

# UBS (Lux) European Small and Mid Cap Equity Long Short Fund BH USD



## Fund information

Equity

208'883'162

Fund total net assets in EUR

Share class TNA, USD <b>11'895'327</b>	Share class NAV, USD <b>183.02</b>	Management fee p.a. <sup>1</sup> <b>1.60%</b>
---	---------------------------------------	--

MTD (net) return <b>-0.52%</b>	QTD (net) return <b>0.80%</b>	YTD (net) return <b>-2.11%</b>
-----------------------------------	----------------------------------	-----------------------------------

## Fund details

Investment Manager	Felix Meier
Fund launch date	26.07.2010
Share class launch date	26.07.2010
Share class	BH
Share class currency	USD
Distribution policy	Accumulating
Fund domicile	Luxembourg
ISIN	LU0526495444
Benchmark	No benchmark

## Investment Policy

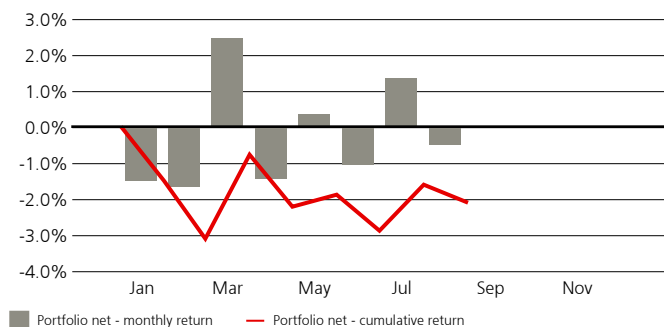
The UBS (Lux) European Small and Mid Cap Equity Long Short Fund aims to generate absolute positive returns by exploiting the inefficiencies of the small and mid-cap markets in Europe with a focus on German speaking countries. The portfolio managers buy the equities they think will perform best, while at the same time selling stocks in companies that, in their views, will underperform the market. The objective is to create a portfolio that has lower volatility, less correlation with the equity markets and a better risk-adjusted performance than a long-only fund.



Investing involves risk including the risk of loss of capital. Past performance does not predict future returns. Neither simulated nor historical performance is a reliable indicator for current or future performance.

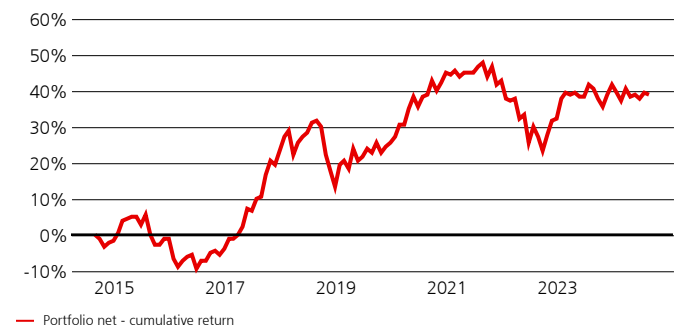
## Performance overview - monthly & cumulative

since 01.01.2024



## Performance overview - cumulative

since 01.09.2014



Reference index change on 05.07.2024 – old: CS AllHedge Index Long/Short Equity index, new: No benchmark.

## Performance overview - monthly & YTD

since 01.01.2024, in %

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Portfolio net	-1.49	-1.65	2.43	-1.47	0.35	-1.04	1.33	-0.52					-2.11

## Performance overview - yearly

since 01.01.2015, in %

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Portfolio net	0.44	-2.46	28.00	-8.24	10.90	15.54	-1.63	-7.22	7.13	-2.11

Reference index change on 05.07.2024 – old: CS AllHedge Index Long/Short Equity index, new: No benchmark.

<sup>1</sup> If the currency of a financial product and/or its costs is different from your reference currency, the return and cost may increase or decrease as a result of currency fluctuations. The individuals mentioned above only conduct regulated activities in the jurisdiction(s) where they are properly licensed, where relevant. ESG stands for environmental (E), social (S), and governance (G). Please find the definition of all the acronyms/terms used in this document in the Glossary. Additional important information can be found at the end of the document.

**Performance overview**

since 01.08.2010, in %

	Rolling Returns		Annualized Returns			
	1 months	3 months	1 year	3 years	5 years	ITD
Portfolio net	-0.52	-0.24	-1.34	-2.05	2.48	4.39

**Risk overview - ex post**

since 01.08.2010, in %

	Annualized risk, in %			
	1 year	3 years	5 years	ITD
Portfolio volatility	5.96	7.99	7.17	7.98

**Potential Risks**

The Fund's risk and reward profile does not reflect the risk inherent in future circumstances that differ from what the Fund has experienced in the recent past. This includes the following events which are rare but can have a large impact.

- **Credit risk:** Issuers of assets held by the Fund may not pay income or repay capital when due. The Fund's investments have low credit risk.
- **Liquidity risk:** Assets cannot necessarily be sold at limited cost in an adequately short timeframe. The Fund's investments may be prone to limited liquidity. The Fund will endeavor to mitigate this risk by various measures. Please find the details about redemption frequency in Key facts section.
- **Counterparty risk:** Bankruptcy or insolvency of the Fund's derivative counterparties may lead to payment or delivery default. The Subfund will endeavor to mitigate this risk by the receipt of financial collateral given as guarantees.
- **Operational risk:** Deficient processes, technical failures or catastrophic events may cause losses.
- **Political and Legal risks:** Investments are exposed to changes of rules and standards applied by a specific country. This includes restrictions on currency convertibility, the imposing of taxes or controls on transactions, the limitations of property rights or other legal risks.
- **Sustainability risks:** Sustainability risks are environmental, social or governance events or conditions that can have a material negative effect on the return, depending on the relevant sector, industry and company exposure.

The product's investment objectives, risks, charges and expenses, as well as more complete information about the product, are provided in the prospectus (or relevant offering document), which should be read carefully before investing.

**Investors may lose part or all of their invested amount. The Fund's use of leverage may lead to an amplified reaction to market movements, i.e. increase the volatility of the Fund and may amount to a more substantial loss than in unleveraged products. The investment promoted in this marketing material concerns the acquisition of units or shares in a fund and not of any underlying assets. The underlying assets are owned by the fund only. The full offering documentation including complete information on risks may be obtained free of charge from a UBS client advisor, representative, or, where applicable, via Fundsearch ([credit-suisse.com/fundsearch](https://credit-suisse.com/fundsearch)).**

**Fund exposure**

Long exposure	94.82%	Number of long positions	78
Short exposure	-53.52%	Number of short positions	49
Net exposure	41.30%		
Total gross exposure	148.35%		

**Asset breakdown by Market capitalisation<sup>3</sup>**

In % of total economic exposure

	Long	Short
Small Cap	13.34	-4.39
Mid Cap	72.10	-24.12
Large Cap	9.38	-25.01

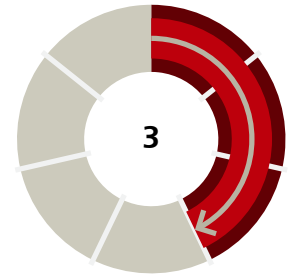
**Asset breakdown by Sector**

In %

	Long	Short	Net	Net
Energy	2.92	-0.33	2.59	
Information Technology	7.91	-5.40	2.52	
Consumer Staples	9.99	-3.06	6.93	
Industrials	24.03	-13.05	10.98	
Communication	12.06	-3.62	8.44	
Consumer Discretionary	6.25	-9.31	-3.07	
Financials	3.35	-8.62	-5.27	
Health Care	12.74	-3.95	8.79	
Materials	5.85	-3.30	2.55	
Real Estate	6.90	-1.23	5.67	
Utilities	2.82	-1.66	1.16	

**Risk profile<sup>2</sup>**

PRIIP SRI



Larger values (up to 7) indicate higher risk while lower values (up to 1) indicate lower risk.

<sup>2</sup> The risk indicator assumes you keep the Product for 5 years. The actual risk can vary significantly if you redeem at an early stage and you may get back less. The Summary Risk Indicator is a guide to the level of risk of this Product compared to other products. It shows how likely it is that the Product will lose money because of movements in the markets. Be aware of currency risk if your reference currency differs from the currency of the Product. You may receive payments in a different currency, so the final return you will get depends on the exchange rate between the two currencies. Investors shall note that the Product may be exposed to further risks such as operational, counterparty, political, sustainability and legal risks that are not included in the Summary Risk Indicator. This Product does not include any protection from future market performance so you could lose some or all of your investment.

<sup>3</sup> Classification: Small Cap up to EUR 1.5 bn market cap, Mid Cap between EUR 1.5bn and EUR 15bn and the above EUR 15bn Large Cap.

## Asset breakdown by country

In %	Long	Short	Net	Net
Germany	58.54	-29.70	28.84	
Switzerland	3.12	-5.03	-1.91	
Austria	0.00	-0.22	-0.22	
Belgium	1.01	-0.32	0.69	
China	0.00	0.00	0.00	
Colombia	0.00	0.00	0.00	
Cyprus	0.00	0.00	0.00	
Denmark	2.01	-0.96	1.05	
Faroe Islands	0.90	0.00	0.90	
Finland	1.09	-0.76	0.33	
France	0.71	-2.36	-1.65	
Ireland	0.00	-0.08	-0.08	
Italy	12.71	-3.23	9.48	
Jersey, Channel Islands	0.00	0.00	0.00	
Liechtenstein	0.00	0.00	0.00	
Luxembourg	1.40	-0.11	1.29	
Netherlands	8.74	-2.60	6.14	
Norway	0.68	-0.06	0.62	
Poland	0.00	-0.03	-0.03	
Portugal	1.09	-0.02	1.07	
South Africa	0.00	-0.03	-0.03	
Spain	0.62	-1.27	-0.66	
Sweden	1.03	-1.30	-0.26	
United Kingdom	1.19	-5.44	-4.25	
United States	0.00	0.00	0.00	

## Fund Statistics - ex post

	1 year Portfolio	3 years Portfolio	5 years Portfolio
Maximum drawdown, in %	-3.53	-16.35	-16.35

Past performance does not predict future returns. Neither simulated nor historical performance is a reliable indicator for current or future performance.

## Market commentary

European small and mid caps in August staged a sharp correction at the beginning of the month of around -7% that was almost completely recovered by the end of the month with the MSCI Europe Small Cap Net TR index ending at -0.32%. A disappointing jobs report in the US and tightening by the Bank of Japan kicked off a sharp unwind in popular yen-funded carry trade positions and fuelled a volatility spike to Covid highs with the Japanese index falling 20% in three days. However, the third consecutive downside surprise in headline inflation and the softening job market in the US, coupled with still strong retail sales and good earnings reports, has increased the odds of a soft landing in the US. As the market expects the Fed to implement the long-awaited rate cuts, equity markets recouped their losses.

The fund behaved as expected during the month. It limited the losses to around -2.6% at the height of the correction and finished the month at -0.66%. Our best long contributors were German real estate company LEG Immobilien (+7.67%) and food preparation appliances manufacturer Rational (+12.60%). LEG benefited from decreasing bond-yields, which are a tailwind to real estate valuations. Rational reported a good Q2 with sales in reacceleration and beat on operating earnings. Our worst long contributors were the German online pharmacy company Redcare (-9.24%) and the semiconductor company Aixtron (-19.68%). Redcare was down despite a good second quarter report mainly on profit warning issued by its main competitor DocMorris later in the month. However, the two companies have different set-ups in terms of balance sheet strength and business momentum, so the cross comparison is of limited value in our view. Aixtron was down in the wake of the sell-off experienced by the artificial intelligence and semi-conductor space in general. In our short book, our main positive contributors were German bank Commerzbank (-11.33%) and online train ticket retailer Trainline (-11.89%). A lower interest rate environment and its implications for future net interest income was weighing on the shares. Trainline was down on fears of a possible nationalisation of a part of railway operators. Our worst short contributors were food wholesaler Metro (+13.30%) and airline operator International Consolidated Airlines (10.37%). Metro was up as the company reported slightly better third-quarter results than expected and confirmed its guidance. International Consolidated Airlines did not suffer from the general weak set-up for travel stocks as the company still showed some resilience with the release of its second-quarter results. Good demand for Latin America flights and British Airways has been gaining from higher leisure-related demand across Europe and North America routes.

At the end of August, net exposure was 40.6%, still slightly higher than our long-term average of about 30%. We have become more constructive on smaller cap equity performance in the light of expected interest rate cuts in Europe. The Fed and the ECB have repeatedly indicated that they are preparing to cut rates in the months to come, as a weakening labour environment and slowing sentiment indicators, especially in manufacturing, are signalling worsening macro conditions in Western economies. A set-up of slowing macro conditions and interest rate cuts should be supportive for defensive quality names. This explains why we run a long position in the real-estate sector and a short positioning in the more cyclical compound of the consumer discretionary sector. This acknowledges that the probability of a recession in the USA has increased somewhat. Interest rate cuts might support GDP growth in the future – however only with a time lag. Once the purchasing managers' indices pick up in Europe, smaller and medium sized equities in the industrial sector might be in the focus of investors again.

Source: for all data – Bloomberg data as per end of August 2024

This commentary is intended only to describe past performance of the investment strategy. The strategy invests in individual securities which are owned in the strategy as part of a carefully constructed and diversified portfolio. The information presented in this commentary may be based on the assessment of UBS' portfolio managers. Market developments described in this document are subject to a number of risks and uncertainties and are neither reliable indicators nor a guarantee of future results/performance. The information in this commentary may change after the date of issuance of this document without notice and should not be construed as a recommendation to buy or sell individual securities named herein.

## Key identifiers

Instrument Name	UBS (Lux) European Small and Mid Cap Equity Long Short Fund BH USD
ISIN	LU0526495444
Bloomberg ticker	CSSMLRU LX
Valor no.	11514152
Benchmark	No benchmark

## Key facts

Fund management company	Credit Suisse Fund Management S.A.
UCITS	Yes
SFDR Classification <sup>4</sup>	Article 8
Accounting year end	31. May
Securities lending	Yes
Ongoing charges <sup>5</sup>	1.96%
Performance fee	20.00%
Subscription frequency	combined <sup>6</sup>
Subscription settlement period	T + 2
Redemption frequency	combined <sup>6</sup>
Redemption settlement period	T + 2
Cut-off time	15:00 CET
Swinging single pricing (SSP*)	partial swing NAV

## ESG Approach

This fund promotes environmental, social and governance (ESG) characteristics (within the meaning of Art. 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector). It applies the CSAM Sustainable Investing Policy ([www.credit-suisse.com/esg](http://www.credit-suisse.com/esg)), including norms-based, values-based and business conduct exclusions, to combine ESG factors with traditional financial analysis to make an ESG adjusted risk-return assessment, which serves as the basis for the portfolio construction. For further information about the ESG investment criteria and the sustainability-related aspects of the fund please consider the legal and regulatory documents of the fund (such as, e.g., the prospectus) and visit [www.credit-suisse.com/esg](http://www.credit-suisse.com/esg). In addition to sustainability-related aspects, the decision to invest in the fund should take into account all objectives and characteristics of the fund as described in its prospectus, or in the information which is to be disclosed to investors in accordance with applicable regulations.

There is no clear global market consensus or regulatory guidance on how short positions should be treated when aggregating the ESG attributes of long-short portfolios. For this reason, no quantitative ESG data are reported at this stage. For details about the fund's ESG decision-making process, please refer to the fund's prospectus.

## ESG Characteristics

ESG Benchmark	Exclusion Criteria	ESG Integration	Active Ownership <sup>7</sup>	Sustainable Investment Objective
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

## Glossary

Accumulating	Indicates a regular reinvestment of the dividends received in the portfolio itself
Annualized return	A measure of how much an investment has increased on average each year during a specific period.
Annualized risk	Annualized risk is a statistic, which is used to measure the risk of a fund by describing the range of returns, which were achieved in the observation period are most likely to be achieved. Greater volatility implies greater risk.
ESG aware	This product undertakes investments that explicitly assess and integrate the sustainability characteristics of companies in the investment process.
ESG benchmark	A ticked 'ESG benchmark' box reflects that the ESG section in this document compares the ESG performance of the portfolio with an ESG index. In case the box is not ticked, this means that the ESG section in this document compares the ESG performance of the portfolio with a non-ESG index or that no comparison is performed due to a lack of a recognized benchmark. The investor shall read the legal documentation of the Fund to understand how the benchmark is used. In any case, a ticked 'ESG benchmark' box does not mean that the ESG benchmark is used to attain the ESG strategy of the fund.
Ex post	Refers to metrics based on historical data
GICS	Global Industry Classification Standard
ITD	Inception-to-date
NAV	Net Asset Value
Maximum drawdown	Represents the worst possible result (in percentage terms) that occurred during the period being analyzed.
MTD	Month-to-date
Ongoing Charges	The calculation of the ongoing charge is based on the Committee of European Securities Regulators/10-674 Directive. For a maximum of 12 months from fund fiscal year end and since inception, the ongoing charges figure is based on estimated expenses. After that, the ongoing charges correspond to the TER of the last annual report. It excludes performance fees and portfolio transaction costs, except in the case of an entry/exit charge paid by the fund when buying or selling shares/units in another collective investment undertaking.
QTD	Quarter-to-date
Sharpe ratio	The Sharpe ratio gives the excess return per unit of risk (in terms of standard deviation). The higher the ratio, the better the risk-return profile of the fund.
Sustainable Finance Disclosure Regulation (SFDR)	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector
Sustainable investment objective	Where the 'sustainable investment objective' box is ticked, this means that the product implements our investment strategies that allocate capital into companies that offer solutions to society's challenges and meet a sustainable investment objective. The sustainable investment objective is achieved through a dedicated investment process focusing on investments in themes and sectors whose economic activities address specific ESG challenges. An unticked box reflects that the product does not aim to meet a sustainable investment objective.
Swing Pricing	A method used to calculate the net asset values of investment funds. Which allows transaction costs arising funds from subscriptions made by incoming investors and redemptions made by outgoing investors to be borne by the incoming and outgoing investors, rather than existing investors.
TNA	Total Net Assets
UCITS Hedge Award	Detailed descriptions of the approach and criteria used in evaluating and endorsing investment strategies can be found here: <a href="https://thehedgefundjournal.com/2022-ucits-hedge-awards/">https://thehedgefundjournal.com/2022-ucits-hedge-awards/</a>
YTD	Year-to-date

<sup>4</sup> CS Product Sustainability Classifications and SFDR Article are valid at the time of publishing and may be subject to change.

<sup>5</sup> If the currency of a financial product and/or its costs is different from your reference currency, the return and cost may increase or decrease as a result of currency fluctuations.

<sup>6</sup> Combined subscription/redemption notice period mean here that a subscription/redemption is possible every Friday and last business day of the month. Redemption notice period is 5 days.

<sup>7</sup> Active Ownership is part of the fund's strategy to act in the best interests of its investors and to preserve and optimize the long-term value of their investments. To promote best practices and to ensure that the investee companies are sustainable and successful in the long term, Active Ownership is designed to influence the investee companies on two levels: first, through proxy voting, and second, through engagement. In the case of investments in other funds (Target Funds), the fund has no or only limited ability to exercise Active Ownership on the Target Fund, resp. on the Target Funds' investee companies.

**Warning statements**

Asset breakdown	Indicative allocation may change over time. All holdings are shown strictly for information purposes only and do not constitute investment recommendations of UBS. Please note that this does not constitute an offer or a solicitation to buy or sell any interest or any investment.
Swinging Single Pricing	For more details, please refer to the relevant chapter "Net Asset Value" of the fund's prospectus
Performance start date	Performance calculation and presentation start with the first full month of an invested strategy. This can lead to a difference in launch and performance start dates.
PRIIP SRI	The Summary Risk Indicator is a guide to the level of risk of this Product compared to other products. It shows how likely it is that the Product will lose money because of movements in the markets.

**For marketing and information purposes by UBS.**

UBS Group funds under Luxembourg law.

Arrangements for marketing fund units mentioned in this document may be terminated at the initiative of the management company of the fund(s).

Before investing in a product please read the latest prospectus and key information document carefully and thoroughly.

Any decision to invest should take into account all the characteristics or objectives of the fund as described in its prospectus, or similar legal documentation. Investors are acquiring units or shares in a fund, and not in a given underlying asset such as building or shares of a company. The information and opinions contained in this document have been compiled or arrived at based upon information obtained from sources believed to be reliable and in good faith, but is not guaranteed as being accurate, nor is it a complete statement or summary of the securities, markets or developments referred to in the document. Members of the UBS Group may have a position in and may make a purchase and / or sale of any of the securities or other financial instruments mentioned in this document. Units of UBS Group funds mentioned herein may not be eligible for sale in all jurisdictions or to certain categories of investors and may not be offered, sold or delivered in the United States. The information mentioned herein is not intended to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments. Past performance is not a reliable indicator of future results. The calculated performance takes all costs on the fund level into consideration (ongoing costs). The entry and exit costs, which would have a negative impact on the performance, are not taken into consideration. If whole or part of the total costs to be paid is different from your reference currency, the costs may increase or decrease as a result of currency and exchange rate fluctuations.

Commissions and costs have a negative impact on the investment and on the expected returns. If the currency of a financial product or financial service is different from your reference currency, the return can increase or decrease as a result of currency and exchange rate fluctuations. This information pays no regard to the specific or future investment objectives, financial or tax situation or particular needs of any specific recipient. Future performance is subject to taxation which depends on the personal situation of each investor and which may change in the future. The details and opinions contained in this document are provided by UBS without any guarantee or warranty and are for the recipient's personal use and information purposes only. This document may not be reproduced, redistributed or republished for any purpose without the written permission of UBS Asset Management Switzerland AG or a local affiliated company. Source for all data and charts (if not indicated otherwise): UBS Asset Management.

This document contains statements that constitute "forward-looking statements", including, but not limited to, statements relating to our future business development. While these forward-looking statements represent our judgments and future expectations concerning the development of our business, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations.

**Switzerland:** Representative in Switzerland for UBS funds established under foreign law: UBS Fund Management (Switzerland) AG, P.O. Box, CH-4002 Basel. Paying agent: UBS Switzerland AG, Bahnhofstrasse 45, CH-8001 Zurich. Prospectuses, key information document, the articles of association or the management regulations as well as annual and semi-annual reports of UBS funds are available in a language required by the local applicable law free of charge from UBS Asset Management Switzerland AG, c/o UBS AG, Bahnhofstrasse 45, 8001 Zürich, Switzerland or from UBS Fund Management (Switzerland) AG, P.O. Box, CH-4002 Basel.

**Important information about sustainable investing strategies**

Sustainable investing strategies aim to consider and incorporate environmental, social and governance (ESG) factors into investment process and fund construction. Strategies across geographies and styles approach ESG analysis and incorporate the findings in a variety of ways. Incorporating ESG factors or sustainable investing considerations may inhibit UBS's ability to participate in or to advise on certain investment opportunities that otherwise would be consistent with the Client's investment objectives. The returns on a fund consisting primarily of sustainable investments may be lower or higher than funds where ESG factors, exclusions, or other sustainability issues are not considered by UBS, and the investment instruments available to such funds may differ. Companies, product issuers and/or manufacturers may not necessarily meet high performance standards on all aspects of ESG or sustainable investing issues.

Although UBS Asset Management information providers, including without limitation, MSCI ESG Research LLC and its affiliates (the "ESG Parties"), obtain information from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness of any data herein. None of the ESG Parties makes any express or implied warranties of any kind, and the ESG Parties hereby expressly disclaim all warranties of merchantability and fitness for a particular purpose, with respect to any data herein. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein. Further, without limiting any of the foregoing, in no event shall any of the ESG Parties have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

Certain information contained herein (the "Information") is sourced from/copyright of MSCI ESG Research LLC (a Registered Investment Adviser under the Investment Advisers Act of 1940), or its affiliates (including MSCI Inc. and its subsidiaries ("MSCI")), or third party suppliers (together with MSCI & MSCI ESG, the "ESG Parties") and may have been used to calculate scores, ratings or other indicators. It may not be reproduced or disseminated in whole or part without prior written permission. The Information has not been submitted to, nor received approval from, the US SEC or any other regulatory body. The Information may not be used to create any derivative works, or in connection with, nor does it constitute, an offer to buy or sell, or a promotion or recommendation of, any security, financial instrument or product, trading strategy, or index, nor should it be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. Some funds may be based on or linked to MSCI indexes, and MSCI may be compensated based on the fund's assets under management or other measures. MSCI has established an information barrier between equity index research and certain Information. None of the Information in and of itself can be used to determine which securities to buy or sell or when to buy or sell them. The Information is provided "as is" and the user assumes the entire risk of any use it may make or permit to be made of the Information. No ESG Party warrants or guarantees the originality, accuracy and/or completeness of the Information and each expressly disclaims all express or implied warranties. No ESG Party shall have any liability for any errors or omissions in connection with any Information herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

A summary of investor rights in English can be found online at: [ubs.com/funds](https://ubs.com/funds).  
More explanations of financial terms can be found at [ubs.com/glossary](https://ubs.com/glossary).

© UBS 2024. The key symbol and UBS are among the registered and unregistered trademarks of UBS. All rights reserved.