

Monthly report BKB Sustainable – Bonds CHF Foreign I1

Fund description

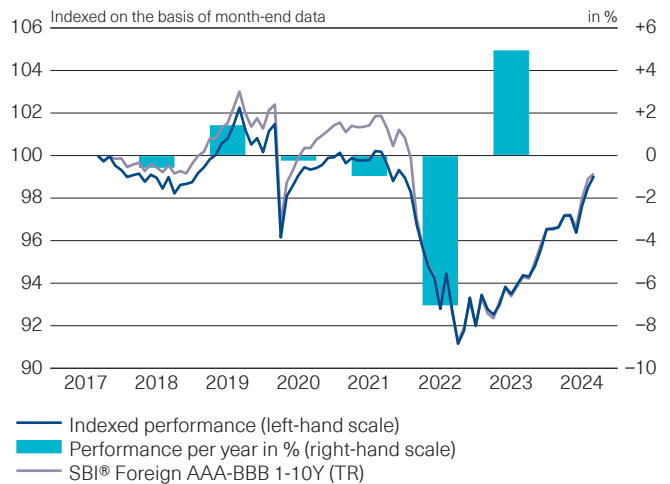
The fund invests primarily in debt securities and value rights, quoted on the Swiss stock exchange, meeting the sustainability criteria of Basler Kantonalbank. The investment decision is made in the course of an analysis of the ecological, social and financial figures as well as the quality of the governance of companies.

The investment goal of this fund consists essentially, account being taken of the principle of risk diversification, of achieving a moderate appreciation in Swiss francs (CHF).

The investment is suitable for investors who

- want a regular yield from bonds,
- have a view to a medium-term investment horizon,
- are also ready to accept price fluctuations,
- wish to invest their money sustainably.

Performance (share class I1; basis CHF, net of fees)¹



Name of fund	BKB Sustainable – Bonds CHF Foreign
Share class	BKB Sustainable – Bonds CHF Foreign I1
ISIN	CH0375612923
Securities no.	37 561 292
Bloomberg	BKBBF11 SW
Share class launch date	25.08.2017
Fund launch date	18.08.2017
Currency of fund / share class	CHF/CHF
Management fee p.a.	0.09%
Total expense ratio (TER) p.a. ¹	0.09%
Name of the Management Company	UBS Fund Management (Switzerland) AG
Custodian Bank	UBS Switzerland AG, Zurich
Portfolio management representatives	Basler Kantonalbank
Accounting year end	31 December
Distribution	none
Swinging Single Pricing	Yes, 0.15%

¹ as at 30.06.2024

Share class details

Net asset value CHF (30.08.2024)	97.59
Last 12 months (CHF)	– high 97.66 – low 92.59
Total fund assets (CHF m)	321.32
Share class assets (CHF m)	86.47
Modified duration	3.89

in %	2022	2023	2024	LTD ³ 1 year	3 years	5 years	Ø p.a. 3 years	Ø p.a. 5 years	
Fund	-7.05	4.95	2.59	-0.78	4.95	-1.14	-3.14	-0.38	-0.64
SBI® Foreign AAA-BBB 1-10Y (TR) ⁴	-8.74	4.92	2.69	-0.83	5.15	-2.67	-3.75	-0.90	-0.76

¹ These figures refer to the past. Past performance is not a reliable indicator of future results. The performance shown does not take account of any commissions and costs charged when subscribing to and redeeming units. Source for all data and charts (if not indicated otherwise): UBS Asset Management

² YTD: year-to-date (since beginning of the year)

³ LTD: launch-to-date

⁴ SBI® Foreign AAA-BBB 1-10Y (TR) in currency of share class (without costs)

Ratios

	1 year	3 years	5 years
Volatility ¹ – Fund	2.05%	3.44%	3.82%
Sharpe ratio	1.66	-0.29	-0.20
Tracking Error	0.13%	0.79%	0.66%
Alpha vs. SBI® Foreign AAA-BBB 1-10Y (TR)	-0.20	0.51	0.12
Beta vs. SBI® Foreign AAA-BBB 1-10Y (TR)	1.01	0.92	0.94

¹ Annualised standard deviation

Breakdown by countries (in %)

France	15.2
Germany	14.8
Canada	14.2
United States	8.3
United Kingdom	7.3
Australia	6.7
Netherlands	4.3
Cash	3.7
Chile	3.6
Others	22.0

Breakdown by largest debtors (in %)

Muenchener Hypothekenbank eG	4.05
Deutsche Bahn Finance GMBH	2.93
Credit Agricole SA	2.79
Bank of Nova Scotia/The	2.40
BNP Paribas SA	2.35
Berlin Hyp AG	2.34
Canadian Imperial Bank of Commerce	2.21
Societe Generale SA	2.10
Banque Federative du Credit Mutuel SA	1.85
Metropolitan Life Global Funding I	1.83

Breakdown by credit quality (in %)

AAA	23.1
AA+	5.4
AA	4.2
AA-	21.3
A+	12.1
A	9.3
A-	13.9
BBB+	5.4
BBB	3.6
BBB-	1.0
Others	10.7

Breakdown by structure of maturities (in %)

Until 1 year	9.3
1–3 years	25.7
3–5 years	32.5
5–7 years	22.6
7–10 years	9.8
10–15 years	10.5



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Glossary of key terms

Benchmark

Index against which an investment fund's performance is measured. Also called a reference index.

Alpha

A fund's alpha is its outperformance relative to a benchmark. If a fund has a consistently high alpha this can indicate skilful management. If the benchmark returns 12% and the portfolio returns 14%, the outperformance (alpha) is equal to $14\% - 12\% = 2\%$. Compare with beta.

Beta

A measure of risk which indicates the sensitivity of an investment, such as an investment fund, to fluctuations in the market, as represented by the relevant benchmark. For example, a beta of 1.2 tells us that the value of an investment fund can be expected to change by 12% if the market is forecast to move by 10%. The relation is based on historical data and is only an approximation. However, the closer the correlation between the benchmark and the investment fund, the better this approximation.

Duration

The duration represents the length of time for which capital is "tied up" in a bond investment. In contrast to residual maturity calculations, the concept of duration takes account of the time structure of returning cash flows (such as coupon repayments). The average duration of the portfolio is derived from the weighted average duration of the individual securities. The "modified duration"

is derived from the duration and provides a measure of the risk with which the sensitivity of bonds or bond portfolios to interest-rate changes can be estimated. A 1% increase (decrease) in the interest level accordingly produces a percentage fall (rise) in the price in proportion to the modified duration. For example: the modified duration of a bond fund is 4.5, the theoretical yield to maturity is 5.3%. If the theoretical yield to maturity drops in the example by 1% to 4.3% due to the decline in interest rates, the fund price increases by around 4.5%. For bond and asset allocation funds, the duration is given for all fixed-income instruments.

Sharpe ratio

The Sharpe ratio expresses how much higher (or lower) a return an investor can expect compared to the risk-free rate of interest (e.g. interest rates on savings accounts) per unit of risk (volatility). The risk-free rate of interest varies from currency to currency.

Tracking error

Measure of the deviation of the return of a fund compared to the return of a benchmark over a fixed period of time. Expressed as a percentage. The more passively the investment fund is managed, the smaller the tracking error.

Volatility

In portfolio theory the risk of an investment is measured by the amount of volatility. Risk and return are directly related: Markowitz's portfolio theory posits that a higher return can only be obtained with a higher risk.