

# UBS (Lux) Financial Bond Fund IA EUR



## Fund information

Fixed income

# 139'833'588

Fund total net assets in EUR

Share class TNA, EUR <b>19'424'461</b>	Share class NAV, EUR <b>966.76</b>	Management fee p.a. <sup>1</sup> <b>0.50%</b>
-------------------------------------------	---------------------------------------	--------------------------------------------------

MTD (net) return <b>1.21%</b>	QTD (net) return <b>2.93%</b>	YTD (net) return <b>8.30%</b>
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## Fund details

Investment Manager	Harald Kloos
Fund launch date	05.01.2015
Share class launch date	11.06.2019
Share class	IA
Share class currency	EUR
Distribution policy	Distributing
Fund domicile	Luxembourg
ISIN	LU2001706444
Benchmark	No benchmark

## Investment Policy

The fund aims to generate both income and capital growth, while seeking to preserve capital through adequate diversification. To achieve this objective the fund invests at least two-thirds of its assets in contingent capital securities and other hybrid, subordinated financial instruments issued by financial institutions. These securities are predominantly rated below investment grade. The main focus is on banks and insurance companies with solid capitalization, where the additional risk of this lower credit segment is expected to be compensated with higher returns. In order to manage risk and liquidity the fund maintains flexibility to invest across the capital structure (eg. adding senior bonds) and may use financial derivative instruments to hedge existing positions.

## Risks

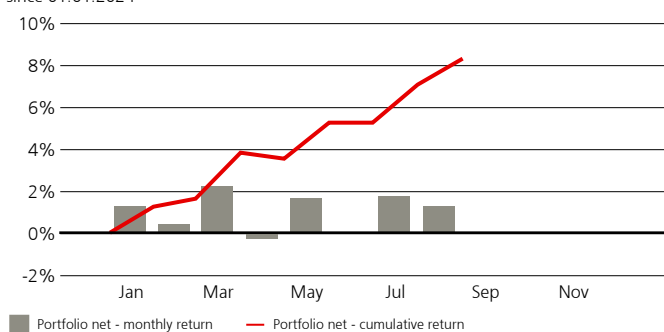
Contingent Convertible bonds (CoCos) represent an attractive investment, provided the associated risks are properly assessed. However, investors must be prepared and be in a position to accept substantial losses (see section "Risks associated with contingent capital securities" for full details).

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.

Morningstar rating ★★★★★  
(31.08.2024)

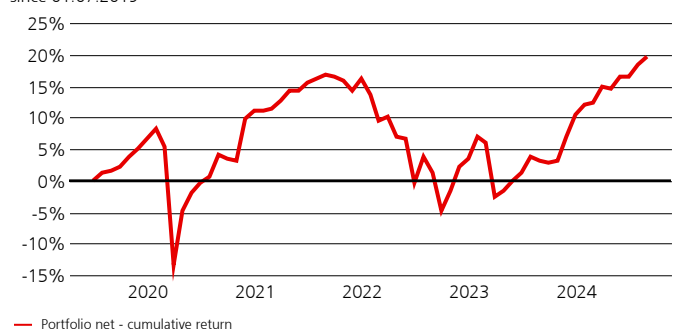
## Performance overview - monthly & cumulative

since 01.01.2024



## Performance overview - cumulative

since 01.07.2019



Until **12.09.2019**, the Fund had different characteristics and performance was achieved under circumstances that no longer apply. Repositioning as per 12.09.2019 (Old Fund name: Credit Suisse (Lux) Contingent Capital Euro Fund).

## Performance overview - monthly & YTD

since 01.01.2024, in %

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Portfolio net	1.26	0.38	2.15	-0.25	1.61	-0.01	1.70	1.21					8.30

## Performance overview

in %

	Rolling Returns			Annualized Returns	
	1 months	3 months	1 year	3 years	5 years
Portfolio net	1.21	2.92	16.25	0.85	3.36

## Risk overview - ex post

in %

	Annualized risk, in %		
	1 year	3 years	5 years
Portfolio volatility	4.65	10.00	12.66

<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 - yearly

since 01.07.2019, in %

	2019	2020	2021	2022	2023	2024
Portfolio net	6.69	4.07	4.44	-10.95	7.00	8.30

Until **12.09.2019**, the Fund had different characteristics and performance was achieved under circumstances that no longer apply. Repositioning as per 12.09.2019 (Old Fund name: Credit Suisse (Lux) Contingent Capital Euro Fund).

## Key risk figures

	Portfolio		Portfolio
Modified duration	3.02	Linear weighted average credit rating	BB+
Yield to worst	5.81%	Number of securities	76
Average maturity in years	10.51		

## 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. Part of the Fund's investments may have considerable credit risk.
- **Liquidity risk:** Assets cannot necessarily be sold at limited cost in an adequately short timeframe. Part of the Fund's investments may be prone to limited liquidity. The Fund will endeavor to mitigate this risk by various measures.
- **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.
- **Event risk:** In the case a trigger event occurs contingent capital is converted into equity or written down and thus may lose substantially in value. In addition, the Fund being predominantly exposed to financial institutions, adverse circumstances affecting this sector may cause material losses.
- **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 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).**

## Asset breakdown by risk country

In % of total economic exposure

	in %	Portfolio
United Kingdom	13.68	
France	10.84	
Germany	10.73	
Netherlands	10.17	
Spain	9.33	
Austria	6.55	
Italy	6.08	
Switzerland	5.24	
Ireland	5.10	
Sweden	3.86	
Denmark	3.47	
Others	14.96	

## Asset breakdown by risk currency (before hedging)

In % of total economic exposure

	in %	Portfolio
EUR	68.74	
USD	16.72	
GBP	12.25	
CHF	2.29	

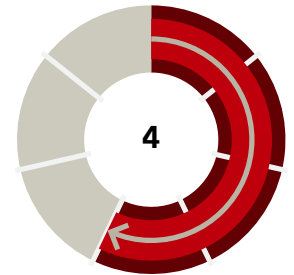
## Asset breakdown by risk currency (after hedging)

In % of total economic exposure

	in %	Portfolio
EUR	100.16	
CHF	0.01	
GBP	-0.08	
USD	-0.09	

## 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 7 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.

**Asset breakdown by combined rating**

In % of total economic exposure

	in %	Portfolio
AAA	2.12	
A+	2.83	
A	1.11	
A-	1.15	
BBB+	2.22	
BBB	4.96	
BBB-	17.15	
BB+	25.50	
BB	20.05	
BB-	19.01	
B+	1.49	
Cash and Cash Equivalents	2.41	

**Asset breakdown by WAL bucket**

In % of total economic exposure

	in %	Portfolio
< 1yr	11.69	
1-3 yrs	17.54	
3-5 yrs	34.01	
5-7 yrs	21.17	
7-10 yrs	1.57	
>15 yrs	14.02	

**Asset breakdown by IBOXX sector**

In % of total economic exposure

	in %	Portfolio
Banks	83.74	
Insurance	11.02	
Government	1.42	
Financial Services	1.41	
Cash and Cash Equivalents	2.41	
Others	0.00	

**Asset breakdown by capital structure**

In % of total economic exposure

	in %	Portfolio
Senior unsecured	0.64	
Tier 2	4.05	
Add Tier 1	78.04	
Restricted Tier 1	9.91	
Cash and Cash Equivalents	7.36	

**Top 10 positions**

In % of total economic exposure

Instrument Name <sup>3</sup>	ISIN	Coupon p.a.	Weight
BARCLAYS PLC	XS2492482828	8.88%	2.30%
UBS GROUP AG PERPNC6 AT1	CH0506668869	3.00%	2.28%
LLOYDS BANKING GROUP PLC	XS1043552261	7.88%	2.27%
NATWEST GROUP PLC PERP	XS2258827034	5.13%	2.09%
ABN AMRO BANK NV	XS1693822634	4.75%	2.08%
RABOBANK AT1 PERPNC7.5	XS2202900424	4.38%	2.08%
KBC GROEP NV	BE0002961424	8.00%	2.07%
LANDESBANK BADEN-WUERTEMBERG	DE000LB2CPE5	4.00%	2.07%
HSBC HOLDINGS PLC	XS1640903701	4.75%	2.06%
BANCO DE SABADELL SA	XS2471862040	9.38%	1.91%

**Fund Statistics - ex post**

	3 years Portfolio	5 years Portfolio
Maximum drawdown, in %	-18.45	-20.10

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

**Performance review**

In August, most subordinated financial bank bonds scored positive total returns as the compression in credit spreads continued. Total returns of EUR Additional Tier 1 bonds stood at +1.29% and EUR Tier 2 ended the month at +0.54%. Similarly, subordinated insurance bonds joined the rally with EUR Restricted Tier 1 bonds ending the month at +0.37%. EUR Bank senior non-preferred bonds returned +0.4% and EUR insurance senior bond ended with -0.01%. The fund's performance was primarily driven by spread change (+50bp), duration (+39bp), and rates carry (+32bp). Geographically, United Kingdom issuers were the best contributors of performance, followed by Spanish and German issuers, while Finnish and Danish were the weakest contributors.

**Market Review**

August was an extremely volatile month in financial markets, as the VIX index temporarily spiked to levels previously seen in Q1 2020 during the COVID-19 crisis. The catalyst was a weak US job report, with softer than expected non-farm payrolls at +114k in July and downward revisions to the previous couple of months, which raised fears about the US heading into a recession. The unemployment rate rose to 4.3%. Further, the unwinding of the yen carry trade after the Bank of Japan hiked rates at the end of July and the massive slump in the Japanese equity market added pressure. However, markets swiftly calmed after additional better economic data releases and a dovish message from Fed Chair Powell at Jackson Hole. August was a rather quiet month for AT1 and RT1 issuance with a total volume of only EUR 1.5 billion as banks continued to report Q2 result, and the volatile market environment seemed uninviting for issuers. The sentiment towards subordinated financial bonds remained strong, and new issues were well perceived by the market. EUR AT1 spreads tightened by 4bp, EUR Restricted Tier 1 (RT1) widened by 7bp, EUR Bank Tier 2 spreads ended the month 7bp wider, and EUR bank senior non-preferred bond wider by 10bp (Sources: Credit Suisse Contingent Convertible Euro Index, Credit Suisse Insurance Capital EUR Restricted Tier 1 Index, Credit Suisse Bank Capital Euro Lower Tier 2 Index; Credit Suisse Bank Capital Euro Senior Preferred Index, Data as of: 31.08.2024). In the current volatile environment and spread at the tighter end of the range, we retain our overall defensive positioning. Issuer and bond selection remains key, and we continue to keep our preference for systemically important European issuers with healthy balance sheets and significant back-end spread cushions.

<sup>3</sup> This is an indicative allocation which may change over time. This product is not a direct investment the collaterals displayed above. As a result, it does not reflect the actual performance of the product either positively or negatively. The individual entities and/or instruments mentioned on this page are meant for illustration purposes only and are not intended as a solicitation or an offer to buy or sell any interest or any investment.

**Key identifiers**

Instrument Name	UBS (Lux) Financial Bond Fund IA EUR
Bloomberg ticker	CLCEIAE LX
ISIN	LU2001706444
Valor no.	48071884
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. October
Securities lending	Yes
Ongoing charges <sup>5</sup>	0.73%
Subscription frequency	daily
Subscription settlement period	T + 2
Redemption frequency	daily
Redemption settlement period	T + 2
Distribution frequency	Quarterly
Last distribution	04.06.2024
Distribution value	11.87
Distribution currency	EUR
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 calculate a CSAM ESG signal, which serves as the basis for a bottom-up security selection process. 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.

Certain data points are provided for mere transparency purposes and are not linked to a specific ESG investment process. 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>6</sup>	Sustainable Investment Objective
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**ESG Overview**

According to MSCI methodology.

	Portfolio
ESG Rating	AA
ESG Quality score	7.77
Environmental score	7.91
Social score	4.89
Governance score	6.32
Coverage for Rating/Scoring	97.59%
Weighted Average Carbon Intensity (Tons of CO <sub>2</sub> e/\$M sales)	15.43
Coverage for Carbon Intensity	96.17%

Note: The total carbon intensity figure shown in this section may be higher than the total in the breakdown graph. This is because the figure is normalized, and actual weights are inflated because of limited data coverage. For further information on the MSCI methodology for the above listed ESG data points, please refer to the glossary.

<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> 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.

## Top 10 issuers

In terms of the fund's total economic exposure. Certain data points disclosed in this table are provided for mere transparency purposes and are not linked to a specific ESG investment process. For details about the fund's ESG decision-making process, please refer to the fund's prospectus. Sources: MSCI and proprietary fixed income ESG signal

Issuer short name <sup>7</sup>	Weight in portfolio	IBOXX sector	MSCI ESG Rating	Fixed income ESG Signal	Controversy flag	Carbon intensity (tCO <sub>2</sub> e / \$M sales)
HSBC HOLDINGS PLC	3.07%	Financials	AA	Positive	Orange	4.20
BNP PARIBAS SA	3.04%	Financials	AA	Positive	Orange	3.20
BARCLAYS PLC	3.02%	Financials	AA	Positive	Orange	2.82
DEUTSCHE BANK AG	3.01%	Financials	A	Neutral	Orange	7.00
SOCIETE GENERALE SA	2.94%	Financials	AA	Positive	Orange	1.60
AIB GROUP PLC	2.94%	Financials	AA	Positive	Yellow	2.44
COMMERZBANK AG	2.91%	Financials	AA	Positive	Yellow	2.20
INTESA SANPAOLO SPA	2.90%	Financials	AA	Positive	Yellow	2.50
UBS GROUP AG	2.89%	Financials	AA	Positive	Orange	3.38
ING GROEP NV	2.67%	Financials	AA	Positive	Yellow	0.48

Note: All ESG data points in the table refer to an underlying issuer as applicable (e.g., an equity issuer in case of a convertible bond). For further information on the methodology for the above listed ESG data points, please refer to the glossary.

## Asset breakdown by proprietary fixed income ESG Signal

According to proprietary methodology in % of fund total economic exposure from fixed income investments.

	in %	Portfolio
Positive	68.50	
Neutral	24.14	
Negative	-	

Note: Exposure to fixed income investments represents 92.64% of portfolio weight for this share class. According to the fund contract, the asset manager's ESG integration approach applies proprietary ESG signals. For further information on the fixed income ESG Signal, please refer to the glossary.

## Asset breakdown by ESG controversy flag

In % of fund total economic exposure to investee companies. Source: MSCI

	in %	Portfolio
Green	31.82	
Yellow	26.49	
Orange	34.33	
Red	-	

Note: Exposure to investee companies represents 92.64% of portfolio weight for this share class. MSCI only provides data on ESG controversies for corporate issuers. Any remaining instruments (e.g., government bonds) are excluded from this breakdown. For further information on MSCI's ESG controversy flag methodology, please refer to the glossary.

## Asset breakdown by ESG rating

In % of total economic exposure. Source: MSCI ESG rating

	in %	Portfolio
AAA	12.34	
AA	58.28	
A	23.64	
BBB	1.92	
BB	-	
B	-	
CCC	-	
Not ratable	3.83	

Note: For further information on MSCI's ESG rating methodology and the difference between categories "not ratable" and "no data coverage", please refer to the glossary.

## Carbon emission intensity contribution by IBOXX sector

Tons of CO<sub>2</sub> equivalent emission intensity (GHG scopes 1 & 2) per \$m sales, by IBOXX sector split. Source: MSCI

	Portfolio	Portfolio
Insurance	12.00	
Banks	2.01	
Financial Services	0.83	
<b>Total</b>	<b>14.84</b>	

Note: Security weighted data coverage is 96.17% for the portfolio. The total shown in this section may be lower than the one in the 'ESG Overview' section. This is because the figures in this breakdown are not normalized and use the actual weights. For further information on the Carbon emission intensity, please refer to the glossary.

<sup>7</sup> This is an indicative allocation which may change over time. This product is not a direct investment the collaterals displayed above. As a result, it does not reflect the actual performance of the product either positively or negatively. The individual entities and/or instruments mentioned on this page are meant for illustration purposes only and are not intended as a solicitation or an offer to buy or sell any interest or any investment.

## Glossary

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.
Annualized return	A measure of how much an investment has increased on average each year during a specific period.
Bottom-up	An investment approach that focuses on the analysis of individual stocks and de-emphasizes the macroeconomic environment.
Carbon emission intensity	The weighted average emissions intensity, which is provided by MSCI ESG, divides the Scopes 1 & 2 emissions in tons of CO <sub>2</sub> -equivalent by million \$ sales. Intensities are broken down by IBOXX sector and are security weighted.
Distributing	Payment of an investment fund to distribute the income generated to its unit holders.
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.
ESG Controversy Flag	ESG Controversy Flag is designed to provide timely and consistent assessments of ESG controversies involving publicly traded companies and fixed income issuers. A controversy case is typically a one-off event such as an environmental oil spill, an accident, or allegations such as safety issues in a production facility. Controversy flags can be red, orange, yellow or green. Red indicates that a company is involved in one or more very severe controversies. Orange indicates that a company has been involved in one or more recent severe structural controversies that are ongoing. Yellow indicates that the company is involved in severe-to-moderate level controversies. Green indicates that the company is not involved in any major controversies. For further information on the methodology, please refer to <a href="http://www.msci.com/esg-investing">www.msci.com/esg-investing</a> .
ESG Quality score	The ESG Quality score, based on MSCI ESG scores of underlyings, is measured on a scale from 0 (very poor) to 10 (very good). It does not correspond directly to the underlying Environment, Social and Governance Pillar scores. The Pillar scores are derived on an absolute basis, while the portfolio ESG Quality score is adjusted by MSCI to reflect the industry-specific level of ESG risk exposure. As Pillar scores are absolute, and the portfolio ESG Quality score is relative, the first cannot be averaged to derive the latter. The coverage rate is security weighted.
Issuer ESG Rating	Company and Government ESG Ratings, which are provided by MSCI ESG, are measured on a scale from AAA (highest rating) to CCC (lowest rating). Company ESG Ratings are based on the issuer's exposure to industry specific ESG risks and its ability to mitigate those risks relative to peers. Company ESG Ratings are calculated on an industry relative basis while the underlying individual E, S and G Ratings are absolute. Hence, the ESG Rating cannot be seen as an average of the individual E, S and G Ratings. Government ESG Ratings identify a country's exposure to and management of ESG risk factors and explain how these factors might impact the long-term sustainability of its economy. They are derived from 0-10 scores on underlying factors in the E, S and G pillars. For further information on the MSCI methodology, please refer to <a href="http://www.msci.com/esg-investing">www.msci.com/esg-investing</a> .
Ex post	Refers to metrics based on historical data
Greenhouse gas (GHG) emissions	Scope 1 emissions are generated by a company directly from owned or controlled sources such as the burning of fuels (stationary or mobile), industrial processes, etc. Scope 2 emissions are indirect emissions, primarily those associated with the electricity consumed by a company. Scope 3 emissions are all other indirect emissions associated with a company's operations, such as business travel, waste generated, and products both upstream (in the supply chain) and downstream (use of the products and end of life). Scope 3 emissions typically account for the largest proportion of a company's emissions.
Maximum drawdown	Represents the worst possible result (in percentage terms) that occurred during the period being analyzed.
Morningstar	Detailed descriptions of the approach and criteria used in evaluating and endorsing investment strategies can be found here: <a href="https://www.morningstar.co.uk/uk/topics/196948/theme/morningstarratingexplained.aspx">https://www.morningstar.co.uk/uk/topics/196948/theme/morningstarratingexplained.aspx</a> .
MTD	Month-to-date
MSCI	MSCI refers to the external data provider MSCI ESG Research LLC and/or its affiliates.
MSCI ESG Methodology	For further information on the methodology applied to assess the ESG characteristics of the investments, please refer to <a href="http://www.msci.com/esg-investing">www.msci.com/esg-investing</a> .
NAV	Net Asset Value
Not ratable / No data coverage	Where MSCI considers an asset type for ESG analysis but data on an economic exposure is unavailable due to a lack of data from the data vendor, the investment falls under the category "No data coverage". Where MSCI considers an asset type out of scope for ESG analysis (e.g. Cash, Currency), the economic exposure falls under the category "Not ratable". For further information regarding excluded asset types, please refer to <a href="http://www.msci.com/esg-investing">www.msci.com/esg-investing</a> .
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.
Portfolio ESG Rating	Discrepancies may exist between the portfolio-level ESG Rating calculated by UBS applying the MSCI methodology (provided in this factsheet) and the ESG Ratings displayed by other providers (e.g., MSCI ESG fund ratings). There are three main reasons for these potential deviations: (1) UBS uses updated month-end holdings data as basis for its calculation, (2) UBS consistently uses underlying issuer data where applicable (e.g., equity issuer in case of a convertible bond), and (3) look-through approach for target funds applied by UBS. The coverage rate is security weighted. For further information on the MSCI methodology, please refer to <a href="http://www.msci.com/esg-investing">www.msci.com/esg-investing</a> .
Proprietary fixed income ESG Signal	For risk management purposes, the investment manager integrates ESG factors into the security analysis to develop a proprietary waterfall combining ESG ratings of multiple data providers. External data sources considered are Lucror, MSCI, Sustainalytics, Inrate, Clarity AI and Refinitiv. The rating can yield a "positive", "neutral" or "negative" ESG signal. Where the external providers do not make the necessary data on the issuer available, the ESG signal cannot be computed, and these investments fall into the category "not rated". The proprietary methodology applied by the investment manager is not subject to third party assurance.
QTD	Quarter-to-date
Rating	A measure of creditworthiness of a financial instrument (e.g. bond) or their issuer (e.g. corporate or sovereign). They are published by credit rating agencies and can be combined into a single representative metric.
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
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.
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.
TNA	Total Net Assets
WAL	Weighted Average Life: the average length of time that each unit of unpaid principal is expected to remain outstanding.
YTD	Year-to-date

## 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.
Yield to maturity/Yield to worst	The shown yield to maturity/yield to worst is calculated as of 31.08.2024 and does not take into account costs, changes in the portfolio, market fluctuations and potential defaults. The yield to maturity / yield to worst is an indication only and is subject to change.

**Risks associated with contingent capital securities**

**Potential capital loss:** If the capital ratio of an issuing bank drops below a predetermined trigger, the CoCo bond will automatically be converted into equity or its nominal value will be written down in full or in part. In the event of a conversion to equity, investors may have to purchase the shares at a much lower price than when the CoCo bond was purchased. In the event of a writedown of the nominal value, investors may suffer the complete loss of their invested capital.

**Forced conversion or writedown by the regulator:** The regulatory authority may, at its own discretion, trigger a mandatory conversion or mandatory writedown even if the capital ratio is above the trigger level. The potential influence of the regulator introduces an additional uncertainty for investors in terms of the exact timing of the conversion or writedown of the CoCo bond.

**High default risk:** CoCos are subordinated bonds mostly with a noninvestment grade rating. A security of this type carries a higher default risk than a senior bond even if both are issued by the same issuer.

**Full or partial coupon cancellation:** Annual coupon payments on AT1 CoCos are discretionary, i.e. the bank may under certain conditions suspend interest payments in full or in part. This may lead to a partial or full cancellation of the coupon.

**Liquidity risk:** CoCos might exhibit low liquidity, particularly during stress phases. This can have negative implications for the fund, particularly if redemptions require securities to be sold during periods when demand is insufficient and the fund is consequently forced to sell at a significant discount.

**Concentration on few securities:** The fund invests in roughly 70 selected securities, thereby accepting a certain degree of concentration risk. If one of the securities defaults, investors may correspondingly suffer a relatively large loss.

**High sector specific concentration risk:** The fund focuses on issuers from the financial sector. This leads to a concentrated risk within a single sector, with the fund exposed to elevated systematic risks as a result. A high correlation may emerge among individual CoCos in the event of a new bank crisis, with the risk that the valuation of many CoCos may thus come under significant pressure and result in a substantial capital loss to investors.

**Call risk:** Future changes in legislation could lead to issuers no longer being able to count their CoCo bonds toward regulatory equity and consequently calling them early.

**Risk of a rating downgrade:** Since the fund invests mostly in noninvestment grade securities, it is subject to a higher risk of a rating downgrade and to an elevated default risk compared to investments in investment grade bonds.

**Unrated bonds:** Unrated bonds do not carry a rating from an independent rating agency. The fund may invest in unrated bonds.

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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.

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