

UBS Dynamic Income Fund USD

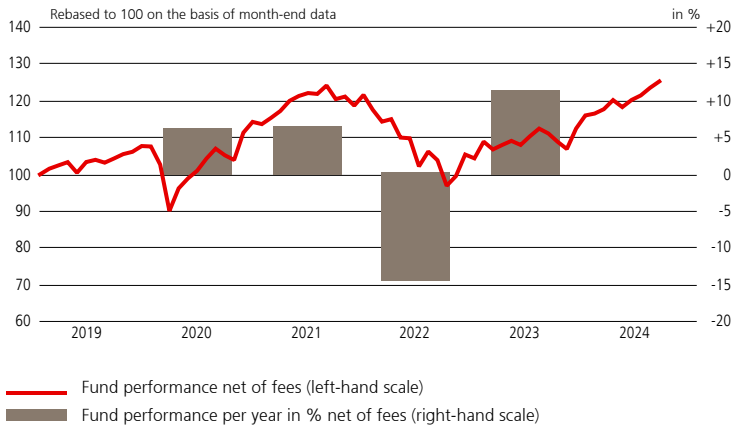
Performance Review

UBS (Lux) Strategy SICAV - Dynamic Income (USD) P-mdist



Macro data published in August dispelled fears of an imminent recession following weaker-than-expected data releases in July. Equities and fixed income finished higher after short-lived market turmoil at the beginning of the month.

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	Aug. 2024	5 years Ø p.a. 5 years
Fund (USD)	6.10	6.41	-14.18	11.18	7.98	1.41	21.41
							3.96

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)

Monthly performance

In August the fund performed positively with 1.4%. Global equities gained over the course of August despite significant intra-month volatility. A cooling labour market and slowing inflation pushed US Treasury yields lower. Credit spreads tightened, heading back towards cyclical lows.

YTD performance

YTD as of the end of August, the fund has delivered a positive performance of 8.0%. The momentum surrounding AI continues to slow amid a shift in sectoral leadership away from expensive tech stocks. Fixed income markets are still pricing in increased chances of consecutive rate cuts by the Fed.

Performance contributors

Equities and fixed income contributed to the positive performance. US equities and global high-dividend stocks drove equity performance, while Australian, European and UK equities also added value. In fixed income, US investment grade and US high-yield credit were the main contributors.

Performance detractors

The fund's covered call strategy detracted from performance amid sharply rising equity markets.

For more information

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5 largest equity positions (%)

	Fund
Apple Inc	1.09
NVIDIA Corp	0.95
Microsoft Corp	0.95
Exxon Mobil Corp	0.54
Amazon.com Inc	0.54

5 largest bond issuers (%)

	Fund
NIDDA HEALTHCARE HOLDING 7.5% 08/21/2026	0.27
NAVIENT CORP 6.75% 06/25/2025	0.22
XEROX HOLDINGS CORP 5% 08/15/2025	0.21
ICAHN ENTERPRISES/FIN 6.25% 05/15/2026	0.20
DEUTSCHE BANK AG 4.5% 04/01/2025	0.19

Asset allocation (%)¹

LIQUIDITY	3.00
Cash	3.00
BONDS	42.00
High grade bonds ²	0.30
Corporate bonds ²	0.30
High yield bonds ²	15.05
Emerging markets and Asian (ex-Japan) bonds ²	16.35
Third party flexible multi-sector bond funds	10.00
EQUITIES	55.00
US Equities	20.93
EM	6.50
Eurozone	6.98
Canada	0.00
UK	1.94
Japan	2.71
Switzerland	0.00
Pacific (ex-Japan)	1.94
Global High Divident Equities	10.00
REITs	4.00
Total	100.00

¹ All the figures in above table are target weights. The Portfolio Manager rebalances the portfolio back to the target weights each month end (leaving a flexibility of up to +/-1% deviation from target). The effective weights therefore are very close to the target weights.

Current investment strategy

With signs that inflationary pressures are abating and growth is weakening, major central banks appear ready to pause their hiking cycles to assess the full effects of policy tightening. Against this backdrop, we see the yields offered by high-grade bonds as an attractive source of income.

Risks

The fund invests in equities as well as bonds with lower credit ratings or longer duration and can undergo major value fluctuations. The fund may hold substantial assets in fixed income with higher issuer default or liquidity risk. Its value will also be impacted by interest rate and credit spread movements. Due to the sale of call options, the fund can lag behind general growth levels during bull market phases. Despite the dynamic asset allocation adapting to various market cycle stages, the fund may nevertheless fail to meet its target income range. The combination of a medium to high risk profile and regular income payments out of the fund (out of distributing classes), results in a heightened risk of experiencing a diminution in value over time. The fund may use derivatives which can reduce investment risk or give rise to additional risks (including the risk of counterparty bankruptcy). These factors presuppose an elevated risk tolerance and capacity. Every fund has specific risks which can significantly increase under unusual market conditions. A description of the fund specific risks 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.

This share class (mdist) may make monthly, gross-of-fee distributions. As a consequence, in addition to income, this share class may also distribute capital. This can have negative tax consequences for investors in some jurisdictions. Investors should seek their own tax advice.

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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