

# UBS Digital Transformation Themes Equity Fund USD

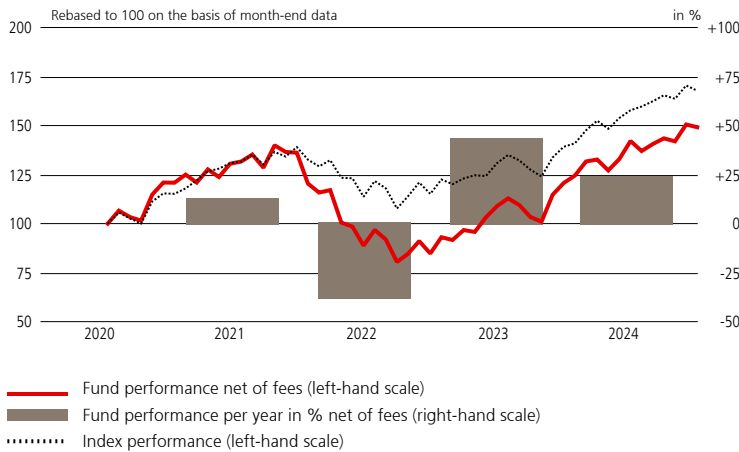
## Performance **Review**

UBS (Lux) Key Selection SICAV - Digital Transformation Themes (USD) (GBP hedged) Q-acc



**Cooling inflation, the start of the rate-cutting cycle and strength in AI pushed US equities higher, which provided support to developed market total returns. The extreme concentration experienced in 2023 persisted into 2024, with the Magnificent Seven stocks contributing more than half of the S&P 500's gains.**

### Performance (basis GBP, 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>	4 years Ø p.a. 4 years
Fund (GBP)	n.a.	12.58	-37.75	42.46	23.52	53.42	23.32
Benchmark <sup>4</sup>	n.a.	20.45	-17.17	20.88	20.52	68.15	45.35

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 December the fund performed negatively with 0.9%. Stock selection in communication services and healthcare contributed, while stock selection in information technology and financials detracted. In terms of sector allocation, all sectors apart from consumer discretionary added value.

### YTD performance

YTD as of the end of December, the fund has delivered a positive performance of 23.5%. Growth outperformed value in 2024, providing a tailwind to relative performance alongside positive sector allocation.

### Performance contributors

In 2024, Nvidia shares rallied as the company benefited from exceptional results due to strong revenue growth in its data centre business and robust demand for Hopper graphics processing units (GPUs). TSMC's share price rose on the back of strong quarterly results, driven by robust demand for smartphones and artificial intelligence chips.

### Performance detractors

AMD shares detracted over the full year due to concerns about the company competing directly with Nvidia in the merchant AI silicon space. lululemon shares fell after the company faced a number of headwinds, including the departure of its chief product officer and changes in consumer behaviour, which weighed on its US business.

### 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

Eric Garfunkel

Peter J. Bye

Katie Thompson

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## Thematic Exposure (%)

	Fund
Digital Data	36.0
Enabling Technology	32.4
E-Commerce	17.0
Fintech	5.1
Security and safety	4.8
Health Tech	3.2
Cash	1.5

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

	Fund
NVIDIA Corp	5.8
Apple Inc	5.8
Microsoft Corp	5.6
Amazon.com Inc	4.8
Alphabet Inc	3.7
Broadcom Inc	3.2
Meta Platforms Inc	3.1
Taiwan Semiconductor Manufacturing Co Ltd	3.0
HubSpot Inc	2.7
Oracle Corp	2.5

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

## Current investment strategy

We continue to believe we are in the early stages of artificial intelligence and machine learning, of companies creating personalised relationships with their users, and of technology supporting meaningful medical innovation. We have added to selected high-conviction names given the prospect of near-term volatility.

## 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 value of a unit may be influenced by currency fluctuations. This fund pursues a very active management style. Its performance may therefore deviate considerably from that of a comparable market return. Focusing intentionally on individual sectors may entail additional risks (e.g. lower diversification). 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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