

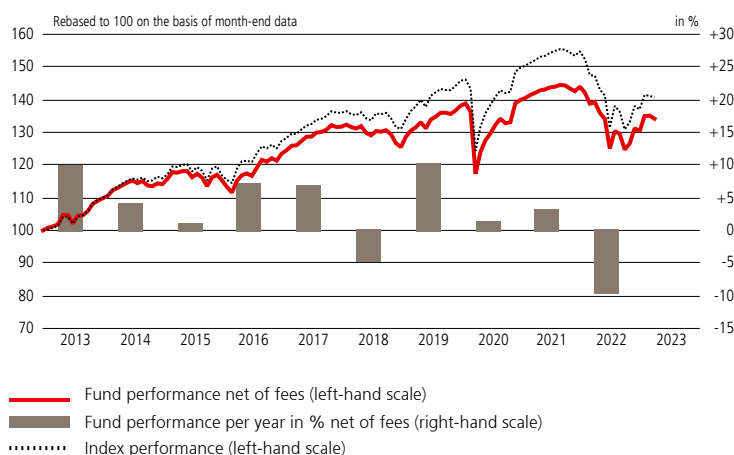
UBS Bond Euro High Yield

Performance Review

UBS (Lux) Bond Fund - Euro High Yield (EUR) P-dist



Performance (basis EUR, net of fees)¹



Past performance is not a reliable indicator of future results.

Performance in % (net of fees)¹

in %	2019	2020	2021	2022	2023 YTD ²	Mar. 2023	5 years Ø p.a. 5 years
Fund (EUR)	10.06	1.25	2.93	-9.48	2.96	-0.70	2.29
Ref. Index ³	11.24	2.73	3.35	-11.47	2.65	-0.36	3.97

The performance shown does not take account of any commissions, entry or exit charges.

¹ 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.

² YTD: year-to-date (since beginning of the year)

³ Reference Index in currency of share class (without costs)

Worries over the health of the banking system were the main preoccupation for investors in March. These concerns contributed to a sharp fall in government bond yields, with investors assuming that economic headwinds from the banking system would lead to an early end to rate hikes.

Monthly performance

In March the fund performed negatively with 0.7%. Yields on the EUR high-yield market ended the month marginally higher to finish at 7.45%. Spreads widened compared to last month.

YTD performance

YTD as of the end of March, the fund has delivered a positive performance of 3.0%. Yields on the EUR high-yield market have moved lower and credit spreads have tightened in the year to date.

Performance contributors

Positive contributors to performance included: (i) issue selection within food & drug retail; (ii) issue selection in homebuilders & real estate, which remains a highly volatile sector; and (iii) being overweight in healthcare, which is a more defensive sector by design.

Performance detractors

The main detractor from performance was issue selection within financial services and banking, in particular our exposure to AT1, which traded down due to Credit Suisse bonds being written down after the acquisition by UBS. Other detractors included the overweights to food & drug retail and cable TV.

For more information

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Credit quality (%)

	Fund	Deviation from index
BBB-&higher	5.35	+5.4
BB+	14.12	-18.0
BB	14.32	-8.3
BB-	13.60	+0.9
B+	10.49	-0.1
B	17.87	+6.1
B-	11.71	+7.4
CCC+&lower	9.54	+3.9
NR	0.53	+0.5
Cash&Equivalents	2.47	+2.1

Categories of borrowers (%)

Sectors	Fund	Deviation from index
Industrials	77.19	+1.8
Financials	16.61	-0.6
Utility	3.78	-3.3
Cash & Equivalents	2.47	+2.1
Others	-0.05	-0.1

5 largest positions (%)

	Fund
Altice	3.9
Teva Pharmaceutical Industries Ltd	3.2
Nidda Healthcare Holding	3.1
Telecom Italia	2.7
Summer Bidco	2.7

Current investment strategy

We increased our overweight to healthcare by adding to some existing issuers at the short end, while we lowered the overweight to diverse financial services, which was driven by reducing our holding in Intrum, the pan-European financial services company, and by exiting the AT1 Credit Suisse position. Finally, we reduced our off-benchmark exposure to energy, where we sold North Sea operators.

Risks

Depending on the credit quality, the default risk is higher in the case of high yield bonds than with investment grade corporate and government bonds. Changes in interest rates have an effect on the value of the portfolio. This requires corresponding risk tolerance and capacity. All investments are subject to market fluctuations. Every fund has specific risks, which can significantly increase under unusual market conditions. The fund can use derivatives, which may result in additional risks (particularly counterparty risk).

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 Investor Information Document (KIID), 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.

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