

# UBS China Fixed Income RMB

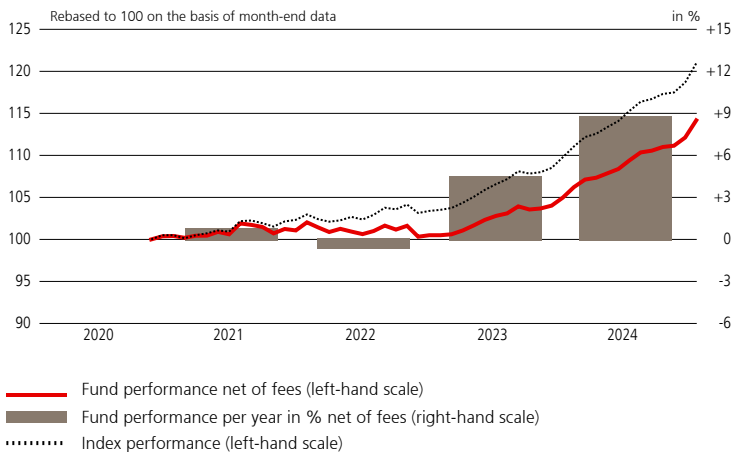
## Performance Review

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



**China's December Politburo meeting called for strengthening extraordinary counter-cyclical adjustments as well as implementing a more proactive fiscal policy and a moderately loose monetary policy in 2025. China fixed income performed strongly in 2024 on the back of supportive lower rates.**

### Performance (basis EUR, net of fees)<sup>1</sup>



### Monthly performance

In December the fund performed positively with 1.8%. The fund's performance was driven by declining Chinese rates over the course of December.

### YTD performance

YTD as of the end of December, the fund has delivered a positive performance of 8.8%. The recovery in the China macroeconomic environment is likely to have been the major driver of performance. Rates look set to remain supportive of positive returns from the asset class.

### Performance contributors

In 2024, the overweight in Chinese government bonds, as well as the overweight in agencies, contributed to performance.

### Performance detractors

Over the past year, duration management, the underweight in local government bonds (LGBs) and the underweight in policy bank bonds, alongside the overweights in state-owned-enterprises (SOEs) and corporates, detracted from performance.

**Past performance is not a reliable indicator of future results.**

### Performance in % (net of fees)<sup>1</sup>

in %	2020	2021	2022	2023	2024 YTD <sup>2</sup>	LTD <sup>3</sup>	4 years Ø p.a. 4 years
Fund (EUR)	n.a.	0.70	-0.56	4.45	8.76	14.32	13.75
Benchmark <sup>4</sup>	n.a.	1.82	1.04	6.17	10.19	21.14	20.36

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

<sup>1</sup> 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.

<sup>2</sup> YTD: year-to-date (since beginning of the year)

<sup>3</sup> LTD: launch-to-date

<sup>4</sup> Reference Index in currency of share class (without costs)

### For more information

**UBS Fund Infoline: 0800 899 899**

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Contact your client advisor

### Portfolio management representatives

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## Credit quality (%)

	Fund
A	92.27
BBB	1.78
Cash & Equivalents	1.47
Not rated	4.48

## Structure of maturities (%)

	Fund
Until 3 years	25.74
3–5 years	22.03
5–7 years	22.05
7–10 years	11.85
10–20 years	10.30
over 20 years	8.03

## Sector exposure (%)

	Fund
Government National	37.25
Government Policy Banks	23.40
Central SOEs	18.80
LGBs	11.27
Agencies (China Railway & Central Huijin)	5.24
Corporates	2.57
Cash	1.47
Local SOEs	0.00

## Current investment strategy

For China onshore bonds, we maintain our view that policy coordination should be much better than it has been recently and do not expect CNY rates to sell off sharply, which should be supportive to 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.

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