

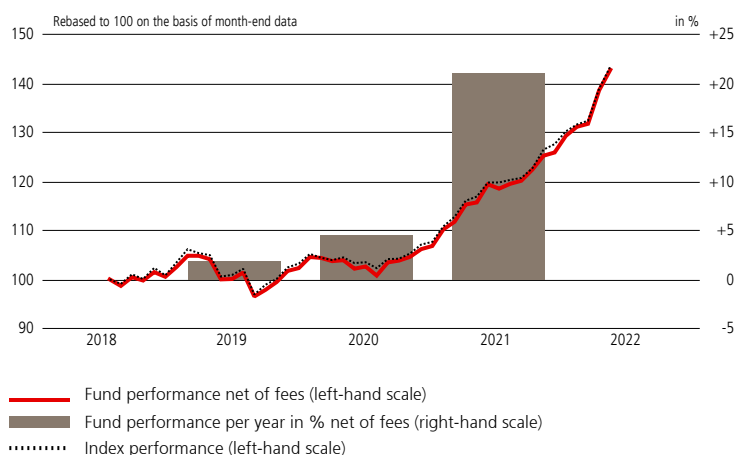
UBS China Fixed Income

Performance **Review**

UBS (Lux) Bond SICAV - China Fixed Income (RMB) (JPY) I-B-mdist



Performance (basis JPY, net of fees)¹



Past performance is not a reliable indicator of future results.

Performance in %¹

in %	2018	2019	2020	2021	2022 YTD ²	LTD ³	3 years	Ø p.a. 3 years
Fund (JPY)	n.a.	1.76	4.40	21.02	10.44	42.76	37.11	11.09
Benchmark ⁴	n.a.	2.38	4.28	20.92	10.17	43.42	36.66	10.97

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 LTD: launch-to-date

⁴ Reference Index in currency of share class (without costs)

Front-end China government bond yields rallied in April, with the yield curve flattening. Pandemic-related lockdowns continue to weigh on economic activity, with financing activity slowing. On monetary policy, the People's Bank of China cut the reserve requirement ratio by 25bp.

Monthly performance

In April the fund performed positively with 3.0%. Performance was driven by the onshore bond market, which was one of the few bond markets to generate a positive total return performance over the course of the month.

YTD performance

YTD as of the end of April, the fund has delivered a positive performance of 10.4%. China onshore bonds produced a positive total return performance, driven by the rally in rates and carry.

Performance contributors

Curve positioning was a contributor over the month. The allocation to central state-owned enterprises was positive for performance.

Performance detractors

For its part, the underweight in local government bonds detracted from performance.

For more information

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UBS China Fixed Income

Credit quality (%)

	Portfolio
AAA	98.61
NR	0.00
Cash&Equivalents	1.39

Structure of maturities (%)

	Portfolio
Until 3 years	36.28
3–5 years	21.42
5–7 years	9.60
7–10 years	20.87
10–20 years	2.13
over 20 years	9.70

Sector exposure (%)

	Portfolio
Government National	35.81
Government Policy Banks	24.13
Central SOEs	23.68
Agencies (China Railway & Central Huijin)	10.82
LBGs	2.26
Corporates	1.91
Cash	1.39
Local SOEs	0.00

Current investment strategy

We continue to see active opportunities within credit, particularly in Asia and China, and hold a positive long-term outlook thanks to accommodative fiscal and central bank policies and a positive technical backdrop.

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).

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