

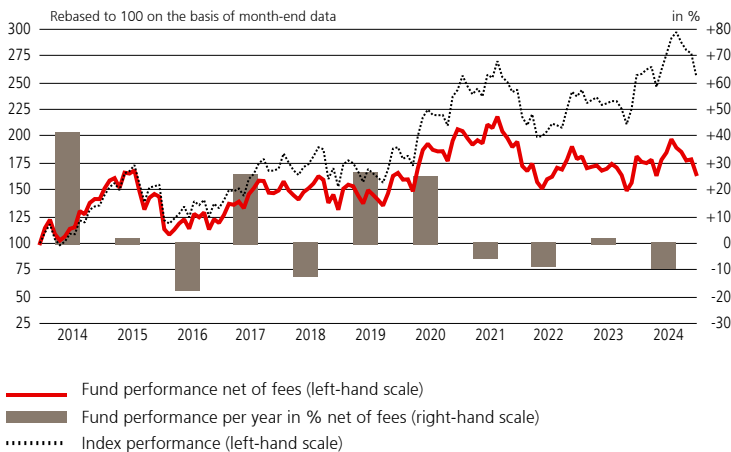
UBS Biotech Equity Fund USD

Performance Review

UBS (Lux) Equity Fund - Biotech (USD) P-acc



Performance (basis USD, 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	Dec. 2024	5 years Ø p.a.	5 years
Fund (USD)	24.61	-5.63	-8.31	1.44	-9.18	-7.70	-0.67	-0.13
Benchmark ³	28.24	0.05	-2.60	8.40	-0.30	-7.61	35.06	6.19

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)

The biotech sector delivered modestly negative returns in 2024, underperforming the broader equity market. Headwinds included a number of mixed clinical data points in large cap biopharma, continued macro pressures and a dampened M&A environment due to higher interest rates and antitrust scrutiny under the Biden administration.

Monthly performance

In December the fund performed negatively with 7.7%. This month's performance was boosted by some of our holdings, which performed well on positive incremental news, while we also avoided some of the key laggards within the market.

YTD performance

YTD as of the end of December, the fund has delivered a negative performance of 9.2%. The fund's performance relative to the sector was largely driven by small, longer-duration, highly innovative names that we expect to materially outperform over the longer term.

Performance contributors

In 2024, our underweight to Biogen contributed positively as the company's shares underperformed on a disappointing launch for the new Alzheimer's drug, combined with concerns that Biogen's pipeline may not back-fill for upcoming patent expiries. Our position in argenx added value as its shares rallied on a strong launch and positive clinical data for the company's Vyvgart drug.

Performance detractors

In 2024, Moderna shares sold off due to disappointment surrounding the timeline to cash flow breakeven, softer-than-expected Covid vaccine sales and a delay to its key oncology vaccine of 6 to 12 months. Not owning Natera detracted from performance as Signatera volumes and average sales prices came in stronger than expected.

For more information

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Market exposure (%)

	Fund
United States	83.71
Netherlands	4.43
Germany	3.13
Switzerland	2.69
Denmark	2.53
United Kingdom	2.51
Ireland	1.00

10 largest equity positions (%)¹

	Fund
Vertex Pharmaceuticals Inc	9.3
Alnylam Pharmaceuticals Inc	6.3
Neurocrine Biosciences Inc	6.2
AbbVie Inc	5.0
Gilead Sciences Inc	4.3
Guardant Health Inc	4.1
Moderna Inc	4.0
Amgen Inc	3.7
Roivant Sciences Ltd	3.6
Denali Therapeutics Inc	3.2

¹ This is not a recommendation to buy or sell any security

Current investment strategy

After several challenging years, sentiment towards the biotech industry appears to be improving, with stable funding levels and a continued strong pace of new drug approvals. We continue to favour highly innovative small and mid cap names, and especially those with platform modalities that enable the iterative pursuit of multiple therapeutic targets.

Risks

UBS Sector Funds invest in equities and may therefore be subject to high fluctuations in value. As these UBS Funds pursue an active management style, each Fund's performance can deviate substantially from that of its reference index. Focusing intentionally on individual sectors may entail additional risks. 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.

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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