

# UBS Greater China Equity Fund USD P-acc

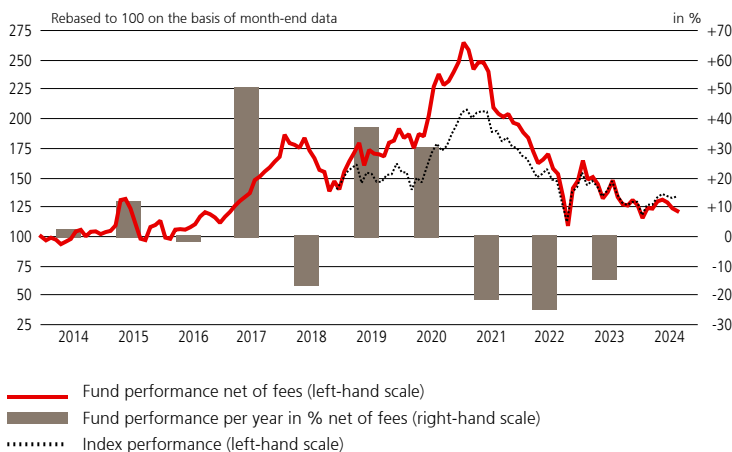
## Performance **Review**

UBS (Lux) Equity Fund - Greater China (USD) (CHF hedged) P-acc



**On the economic front, macro data sent out mixed signals. China's trade surplus came down from its historical high due to a slowdown in exports. Higher yields, stronger Q2 results and a weaker dollar-yuan exchange rate contributed to the better performance of offshore equities.**

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



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

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

| in %                   | 2020  | 2021   | 2022   | 2023   | 2024  | Aug. 2024 | 5 years Ø | 5 years p.a. |
|------------------------|-------|--------|--------|--------|-------|-----------|-----------|--------------|
| Fund (CHF)             | 29.57 | -21.40 | -24.44 | -14.10 | -3.99 | -1.87     | -28.41    | -6.47        |
| Benchmark <sup>3</sup> | 20.51 | -10.29 | -19.09 | -8.67  | 3.62  | 1.11      | -8.36     | -1.73        |

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

### Monthly performance

In August the fund performed negatively with 1.9%. Fixed asset investment (FAI) growth slowed to 3.6% year-on-year from January to July due to the continued contraction in real estate investment and further moderation in infrastructure. Meanwhile, retail sales showed a moderate uptick compared to the previous month.

### YTD performance

YTD as of the end of August, the fund has delivered a negative performance of 4.0%. The investment environment was choppy, with the market overemphasising the risk factors for Chinese equities.

### Performance contributors

The market was led by the financial sector over the month, which also contributed to the fund's performance. Holdings in consumer staples such as Kweichow Moutai also rebounded.

### Performance detractors

Meanwhile, positions in communication services detracted. While NetEase's Q2 results slightly missed expectations, with the firm reporting a decline in deferred gaming revenue, we noted that market expectations were high. We believe that the company's rich gaming portfolio should sustain long-term growth in the future.

### For more information

UBS Fund Infoline: 0800 899 899

Internet: [www.ubs.com/funds](http://www.ubs.com/funds)

Contact your client advisor

### Portfolio management representatives

Bin Shi

Morris Wu

Denise Cheung

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## Market exposure (%)

|           | Fund |
|-----------|------|
| China     | 79.9 |
| Taiwan    | 9.5  |
| Cash      | 7.6  |
| Hong Kong | 2.9  |

## Sector exposure (%)

|                        | Fund |
|------------------------|------|
| Communication Services | 21.3 |
| Consumer Staples       | 15.6 |
| Financial Services     | 14.7 |
| Consumer Discretionary | 12.8 |
| Information Technology | 10.9 |
| Cash                   | 7.6  |
| Health Care            | 7.2  |
| Real estate            | 5.9  |
| Industrials            | 3.9  |
| Materials              | 0.0  |
| Energy                 | 0.0  |
| Utility                | 0.0  |

## 10 largest equity positions (%)<sup>1</sup>

|   | Fund |
|---|------|
| Tencent Holdings Ltd                      | 9.8  |
| Taiwan Semiconductor Manufacturing Co Ltd | 9.5  |
| Kweichow Moutai Co Ltd                    | 9.2  |
| NetEase Inc                               | 8.7  |
| Alibaba Group Holding Ltd                 | 5.0  |
| Anhui Gujing Distillery Co Ltd            | 4.6  |
| China Merchants Bank Co Ltd               | 4.5  |
| Far East Horizon Ltd                      | 4.0  |
| CSPC Pharmaceutical Group Ltd             | 3.4  |
| Ping An Insurance Group Co of China Ltd   | 2.9  |

<sup>1</sup> This is not a recommendation to buy or sell any security

## Current investment strategy

As China's growth normalises, investor confidence has taken a hit and valuations remain well below their historical average. Lower valuations can sow the seeds for long-term alpha generation within China. As bottom-up investors, we continue to believe that extensive boots on the ground research is required to identify the best opportunities.

## Risks

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