

UBS Euro High Yield Bond Fund EUR

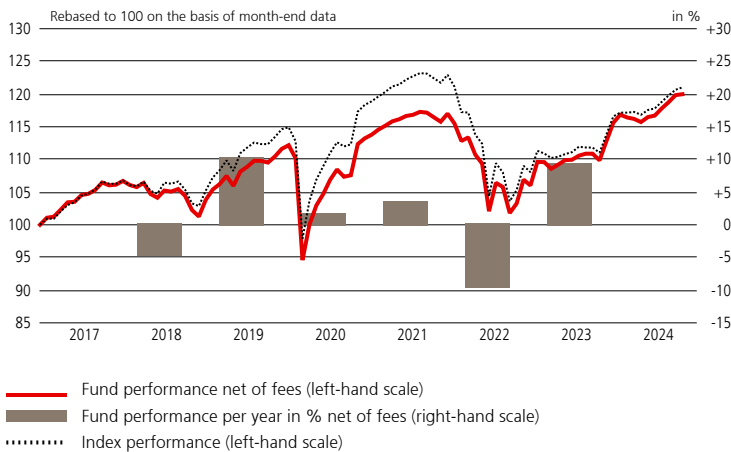
Performance Review

UBS (Lux) Bond Fund - Euro High Yield (EUR) (JPY hedged) P-mdist



European high yield stood out from the fixed income crowd and generated positive returns, as this relatively short-dated asset class was not impacted by the uptick in rates. Returns were also supported by further significant spread compression, together with a robust income component.

Performance (basis JPY, net of fees)¹



Past performance is not a reliable indicator of future results.

Performance in % (net of fees)¹

in %	2020	2021	2022	2023	2024 YTD ²	Oct. 2024	5 years Ø	p.a. 5 years
Fund (JPY)	1.44	3.34	-9.39	9.06	3.77	0.12	9.55	1.84
Benchmark ³	3.24	3.88	-12.10	7.89	3.81	0.31	7.72	1.50

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)

Monthly performance

In October the fund performed positively with 0.1%. Supply remained strong in October for the same reasons as in the previous month, driven primarily by refinancing. Technicals remain strong and we continue to see interest in this asset class, with large inflows recorded over the month. There were no defaults in October.

YTD performance

YTD as of the end of October, the fund has delivered a positive performance of 3.8%. Yield to worst has moved lower and spreads have tightened in European high yield as government bond yields remain higher than at year-end.

Performance contributors

Positive contributors to performance included the homebuilders & real estate sector, which is recovering amid stabilising asset values and lower interest rates, and the food & drug retail sector as we do not own French retailer Auchan. Other contributors to performance included issue selection within services and telecommunications.

Performance detractors

The main detractor from performance was our long futures position in US 5-year bonds, which we had purchased to close our duration gap. However, yields rose in October on the back of data releases and the prospect of a slower rate cut cycle. Another smaller detractor was issue selection within healthcare.

For more information

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Credit quality (%)

	Fund
BB	42.5
B	39.9
NR	10.4
BBB- and higher	7.0
CCC and lower	5.7
Cash and Equivalents	4.4

Categories of borrowers (%)

Sectors	Fund
Industrials	64.0
Financials	26.6
Cash & Equivalents	4.4
Utility	3.3
Others	1.7

10 largest positions (%)¹

	Fund
Teva Pharmaceutical Finance Netherlands II BV	2.6
CPI Property Group SA	2.0
Nidda Healthcare Holding GmbH	2.0
Telecom Italia SpA/Milano	1.9
Heimstaden Bostad AB	1.7
Pinnacle Bidco PLC	1.4
Electricité de France SA	1.3
United Group BV	1.2
Commerzbank AG	1.2
Banco de Credito Social Cooperativo SA	1.2

¹ This is not a recommendation to buy or sell any security

Current investment strategy

We increased our overweight in homebuilders & real estate, as we added to existing issuers such as Accor and also bought Webuild. In addition, we added to our overweight in banking. We also increased our underweight in chemicals as Ineos called one of its bonds, as well as in services as we exited our position in Dufry.

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). This Fund may not be appropriate for investors who plan to withdraw their money before the recommended holding period disclosed in the PRIIPs KID, if available for this share class.

This share class (mdist) may make monthly, gross-of-fee distributions. As a consequence, in addition to income, this share class may also distribute capital. This can have negative tax consequences for investors in some jurisdictions. Investors should seek their own tax advice.

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 Information Document, 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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