

UBS China Fixed Income

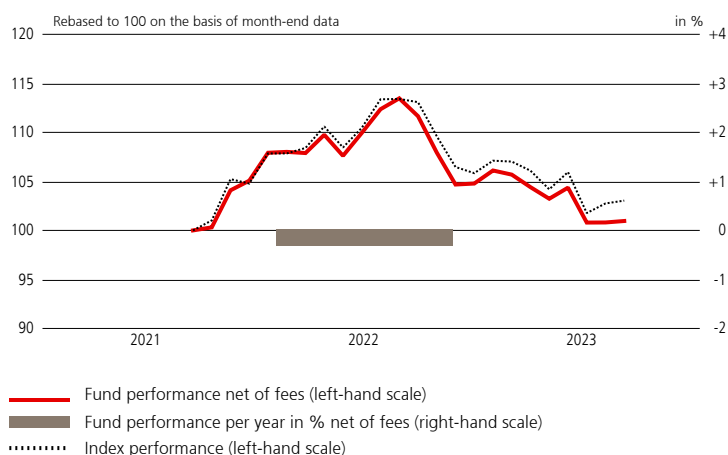
Performance **Review**

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



Global markets grappled with opposing forces in August: Treasury yields rising to fresh cycle highs across the curve amid continued strength in US production data, and more signs of economic weakness in China and global manufacturing.

Performance (basis EUR, net of fees)¹



Past performance is not a reliable indicator of future results.

Performance in % (net of fees)¹

in %	2019	2020	2021	2022	2023 YTD ²	LTD ³	1 year Ø p.a. 2 years	
Fund (EUR)	n.a.	n.a.	n.a.	-0.27	-3.64	2.58	-11.02	n.a.
Ref. Index ⁴	5.26	0.70	16.65	1.01	-2.65	5.41	-9.15	2.49

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)

Monthly performance

In August the fund performed positively with 0.2%. Fund performance was positive in August as Chinese rates rallied at the longer end, with carry continuing to contribute.

YTD performance

YTD as of the end of August, the fund has delivered a negative performance of 3.6%. The recovery in the China macroeconomic environment was likely the major driver of performance. Rates are likely to remain supportive for positive returns from the asset class.

Performance contributors

Overweights in Chinese government bonds (CGBs), agencies and central state-owned enterprises (SOEs) contributed to returns.

Performance detractors

Underweights in policy banks and local government bonds (LGBs) detracted from performance.

For more information

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Credit quality (%)

	Fund
A	91.10
NR	6.22
Cash&Equivalents	2.68

Structure of maturities (%)

	Fund
Until 3 years	35.29
3–5 years	15.87
5–7 years	19.50
7–10 years	12.94
10–20 years	7.87
over 20 years	8.53

Sector exposure (%)

	Fund
Government National	36.39
Government Policy Banks	21.96
Central SOEs	16.47
LBGs	8.71
Corporates	7.90
Agencies (China Railway & Central Huijin)	5.89
Cash	2.68
Local SOEs	0.00

Current investment strategy

China fixed income is still largely under-allocated by investors and works well as a diversifier for all portfolios, as we have seen in the recent market volatility. We expect more investors to allocate to this asset class over the next few years via active strategic asset allocation shifts.

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).

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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