UBS

July 2021
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GELS

Global Equity Long Short Fund review

Fund highlights

- Bottom-up stock picking in a structure designed to deliver equity-like returns with less volatility than equity markets
- Managed using a distinctive 'multi-sleeve' approach to portfolio construction which aims to leverage the team's substantial resources, maximise uncorrelated sources of returns and minimise volatility and drawdowns

Investment philosophy

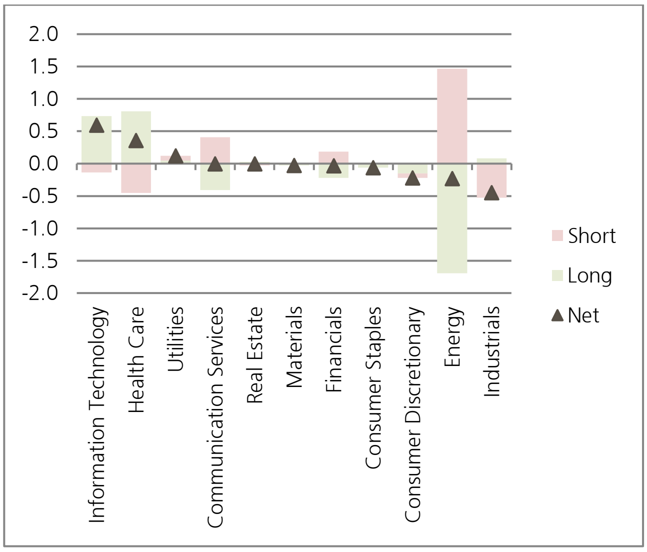
The fund seeks to exploit mispriced stocks in both developed and emerging equity markets around the world. Deep, fundamental analysis is undertaken on a company by company basis to identify where shares are being under-or over-valued by the market. An experienced team of analysts undertake this research and propose sleeves of best ideas in their specialist sectors to the Portfolio Managers.

The PMs validate all stock positions, manage risk, and determine the net and gross exposures and capital allocation.

The 'net' market exposure will typically be positive, but will vary according to market conditions.

Performance attribution by sector (%)

July 2021



Objective:
The strategy seeks to deliver a positive absolute return, over a three-year timeframe, with low volatility. The Fund seeks to exploit mispriced stocks in equity markets around the world, including emerging markets

UBS (Irl) Investor Selection –
Global Equity Long Short Fund

Portfolio Managers:	Scott Wilkin, Dimitrios Goumenos
Inception date:	28 August 2012
Currency:	EUR
Fund Assets (31 July 2021):	EUR 73 million
ISIN (I-B class):	IE00B85KLG36
Redemption:	Daily
Accounting year end	30 September
Anti-dilution levy	Yes
Distribution**:**	Reinvestment

Performance summary (net-of-fees in EUR)

July 2021	0.17%
Annualised total return since inception[1]	+4.9%
Annualised volatility since inception[2]	6.5%

Portfolio Characteristics

Long / Short positions	137/133
Long / Short Exposure	120% / -97%
Net / Gross Exposure	23% / 217%
Sharpe ratio (since inception)[3]	0.8
Sortino ratio (since inception)[3]	1.5
Down/up months	39/68
Largest monthly drawdown	-3.9%
R-squared (since inception)	0.33

Past performance is no guarantee of future results. Source: UBS Asset Management. Portfolio characteristics are at 31 July 2021. [1]Inception as at 31 August 2012. Returns are calculated net of 0.95% fee plus performance fee of 20.00%of the return achieved by the fund that is in excess of both the High Watermark and the Hurdle Rate (Euro OverNight Index Average (EONIA)). Hurdle rate will be zero when EONIA is negative. The returns are based on currently available information and are subject to revision. The performance shown does not take account of any commissions and costs charged when subscribing to and redeeming units. Absolute means that returns are not linked to a benchmark. Note that returns on absolute type investments can still be negative compared to initial investment values. 2: For periods greater than 1 year, the annualised standard deviation is based on monthly logarithmic returns. 3: The risk-free rate used to calculate the Sharpe Ratio is the 1 month risk-free rate for the relevant currency

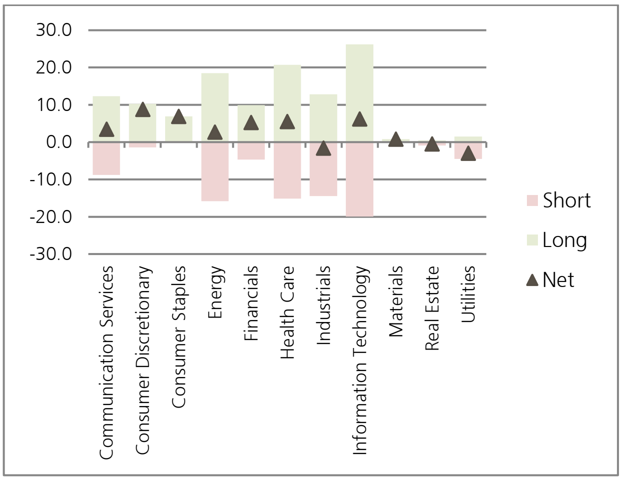
Fund net-of-fees performance (%)

	1 month	3 months	YTD	1 year	3 years	Since Inception
Fund	+0.1%	1.2%	+2.6%	+5.9%	+3.6%	+4.9%

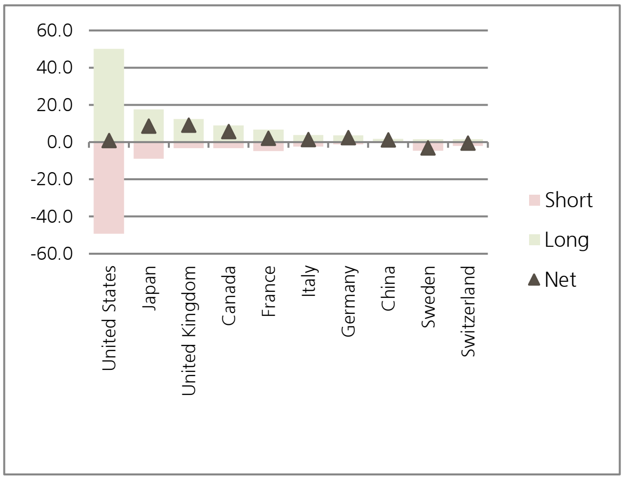
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2012									-0.3	+1.0	+1.3	+0.2	**+2.3**
2013	+1.8	+1.1	+1.3	+1.0	0.0	-0.2	+0.9	-0.1	+1.7	+0.8	+1.6	+1.2	**+11.4**
2014	+0.4	+0.2	-0.8	+1.1	+0.2	+1.1	-0.1	+0.3	+2.5	+0.5	+2.5	+0.8	**+9.0**
2015	+1.2	+0.1	+0.4	+1.6	-0.9	+0.8	-0.3	-2.1	-1.4	+1.5	+0.5	-0.6	**+0.9**
2016	-3.1	-0.6	+2.5	+1.2	+0.4	-1.7	-1.4	+1.6	+1.7	+1.6	-0.4	+1.7	**+3.4**
2017	-1.8	-0.9	+0.7	0.0	+0.8	-0.3	+2.0	+1.0	+1.0	-0.1	+0.3	-1.2	**+1.4**
2018	+3.0	-2.7	-1.6	+2.0	+4.7	+0.5	-1.1	-0.4	-0.3	-3.6	-3.8	-1.1	**-4.6**
2019	+1.4	+1.5	+0.9	+2.5	-2.6	+2.0	+2.1	-1.0	+1.0	-0.1	+2.9	+5.4	**+17.1**
2020	-1.9	-2.2	-3.9	+8.5	-2.3	+1.4	-0.4	+2.1	-1.5	-0.4	+3.1	+0.1	**+1.7**
2021	-3.8	3.9	2.6	-1.1	0.1	0.9	0.1						**+2.6**

Past performance is no guarantee of future results. Source: UBS Asset Management. Composite data (net) as at 31 July 2021.
Note: The returns shown above are based on currently available information and are subject to revision. Returns for periods greater than a year are annualised. The performance shown does not take account of any commissions and costs charged when subscribing to and redeeming units.

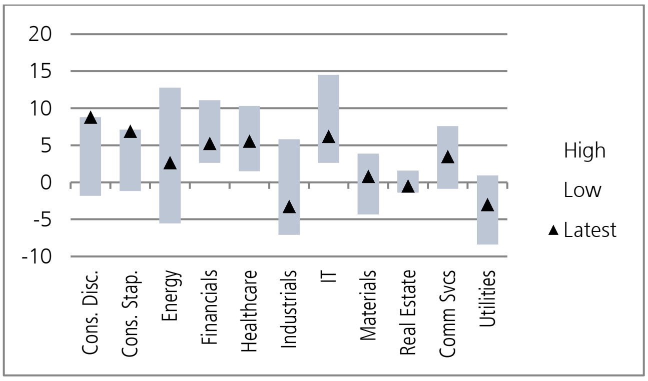
Sector exposure (%)



Country exposure (Top 10 by gross exposure %)



Sector net exposure over time (%)



Largest Long stocks per sector (%)

COMCAST	Communication Services	2.47
MICHELIN (CGDE)	Consumer Discretionary	2.52
DANONE	Consumer Staples	2.58
AFRICA OIL	Energy	1.62
AMERIPRISE FINANCIAL	Financials	0.94
UNITEDHEALTH GROUP	Health Care	1.78
ASHTEAD GROUP	Industrials	2.05
NEC CORP	Information Technology	2.35
SHIN-ETSU CHEMICAL	Materials	0.81
AROUNDTOWN	Real Estate	0.45
HERA	Utilities	1.01

Source: UBS Asset Management. Data as at 31 July 2021. The information shown is not to be considered a recommendation to purchase or sell any particular security.

Performance Commentary – July 2021

The global equity rally continued in July, supported by the strong recovery in corporate earnings and continued monetary policy support, which helped investors look through the ongoing spread of the more infectious delta COVID-19 variant. In the US, second quarter GDP growth of 6.5% annualized fell short of an 8.5% forecast. But the disappointment appeared mostly due to pandemic-related disruptions and inventory drawdowns. Leaving this aside, consumer spending was strong with growth accelerating to 11.8% annualized, from 11.4% in the first quarter. Forward-looking indicators were also positive, with the ISM manufacturing and services survey readings both above 60 for June, well above the 50 level that separates expansion from contraction. Net job creation for the month was the strongest since last August at 850,000. Although the delta variant of COVID-19 has been spreading, with cases rising across the US, we do not expect this to lead to a significant economic drag currently and the pace of vaccinations has started to pick up in some areas hard hit by delta. With an improving economic outlook, the Federal Reserve concluded its July policy meeting by saying for the first time that "the US economy has made progress toward" the Fed's goal. That marked another step towards a tapering of bond purchases, though the Fed has set a high economic bar for a withdrawal of stimulus. Meanwhile the US Congress made some progress toward passing a slimmed down USD 550bn bipartisan infrastructure package. Eurozone data released in July showed stronger-than-expect growth for the second quarter, with GDP expanding 2% from the prior three months, versus a forecast for 1.5%. The outperformers in the region included Italy and Spain, while Portugal's tourism-heavy economy grew by 4.9%. The data shows the eurozone economy responding well to the easing of restrictions, a trend we expect to continue in the summer months as restrictions are eased further. China was in focus in July for a further tightening of regulations on businesses. After months of imposing stricter curbs on parts of the nation's technology sector, the government announced that the after-school tutoring industry would be forced to go non-profit. This sparked concern that other industries might be subject to similar restrictions, or that China would become less welcoming to foreign capital. Meanwhile, data in July continued to point to an uneven recovery. GDP growth slowed to 7.9% year-on-year in the second quarter, after a record 18.3% expansion in 1Q21.

The portfolio ended the month up in July, with HealthCare and IT being the biggest contributors where both long sleeves contributed significantly. Furthermore, short books of Utilities and Communication Services also added value. Energy experienced some headwinds over the month, where the long book detracted the most. Short book of Industrials was aslo among the detractors.

After such a strong run in 1H 21, some investors may be concerned about whether the market's gains can continue into the second half of the year. But we believe equity markets can continue to advance further in the second half of the year, supported by the following main factors: 1) A broadening of the global reopening will support growth and earnings. 2) The inflation worry looks set to fade further. 3) Central bank messaging will likely remain supportive. Against this market background, we continue to search for fundamentally mispriced securities, and remain ready to take advantage of any opportunities presented by price/value dislocations caused by short term sentiment. We believe the fund is well positioned to face any market environment, as risk remains dominated by a large number of diversified, idiosyncratic, stock-specific sources, driven by our fundamental analysts.

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