

UBS China Fixed Income RMB

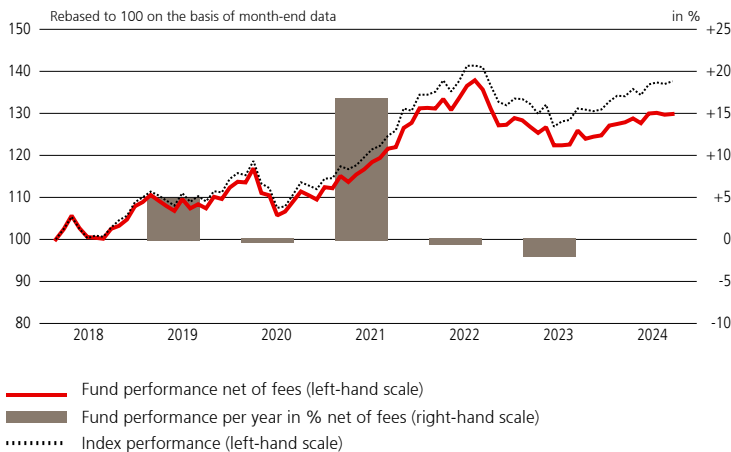
Performance **Review**

UBS (Lux) Bond SICAV - China Fixed Income (RMB) (EUR) Q-acc



In China, just a week after the Fed opened the door to rate cuts, the People's Bank of China (PBoC) walked through it by easing its own policy stance, reaffirming its put on the stock market and economy. The PBoC introduced a RMB 300bn re-lending programme to support corporate buybacks.

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	Sep. 2024	5 years Ø p.a.	5 years
Fund (EUR)	-0.12	16.67	-0.36	-1.98	4.08	0.13	19.81	3.68
Benchmark ³	0.70	16.65	1.01	-0.76	5.13	0.48	24.81	4.53

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 September the fund performed positively with 0.1%. Chinese rates completed a round trip in September, while carry generated returns.

YTD performance

YTD as of the end of September, the fund has delivered a positive performance of 4.1%. A recovery in the China macroeconomic environment is likely to be the major driver of performance. Rates are likely to remain supportive of positive returns from the asset class.

Performance contributors

Duration management alongside the overweights in Chinese government bonds, state-owned enterprises (SOEs) and corporates as well as the underweight in policy bank bonds and the overweight in agencies were the main contributors.

Performance detractors

The underweight in local government bonds detracted the most.

For more information

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Credit quality (%)

	Fund
A	94.30
BBB	1.10
Cash & Equivalents	1.09
Not rated	3.51

Structure of maturities (%)

	Fund
Until 3 years	33.82
3–5 years	23.11
5–7 years	18.50
7–10 years	6.16
10–20 years	11.05
over 20 years	7.36

Sector exposure (%)

	Fund
Government National	39.49
Government Policy Banks	26.44
LBGs	11.72
Central SOEs	11.29
Agencies (China Railway & Central Huijin)	6.53
Corporates	3.44
Cash	1.09
Local SOEs	0.00

Current investment strategy

For China onshore bonds, we still believe that policy coordination will be much better than in the recent past and do not expect CNY rates to sell off sharply, which would be supportive of the asset class. The asset class offers an attractive yield, as well as the benefits of diversification and a low correlation with the rest of the world.

Risks

The fund offers higher return potential than a developed market bond portfolio and therefore bears a higher risk. In addition, emerging markets are at an early stage of development which can typically involve a high level of price volatility and other specific risks such as lower market transparency, regulatory hurdles, corporate governance and political and social challenges. Corresponding risk tolerance and capacity are required. All investments are subject to market fluctuations. The fund can invest in less liquid assets that may be difficult to sell in the case of distressed markets. 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.

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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