

# UBS European Opportunity Unconstrained Equity Fund EUR

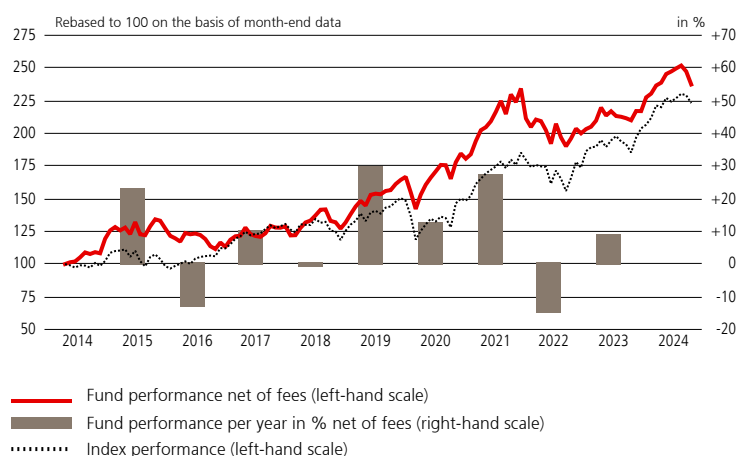
## Performance **Review**

UBS (Lux) Equity SICAV - European Opportunity Unconstrained (EUR) (USD hedged) Q-acc



**Capital markets generally struggled in October. Implied equity market volatility rose substantially above realised volatility, indicating heightened awareness of the US election event risk ahead. Within Europe, the European Central Bank cut rates by 25bp, as widely expected.**

### Performance (basis USD, 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 YTD <sup>2</sup>	Oct. 2024	5 years Ø p.a.	5 years
Fund (USD)	12.29	26.95	-14.65	8.51	9.39	-4.03	51.62	8.68
Benchmark <sup>3</sup>	-0.39	23.59	-6.23	17.30	9.49	-2.58	54.82	9.13

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 October the fund performed negatively with 4.0%. The fund lagged broader European equity markets in October, driven by weak stock selection in the long book across information technology and financials. However, this was partially offset by strong stock selection within materials.

### YTD performance

YTD as of the end of October, the fund has delivered a positive performance of 9.4%. The fund remains ahead of broader European equity markets, benefiting from very strong stock selection in the industrials sector. Our materials and consumer discretionary underweights have also contributed positively.

### Performance contributors

We benefited from our position in Sandoz, the third-largest and fastest growing generic company in the world, following its strong Q3 results. We continue to like this investment as USD 400bn worth of patented drug sales will come off patents in the next ten years, providing a substantial growth opportunity for Sandoz.

### Performance detractors

Our holding in Philips, a leading provider of medical equipment and services, gave back some of its prior year-to-date gains after the company cut its FY24 guidance due to a deterioration in the outlook in China. We met with the CEO, Roy Jakobs, and the new CFO, Charlotte Hanneman, and came away reassured that the new guidance is somewhat de-risked.

### For more information

**UBS Fund Infoline: 0800 899 899**

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Contact your client advisor

### Portfolio management representatives

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## Sector weights (%)

	Long	Short
Industrials	20.48	-5.76
Health Care	18.24	-1.20
Financial Services	17.18	-0.59
Consumer Discretionary	12.82	-3.55
Consumer Staples	12.11	0.00
Energy	8.65	-0.59
Materials	7.79	-1.87
Information Technology	7.42	-0.37
Utility	5.45	-1.06
Communication Services	3.74	-0.98
Real estate	0.00	0.00
Total	113.88	-15.97

## Market weights (%)

	Long	Short
United Kingdom	38.29	-2.74
Netherlands	16.27	0.00
Switzerland	14.35	-2.59
France	12.15	-1.58
Spain	7.55	-1.54
Germany	6.59	-3.03
Denmark	5.08	-0.50
Italy	4.77	-0.51
Others	3.23	-3.48
Ireland	3.03	0.00
Portugal	2.56	0.00
Total	113.87	-15.97

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

	Fund
Shell PLC	4.3
Novartis AG	4.1
AstraZeneca PLC	3.6
ASML Holding NV	3.5
Novo Nordisk A/S	3.4
HSBC Holdings PLC	3.3
Unilever PLC	3.2
LVMH Moët Hennessy Louis Vuitton SE	3.1
BAE Systems PLC	3.1
Iberdrola SA	3.0

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

## Current investment strategy

We expect an increase in volatility due to the US election, particularly as events in the Middle East also remain highly fluid. While we are macro-aware, we are not macro-driven, using pair trades to reduce factor risk and increase our stock-specific risk. Our preference for high-quality companies with strong management teams and relatively resilient earnings streams should position us well amid the economic uncertainty.

## Risks

UBS Opportunity Equity 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. 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.

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