

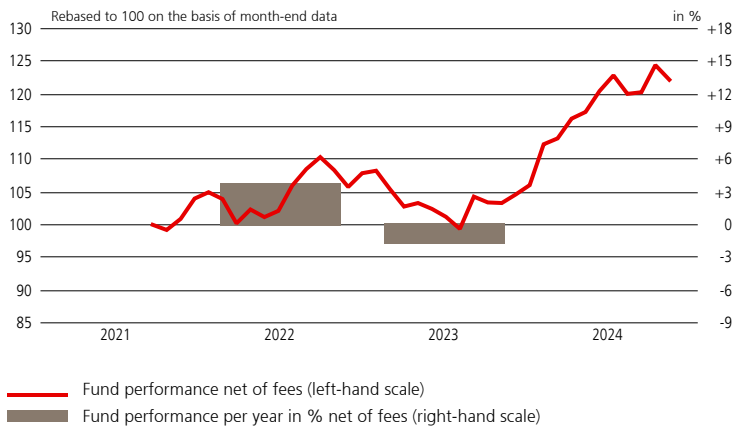
# UBS (Irl) O'Connor China Long/Short Alpha Strategies UCITS Fund USD Performance **Review**

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



The spectacular rebound in September was short-lived as the Chinese equity markets gave back approximately one-fifth of their gains in October. This was due to investor disappointment at the lacklustre announcement of fiscal policies following the Golden Week holiday period, as it lacked details of how the flagging economy will be revived.

## Performance (basis USD, 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>	3 years Ø p.a.	3 years
Fund (USD)	n.a.	n.a.	3.73	-1.69	15.20	18.49	23.16	7.19

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 October the fund performed negatively with 1.8%. Our long and short positions were challenged by the sharp intra-month volatility. However, our swift portfolio rebalancing minimised the losses as some of our short positions contributed to performance.

## YTD performance

YTD as of the end of October, the fund has delivered a positive performance of 15.2%. Contributors on a year-to-date basis stem from our core themes of generative AI, state-owned enterprise (SOE) reform baskets and electric vehicle (EV) supply chain & batteries. Our exposures to healthcare, semiconductors and property were key detractors.

## Performance contributors

Our net long exposure to generative AI and net short exposure to hedging strategies were the strongest contributors to performance.

## Performance detractors

Our largest detractors were driven by our net long exposures to insurance, our SOE reforms theme and consumer names (especially in e-commerce), mainly as a result of profit-taking. Our short exposures to property and solar were also short-squeezed.

## 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	10.42	5.23	5.19	15.66
Health care	5.50	5.54	-0.04	11.04
Energy	3.85	1.53	2.32	5.38
Consumer Staples	2.75	3.63	-0.88	6.38
Consumer Discretionary	6.40	4.30	2.10	10.70
Information Technology	6.07	6.36	-0.29	12.43
Industrials	9.10	6.33	2.76	15.43
Real estate	0.86	1.38	-0.53	2.24
Communication Services	3.68	0.56	3.12	4.23
Materials	2.51	3.96	-1.45	6.47
Utilities	6.99	1.79	5.19	8.78
Asia-Pacific-Index	0.00	8.09	-8.09	8.09
US-and-Canada-Index	0.00			
Total	58.13	48.70	9.40	106.83

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

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

Sector	Long	Short	Net	Gross
Large (greater than USD 10 billion)	37.18	25.49	11.68	62.67
Medium (USD 1 - 10 billion)	16.59	14.11	2.48	30.71
Small (less than USD 1 billion)	4.34	0.74	3.60	5.09
Others	0.00	9.21	-9.21	9.21
Total	58.11	49.55	8.55	107.68

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

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

	Long	Short
China	44.68	34.29
United States	5.62	4.72
Hong Kong	4.13	9.16
Taiwan	2.83	0.77
Other countries	0.85	0.61
Total	58.11	49.55

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

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

	Fund
CHINA CONSTRUCTION BANK CORP	4.20
CHINA RESOURCES POWER HOLDINGS CO LTD	3.90
CHINA SHENHUA ENERGY CO LTD	3.80
AIA GROUP LTD	3.50
TENCENT HOLDINGS LTD	3.10
Financials	1.50
Industrials	1.50
Health Care	1.50
Materials	1.10
Energy	1.10

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

## Current investment strategy

Despite the reversion, our constructive view on China has not changed. However, as we expect volatility to persist we plan to continue managing our portfolio risk pragmatically, while preserving the holding power of the positions around our longer-term themes.

## 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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