

# UBS Sustainable Development Bank Bond Fund

## Fund overview

A bond fund that seeks to promote growth and sustainable development with similar characteristics of a conventional highly-rated sovereign bond portfolio.

### Investment objective

The fund seeks current income.

### Key features

- Designed for investors seeking a sustainable investing alternative to conventional government bond exposure, with comparable credit ratings and a similar yield profile.
- Provides low cost access to a highly-rated portfolio of development bank bonds, emphasizing bonds of multilateral development banks.

### More about the development banks

- Development banks are formed by their member states with the objective of providing financial and technical assistance to improve overall living standards through sustainable economic development and growth.
- While each development bank has a distinct focus, development banks generally use their capital for projects that seek to improve the state of the developing world, by providing long-term capital and advisory services to the public and private sector primarily in developing countries.
- Global multilateral development banks (MDBs) are supranational institutions created and backed by multiple sovereign member nations, including all G7 countries.
- Multilateral development banks play a critical role in providing development assistance where it is most needed, with particular emphasis on poverty reduction and income growth.
- Development banks are uniquely positioned and can play a vital role in helping bridge the investment gap needed to satisfy the UN Sustainable Development Goals (SDGs).

### Investment management<sup>1</sup>

- **Matthias Dettwiler**, Head of Index Fixed Income, has overall responsibility for all index tracking fixed income portfolios globally, and has 23 years of investment industry experience. The index fixed income team manages the portfolio with a team-based approach.

#### Share class: Ticker symbol

P: UDBPX

#### Expense ratio<sup>2</sup>

	Gross	Net
P shares	0.63%	0.25%

<sup>1</sup> As of September 2018.

<sup>2</sup> As of the Fund's most recent prospectus dated October 28, 2018. The Fund and UBS Asset Management (Americas) Inc. (the "Advisor") have entered into a written agreement pursuant to which the Advisor has agreed to waive a portion of its management fees and/or to reimburse expenses (excluding expenses incurred through investment in other investment companies, interest, taxes, brokerage commissions and extraordinary expenses) to the extent necessary so that the Fund's ordinary operating expenses (excluding expenses incurred through investment in other investment companies, interest, taxes, brokerage commissions and extraordinary expenses), through the period ending October 28, 2018, do not exceed 0.25% for Class P shares. For further information, please refer to the Fund's prospectus.

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### Our investment philosophy and approach

- We believe index investing requires manager skill, experience and technology to achieve returns in line with the market/index.
- We aim to construct a portfolio that replicates market/index exposures whilst minimizing tracking error and transaction costs.
- Our experienced portfolio management team, as part of the broad global fixed income platform, benefits from the local expertise and insight of the globally located fixed income professionals, allowing exchange of ideas.
- Our size is large enough to benefit from economies of scale, but not big enough to face liquidity constraints.
- The Fund is managed relative to a blended benchmark of 40% Solactive UBS Global Multilateral Development Bank Bond 1–5 Year USD Index and 60% Solactive UBS Global Multilateral Development Bank Bond 5–10 Year USD Index, two indices designed to measure the performance of the US-dollar denominated multilateral development bank bond market. The Fund seeks to optimize the tracking error relative to this composite index but does not seek to directly replicate it.

#### Our objectives

Replicate market/index exposures

Minimize transaction costs

Minimize ex-post tracking error

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### For more information:

**Mutual funds are sold by prospectus. You should carefully read and consider the Fund's investment objectives, risks, charges and expenses before investing. The prospectus contains this and other information about the Fund. For a current prospectus, contact UBS Asset Management at 888-793 8637. An investment in a fund is only one component of a balanced investment plan. Diversification and asset allocation strategies do not ensure gains or guarantee against loss.**

### Risk information:

There are certain risks associated with investing in the Fund, which include, but are not limited to: interest rate risk, credit risk, prepayment or call risk, political risk, focus risk, tax liability risk, US government securities risk, illiquidity risk, high yield bond risk, non-diversification risk, derivatives risk, leverage risk associated with financial instruments, management risk, and market risk. For detailed information about the Fund's main risks, please refer to the Fund's prospectus.

- **Interest rate risk:** An increase in prevailing interest rates typically causes the value of fixed income securities to fall. Changes in interest rates will likely affect the value of longer-duration fixed income securities more than shorter-duration securities and higher-quality securities more than lower-quality securities.
- **Credit risk:** The risk that the strategy could lose money if the issuer or guarantor of a fixed income security, or the counterparty to the guarantor of a derivative contract, is unable or unwilling to meet its financial obligations. This risk is greater for lower-quality investments than for investments that are higher-quality.

### Investor concerns and suitability:

Investors in the Fund should be able to withstand short-term fluctuations in the fixed income markets in return for potentially higher returns over the long term. The value of the Fund's portfolio changes every day and may be affected by changes in interest rates, general market conditions, and other political, social and economic developments, as well as specific matters relating to the issuers and companies in whose securities the Fund invests. Shares of Funds are not deposits or obligations of any bank or government agency and are not guaranteed by the FDIC or any other agency.

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