

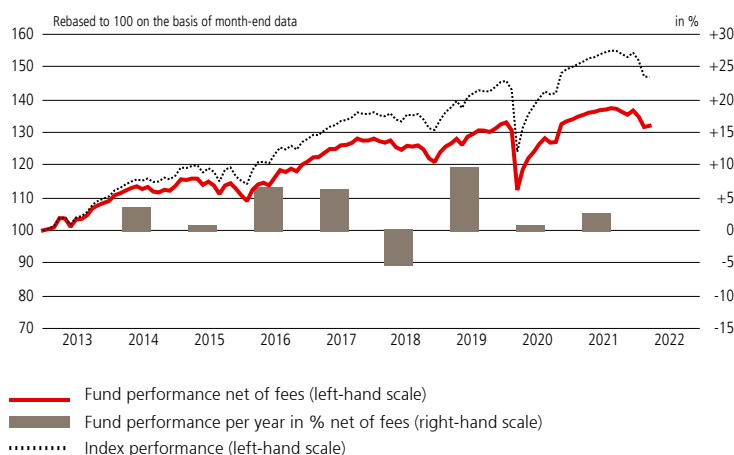
UBS Bond Euro High Yield

Performance **Review**

UBS (Lux) Bond Fund - Euro High Yield (EUR) N-dist



Performance (basis EUR, net of fees)¹



Past performance is not a reliable indicator of future results.

Performance in % (net of fees)¹

in %	2018	2019	2020	2021	2022 YTD ²	Mar. 2022	5 years	Ø p.a. 5 years
Fund (EUR)	-5.18	9.55	0.74	2.44	-3.40	0.29	7.81	1.51
Ref. Index ³	-3.59	11.24	2.73	3.35	-4.83	-0.12	13.74	2.61

The performance shown does not take account of any commissions, entry or exit charges.

¹ These figures refer to the past. If the currency of a financial product, financial service or its costs is different from your reference currency, the return and/or costs can increase or decrease as a result of currency fluctuations. Source for all data and chart (if not indicated otherwise): UBS Asset Management.

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

³ Reference Index in currency of share class (without costs)

March was a volatile month; driven by the velocity in rates, a retracement of credit spreads and the impact of the Ukraine war. Positives were focused on a downgrade of the 'worst case' outcome to the Ukraine war – that being Russia recognising Kiev was not a realistic military target and thus there needed to be a negotiated settlement between parties.

Monthly performance

In March the fund performed positively with 0.3%. US and European government bond yields moved higher during the month and credit spreads widened compared to prior-month levels.

YTD performance

YTD as of the end of March, the fund has delivered a negative performance of 3.4%. US and European government bond yields moved higher in the first quarter and credit spreads widened compared to levels at end-2021.

Performance contributors

Positive contributors to performance included (i) issue selection in banking; (ii) issue selection in energy and gaming; (iii) overweight in telecommunications and issue selection in wirelines.

Performance detractors

Detractors from performance included (i) issue selection in insurance; and (ii) issue selection in medical products.

For more information

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Credit quality (%)

	Fund	Deviation from index
BBB-&higher	1.50	+1.5
BB+	5.70	-25.2
BB	15.07	-9.2
BB-	11.22	-0.6
B+	12.03	+2.2
B	18.63	+6.7
B-	12.55	+7.4
CCC+&lower	18.68	+13.0
NR	0.68	+0.7
Cash&Equivalents	3.94	+3.6

Categories of borrowers (%)

Sectors	Fund	Deviation from index
Industrials	81.87	+3.2
Financials	12.55	-3.4
Cash & Equivalents	3.94	+3.6
Utility	1.64	-3.4

5 largest positions (%)

	Fund
Numericable Group	4.2
TDC	3.0
Nidda Healthcare Holding	2.7
Autostrade per l'Italia S.p.A.	2.5
Summer Bidco	2.0

Current investment strategy

We maintained our beta underweight to the market during the month; however, we were active in managing both sector and duration positioning. We added to the auto sector at the higher market yields (remain underweight the sector), we reduced retail and we added to the telcos sector by reducing the large Telecom Italia underweight and buying secured short-dated paper. Finally, we added some shorted-dated China high yield during the month. Our duration management was less pronounced but included reducing long-dated dollar off-bench securities.

Risks

Depending on the credit quality, the default risk is higher in the case of high yield bonds than with investment grade corporate and government bonds. Changes in interest rates have an effect on the value of the portfolio. This requires corresponding risk tolerance and capacity. All investments are subject to market fluctuations. Every fund has specific risks, which can significantly increase under unusual market conditions. The fund can use derivatives, which may result in additional risks (particularly counterparty risk).

Please note that additional fees (e.g. entry or exit fees) may be charged. Please refer to your financial adviser for more details. Investors should read the Key Investor Information Document (KIID), Prospectus and any applicable local offering document prior to investing and to get complete information of the risks. Investors are acquiring units or shares in a fund, and not in a given underlying asset such as building or shares of a company. For a definition of financial terms refer to the glossary available at www.ubs.com/am-glossary.

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