

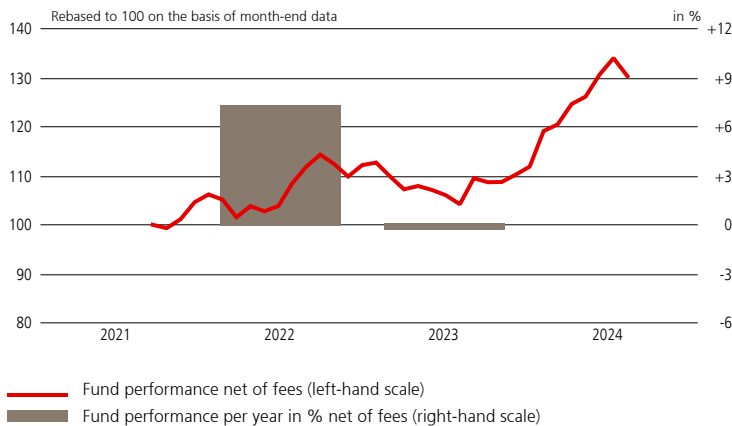
# UBS (Irl) O'Connor China Long/Short Alpha Strategies UCITS Fund USD Performance **Review**

UBS (Irl) Investor Selection PLC - O'Connor China Long/Short Alpha Strategies UCITS I-B-acc



**It was another volatile month for the Chinese equity market, with performance in negative territory. All eyes were on the Chinese Communist Party's third plenum, while the continued weakness in macro data continued to weigh heavily on short-term sentiment. Various near-term supportive policies that were announced shortly after the plenum still struggled to bolster the market.**

## Performance (basis USD, net of fees)<sup>1</sup>



**Past performance is not a reliable indicator of future results.**

## Performance in %<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 (USD)	n.a.	n.a.	7.23	-0.27	16.50	24.99	20.14	9.61

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

## Monthly performance

In July the fund performed negatively with 2.7%. Our state-owned enterprise (SOE) reform and generative AI exposure witnessed an unexpectedly sharp correction, while our net long-tilted exposure was impacted by the global sell-off and volatility. The gains were not enough to cover the losses from long positions.

## YTD performance

YTD as of the end of July, the fund has delivered a positive performance of 16.5%. Our net short exposure to the electric vehicle (EV) supply chain and batteries, net long exposure to generative AI and our SOE reform baskets remain the largest drivers in the year to date.

## Performance contributors

The healthcare sector was a key contributor. The government's continued commitment to revamp the nation's medical system has made it a more functional space for investment based on fundamentals. Another contributor was our net short exposure to the property sector, which remains under pressure in the current economic weakness.

## Performance detractors

Our net long exposure to names within our SOE reform themes was the key detractor this month, following a sell-off that we believe was mainly driven by general profit-taking rather than any changes to fundamentals or long-term policies.

## For more information

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# UBS (Irl) O'Connor China Long/Short Alpha Strategies UCITS Fund USD

## Sector Exposure (%)<sup>1</sup>

Sector	Long	Short	Net	Gross
Financials	8.18	3.31	4.87	11.49
Health care	7.24	3.35	3.88	10.59
Energy	10.27	0.95	9.32	11.22
Consumer Staples	1.94	3.02	-1.08	4.96
Consumer Discretionary	4.69	6.47	-1.77	11.16
Information Technology	17.63	8.99	8.64	26.62
Industrials	12.08	4.34	7.74	16.42
Real estate	1.93	5.01	-3.08	6.94
Communication Services	4.89	0.77	4.12	5.66
Materials	3.50	3.60	-0.10	7.10
Utilities	8.04	1.26	6.78	9.31
Asia-Pacific-Index	1.37	0.00	1.37	1.37
Total	81.76	41.07	40.69	122.84

<sup>1</sup> Exposure is delta adjusted.

## Market Capitalization Exposure (%)<sup>1</sup>

Sector	Long	Short	Net	Gross
Large (greater than USD 10 billion)	56.89	24.20	32.70	81.09
Medium (USD 1 - 10 billion)	17.16	15.79	1.37	32.95
Small (less than USD 1 billion)	6.34	1.07	5.27	7.41
Others	1.37	0.00	1.37	1.37
Total	81.76	41.06	40.71	122.82

<sup>1</sup> Exposure is delta adjusted. 'Others' includes market hedges/indexes.

## Market weights (%)<sup>1</sup>

	Long	Short
China	56.62	32.06
United States	13.75	7.93
Hong Kong	6.91	0.68
Taiwan	3.74	0.30
Other countries	0.75	0.09
Total	81.77	41.06

<sup>1</sup> Exposure is delta adjusted.

## Top 5 long and short positions (%)<sup>1</sup>

	Fund
CHINA RESOURCES POWER HOLDINGS CO LTD	4.30
NVIDIA CORP	4.20
AIA GROUP LTD	4.20
PETROCHINA CO LTD	4.10
CHINA SHENHUA ENERGY CO LTD	4.00
Consumer Discretionary	1.60
Real Estate	1.20
Health Care	1.10
Financials	1.10
Health Care	1.10

<sup>1</sup> Shorts denoted by sector

## Current investment strategy

As part of our risk management, we de-grossed the portfolio and reduced our net long exposure, although we continue to maintain a constructive view on China. In the near term, we will remain focused on our core high conviction trades such as healthcare, technology and energy, which we believe are rich in alpha opportunities.

## Risks

Counterparty Risk, a significant use of over-the-counter instruments exposes the Fund to potential significant counterparty default risk. The fund may use derivatives, which can reduce or increase investment risk (including the risk of loss due to the bankruptcy of the counterparty). This fund pursues a very active management style. Its performance may therefore deviate considerably from that of a comparable market return. Investments via Shanghai or Shenzhen Stock Connect are subject to additional risks, in particular quota limitations, custody risk, clearing/settlement risk and counterparty risk. Pronounced fluctuations in price are characteristic of emerging economies. Other characteristics include specific risks such as lower market transparency, regulatory hurdles, illiquidity of markets as well as political and social challenges.

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](http://www.ubs.com/am-glossary).

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