

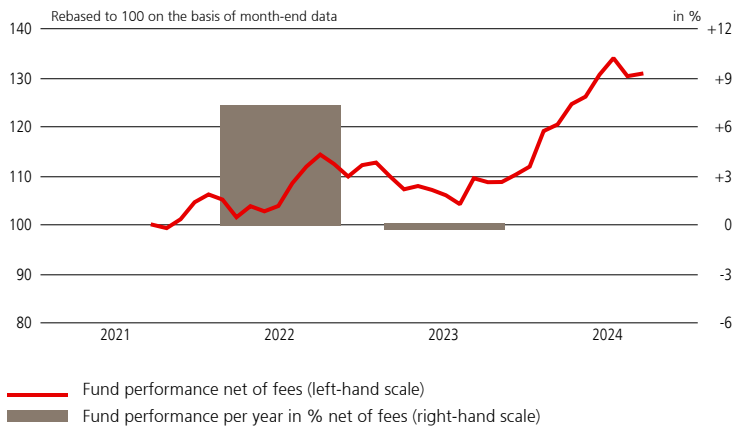
# UBS (Irl) O'Connor China Long/Short Alpha Strategies UCITS Fund USD Performance **Review**

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



**Market volatility persisted into August, dragging down the Chinese equity markets further on the back of lacklustre macro data and a disappointing earnings season that was characterised by sluggish revenue growth and weaker profitability, especially for companies listed in the China A share 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	16.94	25.46	16.96

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 August the fund performed positively with 0.4%. The extreme risk-off environment in the last week of the month partially erased the gains that were generated during the month, although our short book remained resilient, with losses kept to a minimum.

## YTD performance

YTD as of the end of August, the fund has delivered a positive performance of 16.9%. Our net short exposure to the electric vehicle (EV) supply chain and batteries, net long exposure to generative AI and our state-owned enterprise (SOE) reform baskets remain the largest drivers in the year to date.

## Performance contributors

Our net long exposure to semiconductor and technology hardware names as part of our generative AI play, together with our long exposure to insurance names and net short exposure to the EV supply chain were the strongest contributors to performance.

## Performance detractors

The largest detractor was our long position in a consumer name following a sharp sell-off in the last few days of the month due to market overreaction. Our healthcare exposure also struggled amid volatility in the sector.

## 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	10.86	3.01	7.85	13.87
Health care	6.34	3.08	3.26	9.42
Energy	6.63	0.96	5.67	7.59
Consumer Staples	2.16	2.61	-0.45	4.77
Consumer Discretionary	6.54	6.51	0.03	13.06
Information Technology	14.42	7.56	6.86	21.98
Industrials	9.79	6.05	3.74	15.84
Real estate	1.83	5.21	-3.37	7.04
Communication Services	5.10	0.74	4.37	5.84
Materials	2.55	3.74	-1.19	6.29
Utilities	5.95	1.41	4.54	7.36
Asia-Pacific-Index	0.00	0.00	0.00	0.00
Total	72.17	40.88	31.31	113.06

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

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

Sector	Long	Short	Net	Gross
Large (greater than USD 10 billion)	51.11	23.59	27.52	74.70
Medium (USD 1 - 10 billion)	15.50	16.34	-0.85	31.84
Small (less than USD 1 billion)	5.57	0.94	4.63	6.51
Others	0.00	0.00	0.00	0.00
Total	72.18	40.87	31.30	113.05

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

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

	Long	Short
China	52.35	31.89
United States	11.07	7.35
Hong Kong	5.84	1.45
Taiwan	2.22	0.18
Other countries	0.69	0.00
Total	72.17	40.87

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

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

	Fund
CHINA CONSTRUCTION BANK CORP	4.80
AIA GROUP LTD	4.20
TENCENT HOLDINGS LTD	4.00
CHINA SHENHUA ENERGY CO LTD	3.60
NVIDIA CORP	3.10
Consumer Discretionary	1.70
Industrials	1.40
Real Estate	1.30
Financials	1.00
Financials	1.00

<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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