



Introduction to the UBS portfolio-based approach

In our portfolio-based approach we monitor the risk level of your portfolio against your selected risk tolerance. The risk level of the different risk tolerances you can choose from is derived from our "Strategic Asset Allocation".

Measuring your portfolio against your risk tolerance

Our portfolio-based approach allows you to select a dedicated risk tolerance for each portfolio and therefore pursue different investment objectives for different portfolios. Each risk tolerance is associated with a corresponding UBS Strategic Asset Allocation (SAA) and the derived expected annual volatility and return figures.

When proposing appropriate products to you, we will consider the effect of such products on your overall portfolio risk, including the benefits of diversification. Your overall portfolio risk will be monitored against a defined volatility range and we will notify you in case the overall portfolio risk exceeds the upper limit of this volatility range for the selected risk tolerance. Volatility ranges of the risk tolerances may extend beyond the expected annual volatility of the next higher risk tolerance¹.

Risk tolerance	A - Very Low	B - Low	C – Moderate	D – Medium	E – Above Average	F - High
Asset Allocation	Fixed Income	Income	Yield	Balanced	Growth	Equities
Upper limit of volatility range ²	Expected annual volatility + 2.5%	Expected annual volatility + 4%	Expected annual volatility + 5%	Expected annual volatility + 5.5%	Expected annual volatility + 6.5%	Expected annual volatility + 6.5%

Mapping between risk tolerance, Asset Allocation and upper limit of volatility range.

Strategic Asset Allocation (SAA)

In the table below, you can find six core SAAs that differ in their exposure to the respective asset classes and consequently in the underlying investment risk. The SAAs are an essential part and form the basis of our portfolio-based approach.

We continuously monitor and adjust the SAAs based on the long-term outlook, trends and developments in the markets in order to capitalize on the benefits of investing in a well-diversified manner.

Asset Allocation ³	Fixed Income	Income	Yield	Balanced	Growth	Equities
■ Liquidity	5%	5%	5%	5%	5%	5%
■ Bonds	95%	69%	50%	33%	17%	5%
■ Equity	0%	10%	25%	42%	62%	90%
■ Others (Incl. Alternatives)	0%	16%	20%	20%	16%	0%

Please contact your client advisor should you have further queries on the SAAs.

Important

If the above 6 SAA-backed risk tolerances do not suit your investment objectives, there are 2 additional risk tolerances that you can choose from (L – Liquidity and O – Opportunistic). Please note that selecting L or O will restrict your access to some of the key UBS offerings.

If the "Opportunistic" profile is selected, it may expose you to very high volatility and a loss of more than the invested capital if leverage is used. In addition, portfolio volatility checks will not be applied at the point of trade and in subsequent portfolio reviews.

Leverage can significantly influence the risk and return characteristics of your portfolio. It can magnify both gains and losses, and it is possible to lose more than your invested capital. You can employ leverage through borrowing or margin trading. In selecting the "Opportunistic" profile you are telling us that you are prepared to use leverage.

¹ The volatility ranges are determined at UBS's sole discretion and may change over time.

² The upper limit of volatility ranges reflected can differ depending on specific investment solutions.

³ Asset allocation figures reflected are related to the neutral asset allocation position and can differ depending on specific investment solutions.

Information on scope and limitations of available services and products

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Securities may be defined as complex or non-complex in accordance with regulatory requirements. Products classified as complex may not be available for all Authorized Individuals.

All orders or Instructions placed through the trading platform of UBS Digital Banking are subject to checks and verifications (including suitability checks and cash and stock availability checks) to ensure the Bank's compliance with various regulatory requirements and sales restrictions (including cross border restrictions). The Bank may in its sole discretion without having to state the grounds for such refusal and without liability whatsoever reject any order or Instruction that does not satisfy any of these checks and verifications.

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