

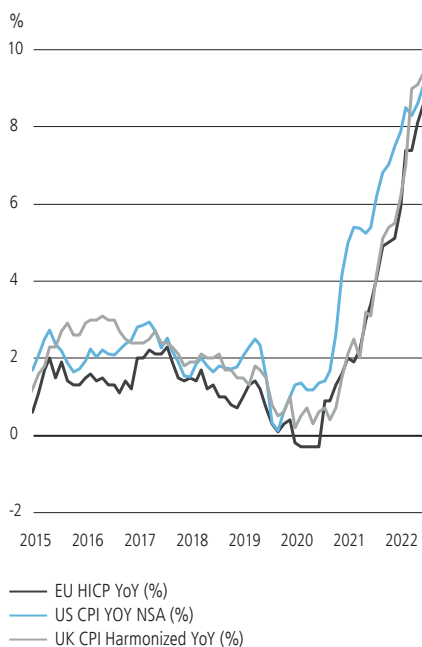
# Flexible fixed income investing

UBS (Lux) Bond SICAV – **Global Dynamic** (USD)

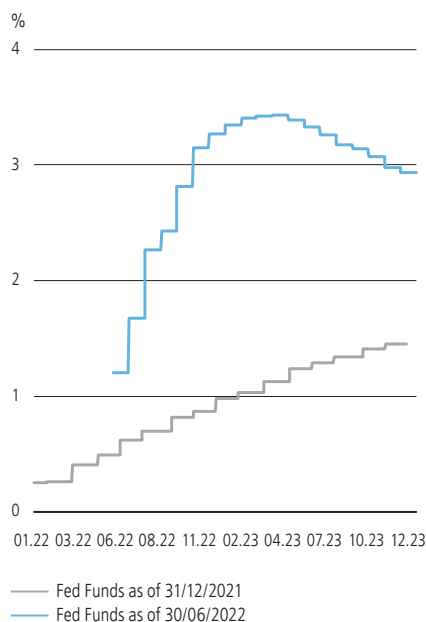


# Challenges for fixed income investors

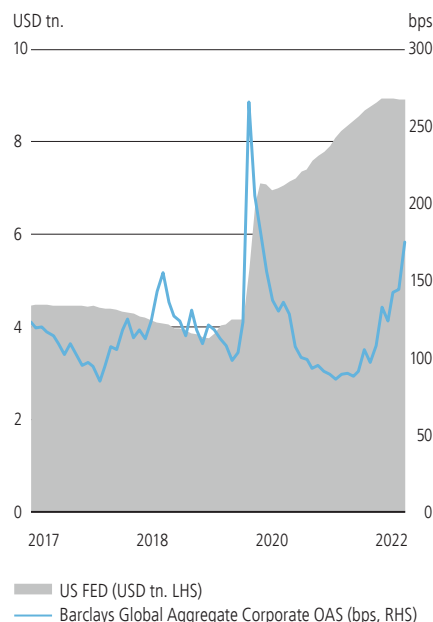
## Rapidly rising rates of inflation leading to purchasing power erosion



## Policy rates expected to rise, which are already implied in the market expectations



## Quantitative tightening: Central Bank balance sheets expected to shrink and thus market liquidity will decrease



Source: Bloomberg. Data as at June 2022.

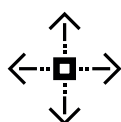
# Benefits of flexible investing across fixed income asset classes

## Market environment

	Expansion Interest rates: ↑	Recession Interest rates: ↓	Trough Interest rates: ↓	Recovery Interest rates: →
<b>Attractiveness of fixed income asset classes</b>				
High yield bonds	✓✓	—	—	✓✓
Emerging markets debt	✓✓	—	—	✓✓
Sovereign bonds	—	✓✓	✓✓	—
Investment grade corporates bonds	✓	✓	✓	✓✓
<b>Flexible investing across fixed income asset classes</b>	✓✓	✓✓	✓✓	✓✓

For illustrative purposes only.

# Why invest in a flexible bond fund?



## Flexible fixed income investing

- Balanced approach
- Truly global
- No sector bias
- No benchmark
- Actively managed portfolio



## Investment grade credit quality

- Emphasis on quality and liquidity
- Can be a core fixed income holding

0-10  
years

## Active duration management

- Combination of cash bonds and derivatives
- Ability to perform in both rising and falling rate environment

## UBS Global Dynamic Bond Fund (USD)\*



## Diversified across the globe

- Developed markets
- Emerging markets



## Diversified across asset classes

- High yield corporate bonds
- Sovereign bonds
- Securitized debt
- Emerging markets debt
- Investment grade corporate bonds

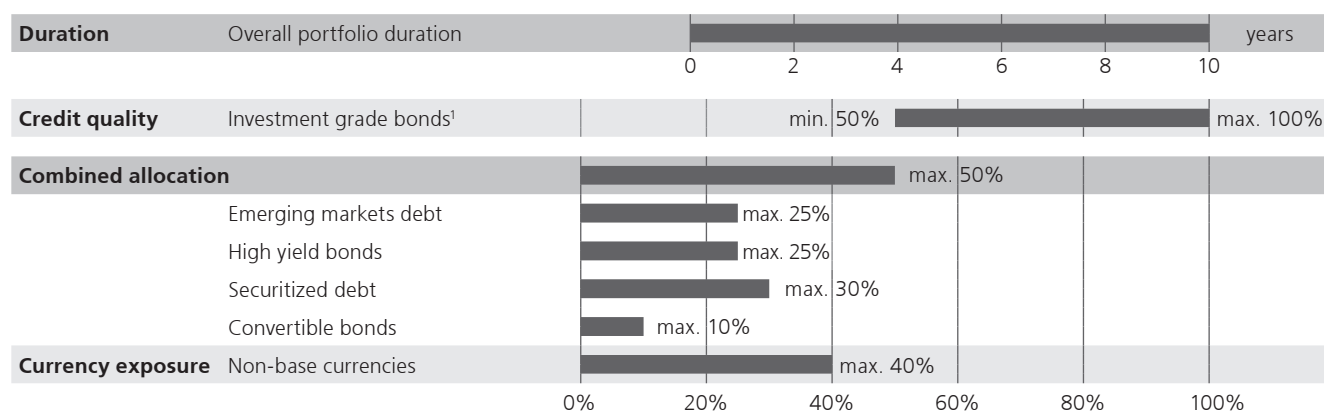


## Diversified by strategy

- Duration/curve
- Relative value
- Security selection
- Active currency

\*UBS (Lux) Bond SICAV – Global Dynamic (USD).

## Investment guidelines



<sup>1</sup> Government and corporate.

**Any decision to invest should take into account all the characteristics or objectives of the fund as described in its prospectus, or similar legal documentation.**

For complete information about the fund, including the risks of investing, applicable fees (e.g. entry or exit fees) and other important information, investors prior to investing should read the Key Investor Information Document (KIID), full prospectus, the complete risk information and any applicable local offering documents. Please refer to your adviser for more information.

**Characteristics and fees**

Fund name	<b>UBS (Lux) Bond SICAV – Global Dynamic (USD)</b>				
Portfolio management	UBS Asset Management				
Custodian bank	UBS Europe SE, Luxembourg Branch				
Reference index	none				
Fund currency	USD; other currencies: EUR hedged, CHF hedged				
Accounting year end	31 May				
Subscriptions/redemptions	daily				
Distribution	distributing and accumulating share classes				
Lending Value	90%				
SFDR aligned to	Article 6				
Share class	<b>P-acc (USD)</b>	<b>Q-acc (USD)</b>	<b>P-dist (USD)</b>	<b>Q-dist (USD)</b>	<b>P-4%-mdist (USD)</b>
Launch date	31.05.2013	05.08.2015	31.05.2013	05.08.2015	30.09.2019
ISIN	LU0891671751	LU1240774783	LU0891671835	LU1240774866	LU2051222904
Management fee p.a.	1.12%	0.64%	1.12%	0.64%	1.12%
Ongoing charges	1.46%	0.86%	1.46%	0.86%	1.46%
Share class	<b>P-acc (CHF hedged)</b>	<b>Q-acc (CHF hedged)</b>	<b>P-dist (CHF hedged)</b>	<b>Q-dist (CHF hedged)</b>	<b>Q-4%-mdist (USD)</b>
Launch date	31.05.2013	05.08.2015	31.05.2013	05.08.2015	09.09.2019
ISIN	LU0891672213	LU1240774437	LU0891672304	LU1240774510	LU2038039314
Management fee p.a.	1.16%	0.68%	1.16%	0.68%	0.64%
Ongoing charges	1.51%	0.91%	1.51%	0.91%	0.86%
Share class	<b>P-acc (EUR hedged)</b>	<b>Q-acc (EUR hedged)</b>	<b>P-dist (EUR hedged)</b>	<b>Q-dist (EUR hedged)</b>	
Launch date	31.05.2013	05.08.2015	31.05.2013	17.10.2014	
ISIN	LU0891672056	LU1240774601	LU0891672130	LU1109640307	
Management fee p.a.	1.16%	0.68%	1.16%	0.68%	
Ongoing charges	1.51%	0.91%	1.51%	0.91%	

Source: UBS Asset Management, data as of June 2022.

Investors are acquiring units in a fund, and not in a given underlying asset such as building or shares of a company. If part or all of the total costs is to be paid in a currency different from your reference currency, the costs may increase or decrease as a result of currency fluctuations.



### Opportunities

- Diversification across geography, sub-asset class and issuer to mitigate risks such as liquidity and defaults
- Flexible duration management allowing portfolio managers to protect capital in rising rate environments or increase returns in anticipation of falling yields
- Focusing on high conviction trade ideas across interest rates, credit and currency markets
- Balanced approach without sector bias and with multiple performance drivers
- Greater emphasis on quality and liquidity, maintaining an investment grade rating
- Low to medium correlation to standard bond and equity indices and to peers
- Experienced team with extensive expertise drawing on local presence and knowledge of sector specialist teams located in the US, Europe, Australia and Asia that other managers may not have access to
- Investment decisions are based on a investment philosophy and fundamental research, the fund is not managed in reference to any benchmark



### Risks

- Fund may employ higher-risk strategies within fixed income and currency markets, and may take both long and short positions utilizing derivatives
- Changes in interest rates, credit spreads and exchange rates may have an impact on the fund's value
- Depending on the credit quality, default risk is higher with corporate bonds than with government bonds and higher with high-yield or emerging market bonds than with investment grade corporate and government bonds
- Fund pursues an active management style, which means that performance can deviate substantially from that of its reference index
- Emerging markets are at an early stage of development, which may involve a high level of price volatility and other specific risks (transparency, regulatory hurdles, corporate governance, political and social challenges) and liquidity may be limited
- Fund can use derivatives, which may result in additional risks (particularly counterparty risk)
- Fund can invest in less liquid assets that may be difficult to sell in distressed markets
- This requires that investors have an appropriate risk tolerance and capacity
- Every fund has specific risks, which can significantly increase under unusual market conditions

---

### Glossary

**Convertible bonds:** Debt security that can be converted into a pre-determined amount of the underlying company's equity at certain times during the bond's life, usually at the discretion of the bondholder.

**Correlation:** Measures the degree to which two securities move in relation to each other.

**Currency risk:** Fluctuations in exchange rates may result in losses.

**Derivatives:** Financial security with a value that is reliant upon or derived from an underlying asset or group of assets.

**Duration:** Measure of a bond's price sensitivity to changes in interest rates.

**High yield bonds:** Bond with a credit rating below investment grade.

**Investment grade:** Rating that indicates that a bond has a relatively low risk of default.

**Risk:** Exposure to damage or financial loss, e.g. a fall in the price of a security, or insolvency on the part of a debtor.

**Securitized debt:** Securitization is the financial practice of pooling various types of contractual assets and selling their related cash flows to third party investors.

**Sovereign bonds:** Are issued by governments. They can be either local-currency-denominated or denominated in a foreign currency.

**Treasuries:** Refer to all the tradable and negotiable debt obligations issued by a country's government. In general "Treasuries" are referring to U.S. Treasuries.

**Unconstrained:** Portfolio manager has the freedom to invest according to his own strategy, not being obliged to allocate capital according to the weightings of any index, for example.

**Volatility:** Measure of the fluctuations in the rate of return of a security within a specific period. Usually stated as an annualized standard deviation.

More explanations of financial terms can be found at [ubs.com/am-glossary](https://ubs.com/am-glossary)

**For marketing and information purposes by UBS.**

UBS funds under Luxembourg law. Arrangements for marketing fund units mentioned in this document may be terminated at the initiative of the management company of the fund(s). The product described herein aligns to Article 6 Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (SFDR). Information on sustainability-related aspects pursuant to that regulation can be found on [ubs.com/funds](https://ubs.com/funds). Before investing in a product please read the latest prospectus and key investor information document carefully and thoroughly. Any decision to invest should take into account all the characteristics or objectives of the fund as described in its prospectus, or similar legal documentation. Investors are acquiring units or shares in a fund, and not in a given underlying asset such as building or shares of a company. The information and opinions contained in this document have been compiled or arrived at based upon information obtained from sources believed to be reliable and in good faith, but is not guaranteed as being accurate, nor is it a complete statement or summary of the securities, markets or developments referred to in the document. Members of the UBS Group may have a position in and may make a purchase and / or sale of any of the securities or other financial instruments mentioned in this document. Units of UBS funds mentioned herein may not be eligible for sale in all jurisdictions or to certain categories of investors and may not be offered, sold or delivered in the United States. The information mentioned herein is not intended to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments. Past performance is not a reliable indicator of future results. The performance shown does not take account of any commissions and costs charged when subscribing to and redeeming units. If whole or part of the total costs to be paid is different from your reference currency, the costs may increase or decrease as a result of currency and exchange rate fluctuations. Commissions and costs have a negative impact on the investment and on the expected returns. If the currency of a financial product or financial service is different from your reference currency, the return can increase or decrease as a result of currency and exchange rate fluctuations. This information pays no regard to the specific or future investment objectives, financial or tax situation or particular needs of any specific recipient. Future performance is subject to taxation which depends on the personal situation of each investor and which may change in the future. The details and opinions contained in this document are provided by UBS without any guarantee or warranty and are for the recipient's personal use and information purposes only. This document may not be reproduced, redistributed or republished for any purpose without the written permission of UBS Asset Management Switzerland AG or a local affiliated company. Source for all data and charts (if not indicated otherwise): UBS Asset Management. This document contains statements that constitute forward-looking statements, including, but not limited to, statements relating to our future business development. While these forward-looking statements represent our judgments and future expectations concerning the development of our business, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations.

**Switzerland:** Representative in Switzerland for UBS funds established under foreign law: UBS Fund Management (Switzerland) AG, P.O. Box, CH-4002 Basel. Paying agent: UBS Switzerland AG, Bahnhofstrasse 45, CH-8001 Zurich. Prospectuses, key information document, the articles of association or the management regulations as well as annual and semi-annual reports of UBS funds are available in a language required by the local applicable law free of charge from UBS Asset Management Switzerland AG, c/o UBS AG, Bahnhofstrasse 45, 8001 Zürich, Switzerland or from UBS Fund Management (Switzerland) AG, P.O. Box, CH-4002 Basel. A summary of investor rights in English can be found online at: [ubs.com/funds](https://ubs.com/funds). More explanations of financial terms can be found at [ubs.com/glossary](https://ubs.com/glossary)

© UBS 2022. The key symbol and UBS are among the registered and unregistered trademarks of UBS. All rights reserved. August 2022

UBS Asset Management Switzerland AG, c/o UBS AG, Bahnhofstrasse 45, P.O. Box, CH-8098 Zurich, [ubs.com/am-ch](https://ubs.com/am-ch)

