

UBS Euro High Yield Bond Fund EUR

Performance Review

UBS (Lux) Bond Fund - Euro High Yield (EUR) Q-mdist



What August volatility? It came and it went, with high yield delivering a strong total return for the second month in a row.

Monthly performance

In August the fund performed positively with 1.2%. Yield to worst was down and spreads were tighter for European high yield, while government bond yields were lower.

YTD performance

YTD as of the end of August, the fund has delivered a positive performance of 5.9%. Yield to worst has moved lower and spreads have tightened in European high yield as government bond yields have risen.

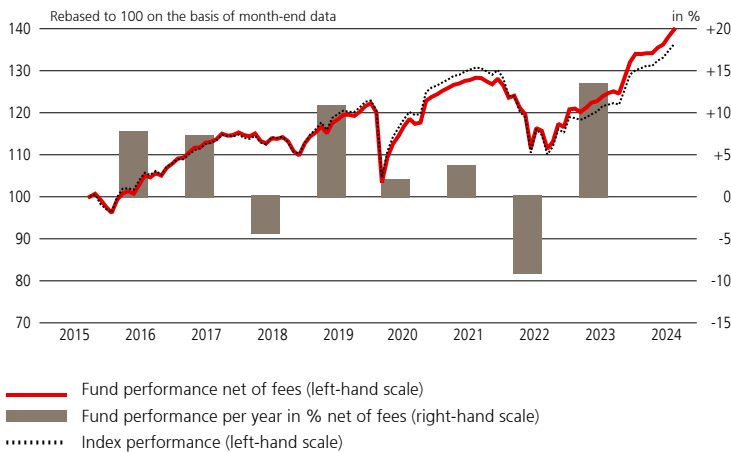
Performance contributors

The main contributor by far to positive performance on the month was issue selection within homebuilders & real estate, a sector that is recovering as asset values stabilise and interest rates have moved lower. Other positive contributors included issue selection within banking and, to a lesser extent, also telecoms.

Performance detractors

The only notable detractor from performance was the overweight in the leisure sector as it underperformed the broader market.

Performance (basis EUR, 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 | Aug. 2024 | 5 years Ø | p.a. 5 years |
|------------------------|------|------|--------|-------|-----------------------|-----------|-----------|--------------|
| Fund (EUR) | 1.79 | 3.50 | -8.99 | 13.28 | 5.87 | 1.21 | 17.02 | 3.19 |
| Benchmark ³ | 2.73 | 3.35 | -11.47 | 12.01 | 5.63 | 1.17 | 13.17 | 2.50 |

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)

For more information

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Credit quality (%)

| | Fund | Deviation from index |
|----------------------|-------|----------------------|
| BB | 45.12 | -26.1 |
| B | 39.00 | +17.2 |
| NR | 0.28 | +0.3 |
| BBB- and higher | 7.17 | +7.2 |
| CCC and lower | 5.86 | -1.0 |
| Cash and Equivalents | 2.57 | +2.4 |

Categories of borrowers (%)

| Sectors | Fund | Deviation from index |
|--------------------|-------|----------------------|
| Industrials | 65.27 | -10.3 |
| Financials | 25.19 | +8.5 |
| Utility | 3.69 | -3.9 |
| Cash & Equivalents | 2.57 | +2.4 |
| Others | 3.28 | +3.3 |

10 largest positions (%)

| | Fund |
|------------------------------------|------|
| Teva Pharmaceutical Industries Ltd | 2.8 |
| Summer Bidco | 2.3 |
| BTP | 2.1 |
| Barclays Plc | 2.1 |
| Cirsa Finance International | 1.9 |
| Nidda Healthcare Holding | 1.8 |
| CPI PROPERTY GROUP S.A | 1.7 |
| Telecom Italia | 1.6 |
| ZF North America Inc | 1.5 |
| Pinnacle Bidco PLC | 1.5 |

Current investment strategy

We increased the overweight to banks as we added to AT1s such as Barclays and Bank of Ireland. Meanwhile, we also increased our overweight to homebuilders/real estate as we added more exposure to CPI Property, while the short-dated Adler bonds were reclassified from diverse financial services. With regard to leisure, we added to existing issuers such as PureGym and eDreams. Within services, we increased our underweight as we sold Ocado bonds. Finally, we increased our underweight to chemicals as we sold exposure to issuers such as Bayer and Chemours.

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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