

# UBS European Income Opportunity Sustainable Equity Fund EUR

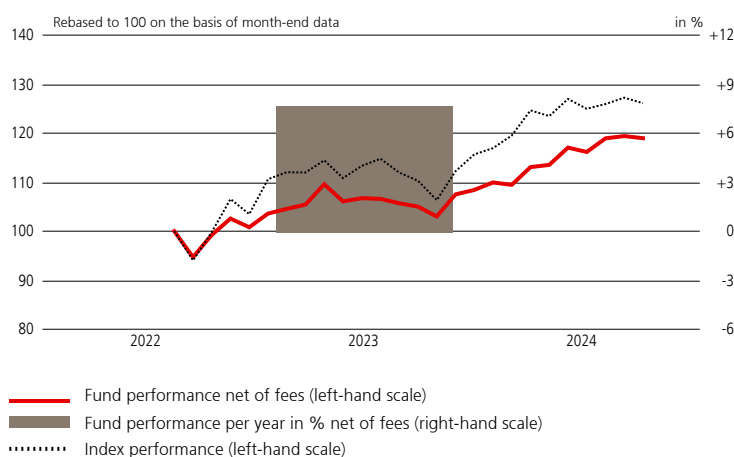
## Performance Review

UBS (Lux) Equity SICAV - European Income Opportunity Sustainable (EUR) (CHF hedged) Q-dist



**European equities ended September higher. The ECB cut interest rates for the second time in this cycle to 3.5%. Both the decision to do so and the forward guidance issued were in line with market expectations. Meanwhile, leading indicators continue to signal a weak growth outlook for Europe.**

### 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 YTD <sup>2</sup>	LTD <sup>3</sup>	2 years Ø p.a. 2 years
Fund (CHF)	n.a.	n.a.	n.a.	7.55	9.74	13.70	25.62
Benchmark <sup>4</sup>	n.a.	n.a.	n.a.	11.77	9.03	21.35	15.81

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)

### Monthly performance

In September the fund performed negatively with 0.4%. The fund was ahead of broader European equity markets in September, as our overweight in materials contributed positively. However, weak stock selection in the financials and energy sectors detracted.

### YTD performance

YTD as of the end of September, the fund has delivered a positive performance of 9.7%. The largest contributors were materials and consumer discretionary. That said, some of our sector selection was negative due to our underweights in energy and real estate.

### Performance contributors

Not owning Novo Nordisk contributed to relative performance as the company's shares fell on disappointing obesity drug data, with the Phase 2 trials of monlunabant, an experimental obesity pill, coming in below expectations. In addition, our holding in Rio Tinto contributed positively as the company's shares rallied thanks to China's large stimulus package announcement, suggesting an expected recovery in iron ore prices.

### Performance detractors

Galp Energia detracted as Exxon withdrew from Galp's proposed sale of its Namibia oil stake. Despite interest from other companies, uncertainty alongside the decline in the oil price adversely impacted investor sentiment. Furthermore, Shell shares fell, driven by a drop in profits and weaker fossil fuel prices.

### For more information

**UBS Fund Infoline: 0800 899 899**

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Contact your client advisor

### Portfolio management representatives

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## Market exposure (%)

	Fund
United Kingdom	22.7
France	20.4
Germany	17.3
Switzerland	13.0
Netherlands	12.6
Spain	4.3
Ireland	3.5
United States	2.3
Austria	1.6
Others	2.4

## Sector exposure (%)

	Fund	Deviation from index
Health Care	21.66	+5.6
Financials	17.95	-1.2
Consumer Staples	14.26	+3.5
Consumer Discretionary	12.82	+3.1
Materials	10.93	+4.4
Energy	10.50	+5.8
Information Technology	5.23	-2.3
Industrials	3.49	-13.5
Communication Services	3.16	-0.1
Utilities	0.00	-4.2
Real Estate	0.00	-0.9

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

	Fund
BNP Paribas SA	4.1
Rio Tinto PLC	4.1
Novartis AG	4.0
Roche Holding AG	3.8
TotalEnergies SE	3.3
Knorr-Bremse AG	3.2
Tesco PLC	3.2
Shell PLC	3.1
Sanofi SA	3.0
LVMH Moët Hennessy Louis Vuitton SE	3.0

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

## Current investment strategy

The fund continues to focus on companies with strong and sustainable dividend yields. While volatility in the market is increasing, the direction of interest rates suggests a more favourable economic cycle, which should be supportive to European stocks.

## Risks

The fund invests in equities and may therefore be subject to high volatility. This requires an elevated risk tolerance and capacity. The value of a unit may fall below the purchase price. The fund may use derivatives, which can reduce or increase investment risk (including the risk of loss due to the bankruptcy of the counterparty). The fund pursues a very active management approach. This means that the fund's performance may deviate considerably from the market rate of return. Every fund reveals specific risks, a detailed and comprehensive list of risk descriptions can be found in the prospectus. 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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