



Information on our Funds order handling and execution policy

Product General Procedure – B4B Execution Services

UBS AG Hong Kong Branch

UBS AG Singapore Branch

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1 Purpose

This document, intended for use of B4B Execution Services clients of UBS AG Hong Kong Branch and UBS AG Singapore Branch, supplements our Hong Kong Order Handling and Execution Policy and Singapore Order Handling and Execution Policy (the Policy Information Documents) available at: [Global Markets Best Execution - Hong Kong & Singapore | UBS Global](#) focusing specifically on fund execution.

2 Funds

Specific procedures apply to transactions in traditional and non-traditional fund instruments where UBS acts as Execution Hub for B4B Execution Services clients of UBS AG Hong Kong Branch and UBS AG Singapore Branch. They apply to neither Exchange Traded Funds ("ETF") and other secondary market transactions nor to Funds with Special Liabilities.

2.1 Instrument Opening Process (UBS Internal Systems)

Opening of basic and trading data

Fund instruments are generally only opened in UBS' systems upon request of the Client.

UBS Execution Hub may request the Client to provide fund documentation (prospectus & subscription form) of the relevant Fund. The Client acknowledges that in exceptional circumstances, e.g. due to external dependencies, the opening of an instrument in UBS' systems might take up to 10 Business Days or more from as of the date UBS Execution Hub receives the complete Fund related documents (this includes the internal Fund screening process).

Supported Domiciles

Hedge Funds will be considered for all domiciles, however the Fund documentation provided must be in English (subscription or redemption documents, operating memorandum). In the case of traditional Funds, Funds can only be opened in domiciles approved by UBS.

2.2 Order Instruction

2.2.1 General

In order to ensure a timely processing of the order, the Client needs to submit orders prior to the lapse of the UBS Execution Hub internal deadline. Orders via electronic channels must be submitted to UBS Execution Hub at least one minute before the expiry of the UBS internal deadline. Manual orders must be submitted to the Sales Trading Desk at least one business hour prior to the expiry of UBS' internal deadline. UBS Execution Hub does not provide any warranty whatsoever relating to information about external deadlines. It is the Client's responsibility to get the accurate information on Fund deadlines by sourcing the latest prospectus. Order instructions via email are only valid upon receipt of Funds Sales Trading Desk's confirmation. The Client is required to contact the Funds Sales Trading desk if he does not receive a written order entry confirmation. UBS Execution Hub does not guarantee that manual orders will be (i) placed within the external deadline set by an Intermediary and/or Fund Provider or (ii) accepted by such Intermediary and/or Fund Provider.

2.2.2 Order Validity

Due to irregular trading frequencies of Funds, the orders submitted to UBS Execution Hub by the Client need to have a sufficient validity to ensure proper processing. The default validities for the different order capture systems must be as follows:

- **SWIFT and FIX:** Validity has to be "good till cancel" (or on an exceptional basis if "good till cancel" is not possible due to system limitation, then validity of minimum 20+ years)

The Client shall not change the default validities nor enter day orders (i.e. orders with one day validity) at any time. An order that has expired in the Client's system will still be valid in UBS' systems or on the market side. Thus, the Client shall not re-enter an expired order without having first contacted the Sales Trading Desk and received its approval.

2.2.3 Nominee Setup

Based on the documents and information provided by the Client and upon its instruction UBS fills in, signs and forwards the fund related documents to the Intermediary and/or Fund Provider. In doing so, UBS will formally be acting in its own name, but for the account of the Client pursuant to the Client's instruction (nominee set-up). If necessary, the Client will provide UBS the respective information with regards to eligibility checks (e.g. new issue eligibility, US citizen)

that is mandatory for order placement. In exceptional cases a duly filled and signed application form from the Client is required. In these cases, the Client is not allowed to cross out any sections in the form.

2.3 Order Placement

2.3.1 *Responsibility and exclusive right of UBS to order placement*

Once the Client has properly entered and submitted its order together with all necessary and duly executed fund related documents and (additional) information, it is the responsibility of UBS Execution Hub to forward such order together with submitted documents to the respective Intermediary and/or Fund Provider within the set deadlines.

Funds with UBS internal deadline

The UBS' internal deadlines vary from the external deadlines. A timely placement of the order is only assured on a reasonable effort basis by UBS if the order is entered prior to the lapse of the UBS internal deadline. Orders received after the lapse of the internal deadline for that specific Fund will be placed on a reasonable effort basis if they are received before the lapse of the external deadline. Orders received after the lapse of the external deadline, will be bulked with other orders for placement on the next dealing day.

Funds without UBS internal deadline

Orders received by UBS will generally be placed in the market every business day between 08:30 SGT and 18:00 SGT with a maximum delay of 45 minutes, regardless of the external Fund deadline.

Prepayment Funds

UBS does not hold information about external deadlines for Prepayment Funds (hence no internal deadlines). Thus, UBS places such orders when received on a business day by 18:00 SGT on the same day. Orders received after 18:00 SGT are placed on a reasonable effort basis only. This deadline can only be met subject to -timely receipt of required information (i.e. eligibility checks) that Client needs to provide. The Client needs to take into consideration the deadline for payment of monies for subscriptions in line with fund rules on a case-by-case basis.

2.3.2 *Bulking/Auto-forwarding Process*

In order to, among other things, keep placement costs low, and/or facilitate cancellations/amendments or upon the request of an Intermediary and/or Fund Provider, UBS may bulk orders at its own discretion. If the Client asks UBS to bulk orders, it is the Client's responsibility to ensure that the external deadlines can be met by allowing UBS sufficient time for processing. On the other hand, for any instruments and instrument groups, UBS has unfettered discretion (e.g. to mitigate operational risk) to place orders using a bulking placement process or via auto-forwarding client individual orders without any pre-notice or announcement.

2.3.3 *Requests for Specific Trade Dates*

If the Client requires a specific trade date, the Client has to explicitly mention such trade date by adding clear trading reference when entering the order (e.g. "NAV END OF MARCH"). UBS will not hold this order back until the specific trade date, but will place the order with the reference in accordance with the processes described. It is the decision of the Fund whether the order will be processed as requested. UBS Execution Hub Funds Primary cannot be held liable for orders executed early or later in relation to the reference added to the order.

2.3.4 *Delayed Placement*

The Client acknowledges that there could be unforeseen circumstances outside of UBS's control which may result in delay of order placement and adherence of service standards outlined in this PGP. Some of these reasons may include, but not limited to, fund's requirement for additional documentations or information prior to trade acceptance which may not have been communicated or requested from UBS in due time. Unforeseen delays in order placement may occur if Instruments are not readily available for trading on our platform hence requiring instrument opening and/or trading chain setup internally or externally or any other force majeure events. For

Hedge Funds, Prepayment Offshore Funds and more complex Non-Prepayment Funds, in addition to segregated accounts for Mutual Funds, the market may typically not open a trading account until the first order is received in this Fund from UBS Execution Hub Funds Primary. This can directly impact the processes and service times outlined in these PGP resulting in delayed placement.

2.4 Order Types

UBS accepts the following type of orders for placement under the following conditions:

2.4.1 Amount Orders

Orders for redemption and/or subscription in amount are only possible if the respective Intermediary and/or Fund Provider accept such orders. However, even where such orders are accepted, UBS is not in a position to guarantee an order placement in amount (e.g. because an Intermediary and/or Fund Provider cannot provide necessary services or settlement issues arise such as dependencies on custodians). Further, the Client notes that redemptions in amount for Prepayment Funds are not allowed.

2.4.2 Multi-Currency Funds

The Client needs to enter orders in multi-currency Funds always in the currency the Client wants to invest in. If no currency is provided by the Client, UBS will apply the default currency of the Fund. However, redemption orders of multi-currency Funds can only be accepted in the currency of the relevant custody position.

2.4.3 Switch Orders

Before entering a switch order, the Client must ensure that the redeeming instrument and the subscribing instrument are open in UBS' Systems. In addition the Client has to ensure that the cash accounts of all necessary currencies are open in the UBS internal systems. The Client familiarise with all pertinent dealing conditions, including, in particular, the settlement cycles for both the redemption and subscription legs prior to entering a switch order. The Client must enter switch orders as redemption orders with the trader text field populated in the order capture system with "Switch into [Valor/ISIN] [CUR]" where [CUR] is the 3 digit ISO currency code of the switch-in order currency. The Client notes that only orders with regard to the custody account at UBS are accepted (i.e. there is no delivery for switch-orders). The Client notes, that switch orders in Swiss-domiciled UBS Funds are not allowed and must be entered by the Client as regular subscription and redemption order. Switch orders are booked as "redemption" and "subscription" and two trade confirmations are sent to the Client, both according to the final confirmation of the Intermediary and/or Fund Provider. When issuing the trade confirmation UBS does not make any adjustment regarding value date, NAV etc. For cross-currency switch orders UBS applies the settlement currency and the relevant exchange rate as provided by the Intermediary and/or Fund Provider.

2.4.4 Subscriptions/Redemptions in kind

The Client needs to provide among other things the following information to UBS at least 5 business days prior to the external deadline: offering memorandum (including blank application form), duly filled and signed application form, written confirmation from the Fund Provider that in-kind transaction is possible, statement of underlying instruments (including UBS settlement instructions for redemption orders). Before processing the redemption transaction UBS will perform an assessment to confirm that underlying instruments (securitised products) can be kept in the custody account at UBS for the Client. The processing of physical underlying has to be assessed on a case by case basis. In kind transactions are only processed if the Fund units or underlying are held in the custody account at UBS. The minimum transaction amount must exceed CHF 5 Mio. An additional handling fee of 5 bps is charged by UBS separately (minimum CHF 2,500).

2.4.5 Submission of References

To the extent the Client wants or needs to add a reference to the order, the Client has to submit a reference in a format which the Intermediary and/or Fund Provider can accept and process. UBS ensures references will be transmitted to the Intermediary and/or Fund Provider, but will not guarantee the successful placement of orders with a reference since UBS is not aware of the agreement between the Client and the Intermediary and/or Fund Provider in connection with such reference. It is the decision of the Fund whether the order will be processed as requested. Orders with references may be rejected. The Client acknowledges that UBS does not accept references for UBS Funds. Such references will be ignored, i.e. the respective order will be placed by UBS without reference and without further informing the Client. UBS will forward any queries, requests for information, correspondence or all other information in connection with references received by the Intermediaries and/or Fund Provider to the Client. This may delay order placement until a response is received from the Client.

2.4.6 Cancellations/Amendments

If a cancellation request is not successful, the Client receives a cancellation reject (FIX, SWIFT). The Client then needs to request the cancellation directly from the Funds Sales Trading Desk. Cancellation/Amendment instructions via email are only valid upon confirmation of receipt from Funds Sales Trading Desk. The Client is required to contact the Funds Sales Trading desk if he does not receive a written confirmation of receipt that their cancellation/amendment request has been forwarded to the counterparty. The Client acknowledges that requests for cancellations/amendments may not effectively result in an order being cancelled/ amended and should not make the assumption that an order can be cancelled/ amended solely based on its request. If the order has already been forwarded for execution, UBS can only pass on the request for cancellation/amendment to the counterparty accordingly. Acceptance of cancellation and amendment is solely at the discretion of the fund and/or any of its appointed transfer agent/administrator. The definite and immediate cancellation/amendment of an order and – if applicable – the refund of the invested cash will take place after a confirmation has been received from the Intermediary and/or Fund Provider. UBS shall not be liable for any interest claims resulting from cancellation or amendment relating to prepaid orders. The Client notes that such confirmations reflecting the status of requested cancellations/amendments is subjected to UBS receipt of the same from the counterparty. Whilst UBS endeavors to take reasonable and appropriate measures to follow-up on the status of cancellation/amendments requests on a best effort basis, UBS is not obligated to actively monitor the status of such requests. In the unlikely event that due unforeseen circumstances a cancelled order was subsequently executed in the market even after an Intermediary and/or Fund Provider has confirmed the cancellation, UBS is obliged to confirm the same to the client. The Client acknowledges that UBS only processes cancellation/amendment requests if the placement of other client orders of the same block are not at risk.

2.4.7 Order Placement and Cancellations/Amendments after Cut-Off Time

UBS Funds

UBS Fund orders (incl. requests for cancellations/amendments) may be placed after cut-off time on an exceptional basis only and provided always that the placement of other orders of the same block is not at risk. The process is as follows:

- the Client sends the request including, where appropriate, evidence of the justifying reasons (e.g. original e-mail showing request from end client) to the Sales Trading Desk via email to: ol-b4b-funds-apac@ubs.com;
- all necessary internal UBS approvals as well as external approvals have been received;
- The face value of the order exceeds CHF 500,000.

The request for order placement and cancellations/amendments after cut-off time is only possible as long as such orders in UBS' systems are not allocated (i.e. in the status "completed").

2.4.8 Immediate Placement

The Client can explicitly request to immediately submit order by sending an email to ol-b4b-funds-apac@ubs.com. UBS will then place the order within one business hour on a reasonable effort basis only (i.e. without guarantee that this order can be submitted before the external deadline lapses and that it will be accepted by the Intermediary and/or Fund Provider). If the external deadline is not met the order is automatically valid for the next possible trade date.

2.5 Minimum Investment/Minimum Holdings

The Client acknowledges that a Fund may reserve the right to require the redemption of the units at any time resulting in a forced redemption of all Client positions if the minimum investments/holding is not met. A partial redemption leading to investments/holdings below the required minimum is only possible if either the Fund Provider waives such minimum or UBS initiates a "forced redemption" meaning that all Clients, without choice, must exit the respective Fund (in a case where the aggregate investment / holding level falls below the minimum investment or the minimum holding). In this respect, the Client acknowledges that investments in Funds requiring minimum investments/holdings may be held in omnibus accounts and bears the risk of a forced redemption of the total investment/holding if other clients redeem their investments/holdings causing the aggregate investment / holding level to fall below the minimum requirement. UBS is not liable for penalty fees, early redemption fees or similar fees that are charged due to the breach of the Funds holding period. UBS places any redemption orders on an "execution only" -basis.

2.6 Frequent Trading/Market Timing

Frequent Trading is an investment strategy, whereby the Client repeatedly subscribes and redeems in a Fund within a short period of time. "Market Timing" is a type of systematic trading within a short period of time, to benefit from price and time zone differences in the different markets. Irrespective of the fund rules, UBS considers the subscribing and redeeming of units in the same Fund through the same "ultimate beneficial owner" in a short period of time as an indication for "Frequent Trading" as well as an indication for abusive "Market Timing". UBS does not facilitate, support or condone "Frequent Trading" or "Market Timing" practices and reserves the right to carry out further investigations with respect to the economic background of the transactions in question. In case of substantiated suspicion of "Frequent Trading" or "Market Timing" UBS reserves the right to decline any further orders received by the Client as to these and/or other Funds.

2.7 Post Trade Allocation / Custody

In general, Execution Hub Funds Primary will affect the booking of the placed orders on the same day for all contract notes which UBS receives between 08:30 SGT till close of business Switzerland time . Contract notes received after close of business Switzerland time will be handled the next business day. The exception is if it involves further clarification with counterparty for complex trade confirmations concerning specialties like partial or gated redemptions, side pockets, etc.

2.7.1 "New" Trading Currencies

In general, the settlement amount is booked to the respective cash account in the trading currency. If there is no respective cash account in the trading currency open the trade is booked on the default cash account. The default cash account is flagged as "main account" (normally CHF but can also be another currency, e.g. EUR). If an order is booked to the default account, an FX rate will be applied and the order will be allocated. Only if a non-tradable currency is involved (e.g. Malaysian Ringgit) the order will be stopped at the allocation. In these cases the Client will be contacted.

2.7.2 Preliminary Booking

If a cash amount of a redemption order is received from the Intermediary and/or Fund Provider but no contract note is issued at that time, then UBS credits the Client by booking a preliminary redemption. In this case a preliminary trade confirmation will be sent to the Client.

UBS calculates the price applied to a preliminary redemption booking by dividing the redemption proceeds received by the number of units of the redemption order. Once the contract note is received a cancellation/rebooking of the redemption will take place whereby the correct NAV and all further details of the redemption will be booked accordingly. The Client then will receive a cancellation and a rebooking confirmation.

2.7.3 Settlement Timescales (Including T+0 Funds)

Due to time lags with various Intermediaries and fund transfer agents, UBS may not be in a position to settle trades on the same day, since UBS is dependent on receiving a binding contract note from the market and / or receipt of cash to facilitate the booking of transactions, additionally UBS is bound by internal and external cash cut-off deadlines for different currencies. Reasonable efforts will be made to facilitate the same day settlement of funds primary transactions

3 Review

We will review this Policy regularly.

The up-to-date version of this Policy will be posted on: www.ubs.com/ibregulatory

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