor forward currency

exchange contracts eliminate fluctuations in the prices of the Sub-Fund's securities or in foreign exchange rates, or prevent loss if the prices of these securities should decline. Performance of the Sub-Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by the Sub-Fund may not correspond with the securities positions held.

The Sub-Fund may enter into currency exchange transactions to seek to protect against fluctuation in the relative value of its portfolio positions as a result of changes in currency exchange rates or interest rates between the trade and settlement dates of specific securities transactions or anticipated securities transactions. Although these transactions are intended to minimise the risk of loss due to a decline in the value of hedged currency, they also limit any potential gain that might be realised should the value of the hedged currency increase. The precise matching of the relevant contract amounts and the value of the securities involved will not generally be possible because the future value of such securities will change as a consequence of market movements in the value of such securities between the date when the relevant contract is entered into and the date when it matures. The successful execution of a hedging strategy which matches exactly the profile of the investments of the Sub-Fund cannot be assured. It may not be possible to hedge against generally anticipated exchange or interest rate fluctuations at a price sufficient to protect the assets from the anticipated decline in value of the portfolio positions as a result of such fluctuations. While not the intention, over-hedged or under-hedged positions may arise due to factors outside of the control of the Company.

#### **14. Material Contracts**

Investment Management Agreement between the Manager and UBS Asset Management (Singapore) Ltd dated 17 November 2015 (as amended by the appendix to same entered into between the Manager, the Company and UBS Asset Management (Singapore) Ltd dated 9 May 2019) under which UBS Asset Management (Singapore) Ltd was appointed investment manager to the Sub-Fund subject to the overall supervision of the Manager. The Investment Management Agreement may be terminated by either party on 3 months' written notice or forthwith by notice in writing in certain circumstances such as the insolvency of either party or remedied breach after notice. UBS Asset Management (Singapore) Ltd has the power to delegate its duties in accordance with the requirements of the Central Bank. The Investment Management Agreement provides that where they are the defaulting party, the Manager and UBS Asset Management (Singapore) Ltd shall indemnify against and hold harmless the other in case of any loss, damage, costs and liabilities incurred by the other as a result of the defaulting party's negligence, wilful default or fraud.