UBS (Lux) Bond SICAV
Société d'Investissement à Capital Variable
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(the "Company")

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Notice to shareholders of UBS (Lux) Bond SICAV

The Board of Directors of the Company wishes to inform you of the following changes in the September 2021 version of the Company's Sales Prospectus:

1. The name of the **UBS (Lux) Bond SICAV – Asian Investment Grade Bonds (USD)** sub-fund will be changed to **UBS (Lux) Bond SICAV – Asian Investment Grade Bonds Sustainable (USD)**. The typical investor profile now reads as follows: *"The actively managed sub-fund is suitable for investors who wish to invest in a diversified portfolio of fixed-income investment grade bonds from issuers in the Asian region (excluding Japan) and in a sub-fund which promotes environmental and/or social characteristics."*

   The investment policy of the sub-fund, which will in future fall under Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector, has been extensively revised, and now reads as follows:
   "*UBS Asset Management categorises this sub-fund as a Sustainability Focus Fund. This sub-fund promotes environmental and social characteristics and falls under Article 8(1) of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector.*
   The actively managed sub-fund invests primarily in debt securities and claims with an investment-grade rating issued by international and supranational organisations, public-sector and quasi-government institutions and/or companies that are predominantly active in Asia (excluding Japan) or whose registered offices are in Asia, and which have a sound ESG profile (ESG = environmental, social, and governance), as described below. The sub-fund invests primarily in debt securities that have a rating between AAA and BBB- (Standard & Poor's), a similar rating from another recognised agency or – insofar as a new issue that does not yet have an official rating or an issue without any rating at all is concerned – a comparable internal UBS rating.
   The sub-fund uses the benchmark JP Morgan Asia Credit Index – Investment Grade USD as a reference for portfolio construction, performance evaluation, sustainability profile comparison and risk management purposes. The benchmark is not designed to promote ESG characteristics. For share classes with "hedged" in their name, currency-hedged versions of the benchmark (if available) are used. The investment universe of the sub-fund is defined by selecting the debt instruments contained in the benchmark that are issued predominantly by companies with a strong ESG profile based on UBS internal research. The investment universe of the sub-fund is supplemented by debt instruments and issuers that are not contained in the benchmark, but that appear to be suitable from an ESG perspective.
   Issuers are assessed for ESG risks using a proprietary UBS ESG Risk Recommendation, which rates issuers using a five-point scale (1 – negligible, 2 – low, 3 – medium, 4 – high and 5 – severe ESG risk). The sub-fund will generally exclude corporate issuers with risks identified in the ESG Risk Dashboard (described in the ESG Integration section) unless the overall UBS ESG risk recommendation is between 1 and 3. Due to diversification requirements within the high yield investment universe, it is permitted to hold in the portfolio securities of issuers with identified ESG risks of up to 20% rated 4 and up to 10% unrated (for example, due to new issuance or availability of information).
   Additionally, the Portfolio Manager utilises a UBS ESG consensus score to identify issuers for the investment universe with a strong environmental and social profile. This UBS ESG consensus score is a normalised weighted average of ESG score data from internal and recognised external providers. Rather than relying solely on an ESG score from a single provider, the consensus score approach increases confidence in the validity of the sustainability profile. The UBS ESG consensus score assesses sustainability factors, such as the performance of these issuers with regard to environmental, social and governance (ESG) aspects. These ESG aspects relate to the main areas in which the issuers operate and their efficiency in managing ESG risks. Environmental and social factors can include (amongst others) the following: environmental footprint and operational efficiency, environmental risk management, climate change, natural resource usage, pollution and waste management, employment standards and supply chain monitoring, human capital, diversity within the board of directors, occupational health and safety, product safety, as well as anti-fraud and anti-corruption guidelines.
   The individual investments in the sub-fund have a UBS ESG consensus score (on a scale of 1-10, with 10 having the best sustainability profile). The sub-fund's investments have a weighted average

sustainability profile that exceeds the sustainability profile of its benchmark. This improves ESG engagement and promotes positive features of the sub-fund in relation to environment, social and governance. The calculation excludes cash, certain derivatives and other unrated instruments. The sub-fund's sustainability profile is measured by its benchmark's profile and the corresponding results are calculated at least once a year from the respective monthly profiles and published in the annual report.
In addition to the Sustainability Exclusion Policy described in the general investment policy, the sub-fund also excludes companies or sectors that manufacture products or carry out business activities, which the internal analysis highlights as entailing significant negative social or environmental risks. The sub-fund does not invest directly in companies generating a substantial proportion of their turnover from the production of tobacco, gambling, adult entertainment, conventional military weapons or coal, or in companies generating a substantial proportion of their turnover using coal-based power.
In addition, the sub-fund has a lower carbon footprint than its benchmark. The reduction in carbon emissions for a security and/or issuer is measured based on its carbon intensity in scopes 1 and 2. Scope 1 refers to direct carbon emissions and therefore includes all direct greenhouse gas emissions from owned or controlled sources of the relevant entity or issuer (e.g. electricity generated in-house). Scope 2 refers to indirect carbon emissions and therefore includes greenhouse gas emissions from the generation of electricity, thermal energy and/or steam that is consumed by the relevant entity or issuer. The calculation excludes cash, certain derivatives and other unrated instruments.
The sub-fund will not directly invest in companies which breach the principles of the UN Global Compact, unless discernible corrective action has been taken.
The sub-fund may invest no more than 20% of its net assets in fixed-income instruments denominated in RMB and traded on the China Interbank Bond Market ("CIBM") or through Bond Connect. These instruments may include securities issued by governments, quasi-public corporations, banks, corporations and other institutions in the People's Republic of China ('PRC' or 'China') that are authorised to be traded directly on the CIBM or through Bond Connect. The associated risks are described in the section "Risk information on investments traded on the China Interbank Bond Market" and "Risk information on investments traded on the CIBM via the Northbound Trading Link through Bond Connect".
The portion of investments in foreign currencies not hedged against the sub-fund's currency of account may not exceed 5% of the assets. The currency of account is the USD.
After deducting cash and cash equivalents, the sub-funds may invest up to one third of their assets in money market instruments.
Investments with lower ratings may carry an above-average yield, but also a higher credit risk than investments in securities of first-class issuers.
Investments in Asian securities may be more volatile and less liquid than investments in developed markets. Furthermore, public regulation may be less efficient in countries where the sub-funds invest than in other states, and the accounting, auditing and reporting methods employed may not meet the standards used in more developed countries. For these reasons, the sub-fund is particularly suitable for investors who are aware of these risks.
As part of efficient asset management or in order to hedge interest-rate, currency and credit risks, the sub-fund may invest in any derivative financial instruments listed in the section "Special techniques and instruments with securities and money market instruments as underlying assets", provided the restrictions specified therein are observed. Permitted underlyings include, in particular, the instruments specified under Point 1.1(a) and (b) ("Permitted investments of the Company").
The sub-fund may buy or sell ABS, MBS, futures, swap contracts (including NDIRS, TRS, CDS, index CDS and NDS), forwards/non-deliverable forwards, options, total return bonds, credit-linked notes, convertible bonds, money market papers/liquid funds and other suitable, legally permitted investment instruments. The risks associated with investments in ABS/MBS are listed in the section entitled "Risk information"."

The maximum flat fee p.a. remains unchanged.

2. The names of the **UBS (Lux) Bond SICAV – Short Term EUR Corporates (EUR)** and **UBS (Lux) Bond SICAV – Short Term USD Corporates (USD)** sub-funds will be changed to **UBS (Lux) Bond SICAV – Short Term EUR Corporates Sustainable (EUR)** and **UBS (Lux) Bond SICAV – Short Term USD Corporates Sustainable (USD).** The typical investor profile now reads as follows: *"The actively managed sub-funds are suitable for investors who wish to invest in a portfolio with a duration that is continuously adjusted to suit the prevailing market situation and does not exceed three years and in a sub-fund which promotes environmental and/or social characteristics."*

The investment policy of the sub-funds, which will in future fall under Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector, has been extensively revised, and now reads as follows:

"UBS Asset Management categorises these sub-funds as Sustainability Focus Funds. *These sub-funds promote environmental and social characteristics and fall under Article 8(1) of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector.*

The actively managed sub-funds primarily invest in corporate bonds with short maturities from high-quality creditors (classified as "investment grade" by the established ratings agencies). The duration of the portfolios is continually adapted to the prevailing market situation, but may not exceed three years ("short term"). The sub-funds use the Bloomberg Euro Corporate Index 500mio+ 1-3yrs EUR and Bloomberg Eurodollar Corporate 1-3yrs USD benchmarks, respectively, as a reference for portfolio construction, performance evaluation, sustainability profile comparison and risk management purposes. The benchmarks are not designed to promote ESG characteristics. For share classes with "hedged" in their name, currency-hedged versions of the benchmark (if available) are used. Each sub-fund's investment universe is established by selecting the debt instruments in the relevant benchmark that, on the basis of UBS internal research, are issued predominantly by companies with a strong ESG profile. Each sub-fund's investment universe is supplemented by debt instruments and issuers that are not contained in the relevant benchmark but appear to be suitable from an ESG perspective.

Issuers are assessed for ESG risks using a proprietary UBS ESG Risk Recommendation, which rates issuers using a five-point scale (1 – negligible, 2 – low, 3 – medium, 4 – high and 5 – severe ESG risk). The sub-funds will generally exclude corporate issuers with risks identified in the ESG Risk Dashboard (described in the ESG Integration section) unless the overall UBS ESG risk recommendation is between 1 and 3, which is considered to be an acceptable risk for Sustainability Focus funds.

Additionally, the Portfolio Manager utilises a UBS ESG consensus score to identify issuers for the investment universe with a strong environmental and social profile. This UBS ESG consensus score is a normalised weighted average of ESG score data from internal and recognised external providers. Rather than relying solely on an ESG score from a single provider, the consensus score approach increases confidence in the validity of the sustainability profile. The UBS ESG consensus score assesses sustainability factors, such as the performance of these issuers with regard to environmental, social and governance (ESG) aspects. These ESG aspects relate to the main areas in which the issuers operate and their efficiency in managing ESG risks. Environmental and social factors can include (amongst others) the following: environmental footprint and operational efficiency, environmental risk management, climate change, natural resource usage, pollution and waste management, employment standards and supply chain monitoring, human capital, diversity within the board of directors, occupational health and safety, product safety, as well as anti-fraud and anti-corruption guidelines.

The individual investments in each sub-fund have a UBS ESG Consensus Score (on a scale of 1-10, with 10 having the best sustainability profile). Each sub-fund's investments have a weighted average sustainability profile that exceeds the sustainability profile of its benchmark. This improves ESG engagement and promotes positive features of each sub-fund in relation to environment, social and governance. The calculation excludes cash, certain derivatives and other unrated instruments. Each sub-fund's sustainability profile is measured by its benchmark's profile, and the corresponding results are calculated at least once a year from the relevant monthly profiles and published in the annual report.

In addition to the Sustainability Exclusion Policy described in the general investment policy, the sub-funds also exclude companies or sectors that manufacture products or carry out business activities which the internal analysis highlights as entailing significant negative social or environmental risks. The sub-funds do not invest directly in companies generating a substantial proportion of their turnover from the production of tobacco, gambling, adult entertainment, conventional military weapons or coal, or in companies generating a substantial proportion of their turnover using coal-based power.

In addition, the sub-funds have a lower carbon footprint than their respective benchmarks. The reduction in carbon emissions for a security and/or issuer is measured based on its carbon intensity in scopes 1 and 2. Scope 1 refers to direct carbon emissions and therefore includes all direct greenhouse gas emissions from owned or controlled sources of the relevant entity or issuer (e.g. electricity generated in-house). Scope 2 refers to indirect carbon emissions and therefore includes greenhouse gas emissions from the generation of electricity, thermal energy and/or steam that is consumed by the relevant entity or issuer. The calculation excludes cash, certain derivatives and other unrated instruments.

The sub-funds will not directly invest in companies which breach the principles of the UN Global Compact, unless discernible corrective action has been taken.

At least two thirds of the investments are denominated in the currency indicated in the respective sub-fund's name.
However, the portion of investments in foreign currencies not hedged against the currency of account of the respective sub-fund may not exceed 10% of the assets.
After deducting cash and cash equivalents, the sub-funds may invest up to one third of their assets in money market instruments. Up to 25% of their assets may be invested in convertible, exchangeable and warrant-linked bonds as well as convertible debentures. The sub-fund may invest a total of up to 20% of its net assets in ABS, MBS, CMBS and CDOs/CLOs. The associated risks are described in the section "Risks connected with the use of ABS/MBS" or " Risks associated with the use of CDOs/CLOs".
The sub-funds may also invest up to 10% of their assets in contingent convertible bonds (CoCos). The associated risks are described in the section "Risks associated with the use of CoCos".
In addition, after deducting cash and cash equivalents, the sub-funds may invest up to 10% of their assets in equities, equity rights and warrants as well as shares, other equity shares and dividend-right certificates acquired through the exercise of conversion rights, subscription rights or options, in addition to warrants remaining after the separate sale of ex-warrant bonds and any equities acquired with these warrants.
The equities acquired by exercise of rights or through subscription must be sold no later than 12 months after they were acquired."

The "maximum flat fee p.a." is reduced for share classes with "F" and "I-A3" in their names. It remains unchanged for all other classes.

3. The name of the **UBS (Lux) Bond SICAV – USD Investment Grade Corporates (USD)** sub-fund will be changed to **UBS (Lux) Bond SICAV – USD Investment Grade Corporates Sustainable (USD)**. The typical investor profile now reads as follows: *"The actively managed sub-fund is suitable for investors who wish to invest in a mainly diversified portfolio of Investment Grade USD corporate bonds and in a sub-fund which promotes environmental and/or social characteristics." Investors should be prepared to accept the interest rate and credit risks inherent in this type of asset."*

   The investment policy of the sub-fund, which will in future fall under Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector, has been extensively revised, and now reads as follows:
   "UBS Asset Management categorises this sub-fund as a Sustainability Focus Fund. This sub-fund promotes environmental and social characteristics and falls under Article 8(1) of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector.
   The actively managed sub-fund invests primarily in corporate bonds denominated in USD of issuers with a strong ESG (Environmental, Social and Governance) profile as described below.
   The sub-fund uses the benchmark Bloomberg US Corporate Intermediate Index (TR) as reference for portfolio construction, performance evaluation, sustainability profile comparison and risk management purposes. The benchmark is not designed to promote ESG characteristics. For share classes with "hedged" in their name, currency-hedged versions of the benchmark (if available) are used. The investment universe of the sub-fund is defined by selecting the debt instruments contained in the benchmark that are issued predominantly by companies with a strong ESG profile based on UBS internal research. The investment universe of the sub-fund is supplemented by debt instruments and issuers that are not contained in the benchmark, but that appear to be suitable from an ESG perspective.
   Issuers are assessed for ESG risks using a proprietary UBS ESG Risk Recommendation, which rates issuers using a five-point scale (1 – negligible, 2 – low, 3 – medium, 4 – high and 5 – severe ESG risk). The sub-fund will generally exclude corporate issuers with risks identified in the ESG Risk Dashboard (described in the ESG Integration section) unless the overall UBS ESG risk recommendation is between 1 and 3, which is considered to be an acceptable risk for Sustainability Focus funds.
   Additionally, the Portfolio Manager utilises a UBS ESG consensus score to identify issuers for the investment universe with a strong environmental and social profile. This UBS ESG consensus score is a normalised weighted average of ESG score data from internal and recognised external providers. Rather than relying solely on an ESG score from a single provider, the consensus score approach increases confidence in the validity of the sustainability profile. The UBS ESG consensus score assesses sustainability factors, such as the performance of these issuers with regard to environmental, social and governance (ESG) aspects. These ESG aspects relate to the main areas in which the issuers operate and their efficiency in managing ESG risks. Environmental and social factors can include (amongst others) the following: environmental footprint and operational efficiency, environmental risk management,

climate change, natural resource usage, pollution and waste management, employment standards and supply chain monitoring, human capital, diversity within the board of directors, occupational health and safety, product safety, as well as anti-fraud and anti-corruption guidelines.
The individual investments in the sub-fund have a UBS ESG consensus score (on a scale of 1-10, with 10 having the best sustainability profile). The sub-fund's investments have a weighted average sustainability profile that exceeds the sustainability profile of its benchmark. This improves ESG engagement and promotes positive features of the sub-fund in relation to environment, social and governance. The calculation excludes cash, certain derivatives and other unrated instruments. The sub-fund's sustainability profile is measured by its benchmark's profile and the corresponding results are calculated at least once a year from the respective monthly profiles and published in the annual report.
In addition to the Sustainability Exclusion Policy described in the general investment policy, the sub-fund also excludes companies or sectors that manufacture products or carry out business activities, which the internal analysis highlights as entailing significant negative social or environmental risks. The sub-fund does not invest directly in companies generating a substantial proportion of their turnover from the production of tobacco, gambling, adult entertainment, conventional military weapons or coal, or in companies generating a substantial proportion of their turnover using coal-based power.
In addition, the sub-fund has a lower carbon footprint than its benchmark. The reduction in carbon emissions for a security and/or issuer is measured based on its carbon intensity in scopes 1 and 2. Scope 1 refers to direct carbon emissions and therefore includes all direct greenhouse gas emissions from owned or controlled sources of the relevant entity or issuer (e.g. electricity generated in-house). Scope 2 refers to indirect carbon emissions and therefore includes greenhouse gas emissions from the generation of electricity, thermal energy and/or steam that is consumed by the relevant entity or issuer. The calculation excludes cash, certain derivatives and other unrated instruments.
The sub-fund will not directly invest in companies which breach the principles of the UN Global Compact, unless discernible corrective action has been taken.
The sub-fund invests at least two thirds of its assets in investment-grade claims and debt securities that are issued by companies. At least two thirds of the sub-fund's investments must be rated between AAA and BBB- (Standard & Poor's) or have a similar rating from another recognised agency or – insofar as a new issue that does not yet have an official rating is concerned – a comparable internal UBS rating. Investments in bonds with a rating below BBB- or similar may not exceed 20% of the sub-funds' assets.
Investments with lower ratings may carry an above-average yield, but also a higher credit risk than investments in securities of first-class issuers.
At least two thirds of the investments are denominated in USD. The portion of investments in foreign currencies not hedged against the sub-fund's currency of account may not exceed 10% of the assets. The sub-fund's currency of account is the USD.
After deducting cash and cash equivalents, the sub-fund may invest up to one third of its assets in money market instruments.
The sub-fund may also invest indirectly via structured products (e.g. certificates, ABS, MBS). Investments in structured products may not exceed 20% of the sub-fund's net assets. The risks associated with investments in ABS/MBS are listed in the section entitled "Risk information".
The sub-fund may also invest up to 20% of its assets in contingent convertible bonds (CoCos). The associated risks are described in the section "Risks associated with the use of CoCos".
As part of efficient asset management or in order to hedge interest-rate, currency and credit risks, the sub-fund may invest in all derivative financial instruments listed in Section 5 "Special techniques and instruments with securities and money market instruments as underlying assets", provided the restrictions specified in this section are observed. Permitted underlyings include, in particular, the instruments specified under Point 1.1(a) and (b) ("Permitted investments of the Company")."

The maximum flat fee p.a. remains unchanged.

4. The respective investment policies of the **UBS (Lux) Bond SICAV – Asian High Yield (USD), UBS (Lux) Bond SICAV – Global Corporates (USD)** and **UBS (Lux) Bond SICAV – USD Corporates (USD)** sub-funds, which will in future fall under Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector, has been revised, and the following text has been added:
"This sub-fund promotes environmental and social characteristics and falls under Article 8(1) of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector.
The Portfolio Manager utilises a UBS ESG Consensus Score to identify issuers for the investment universe with strong environmental and social performance characteristics, or a strong sustainability profile. This

UBS ESG consensus score is a normalised weighted average of ESG score data from internal and recognised external providers. Rather than exclusively relying on an ESG score from a single provider, the Consensus Score approach enhances the plausibility of the sustainability profile quality.
The UBS ESG Consensus Score assesses sustainability factors, such as the performance of each issuer with reference to environmental, social and governance (ESG) aspects. These ESG aspects relate to the main areas in which the issuers operate and their effectiveness in managing ESG risks. Environmental and social factors can include the following elements: environmental footprint and operational efficiency, environmental risk management, climate change, natural resource usage, pollution and waste management, employment standards and supply chain monitoring, human capital, diversity within the board of directors, occupational health and safety, product safety, and anti-fraud and anti-corruption guidelines.

The sub-fund includes the following ESG promotion features:
The sub-fund will not directly invest in issuers which breach the principles of the UN Global Compact, unless discernible corrective action has been taken.
- The sub-fund aims to have a sustainability profile which is better than the sustainability profile of its benchmark and/or has the target of investing at least 51% of investments in issuers who have a better sustainability profile than the top half of issuers included in the benchmark (sorted by UBS ESG Consensus Score). The calculation does not take account of cash and unrated investment instruments."

The respective benchmarks are used as a reference for portfolio construction, performance evaluation, sustainability profile comparison and risk management purposes. Each benchmark is not designed to promote ESG characteristics. Each sub-fund's sustainability profile is measured by its benchmark's profile and the corresponding results are calculated at least once a year from the relevant monthly profiles and published in the annual report.

A new note has been added to each typical investor profile, stating that the sub-funds are ones which promote environmental and social characteristics.

5. In the respective investment policies of the **UBS (Lux) Bond SICAV – Short Duration High Yield Sustainable (USD)** and **UBS (Lux) Bond SICAV – EUR Corporates Sustainable (EUR)** sub-funds, the following note has been deleted: "*The Portfolio Manager invests at least 70% of the total net assets in securities of issuers with a UBS ESG Risk Recommendation of between 1 and 3."*

   In addition, the following note has been added to each investment policy: *"The sub-fund does not invest directly in companies generating a substantial proportion of their turnover from the production of tobacco, gambling, adult entertainment, conventional military weapons or coal, or in companies generating a substantial proportion of their turnover using coal-based power.*
   In addition, the sub-fund has a lower carbon footprint than its benchmark. The reduction in carbon emissions for a security and/or issuer is measured based on its carbon intensity in scopes 1 and 2. Scope 1 refers to direct carbon emissions and therefore includes all direct greenhouse gas emissions from owned or controlled sources of the relevant entity or issuer (e.g. electricity generated in-house). Scope 2 refers to indirect carbon emissions and therefore includes greenhouse gas emissions from the generation of electricity, thermal energy and/or steam that is consumed by the relevant entity or issuer. The calculation excludes cash, certain derivatives and other unrated instruments.
   The sub-fund will not directly invest in companies which breach the principles of the UN Global Compact, unless discernible corrective action has been taken."

The changes shall enter into force on 20 September 2021. Shareholders who object have the right to redeem their shares free of charge until the date these changes take effect. The changes shall be visible in the September 2021 version of the Company's Sales Prospectus.

Luxembourg, 19 August 2021 l The Company