

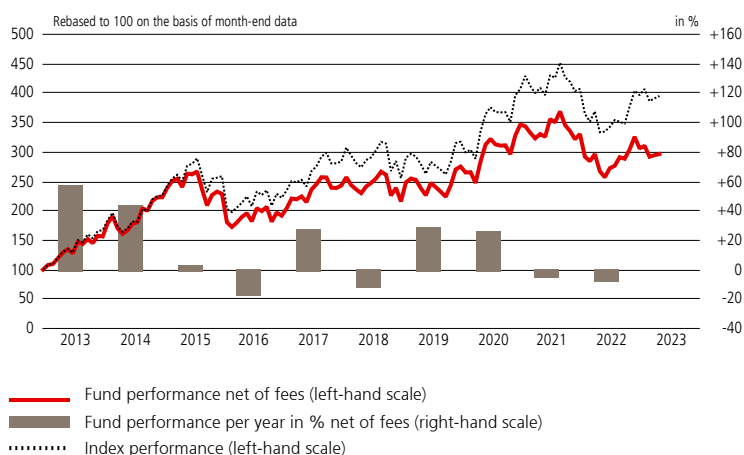
UBS Equity Biotech

Performance Review

UBS (Lux) Equity Fund - Biotech (USD) Q-acc



Performance (basis USD, 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	Apr. 2023	5 years Ø p.a. 5 years
Fund (USD)	27.56	25.89	-4.66	-7.37	-3.09	0.71	28.98
Ref. Index ³	24.21	28.24	0.05	-2.60	-0.35	1.02	44.28

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)

Biotech markets were relatively range-bound this month, with the notable exceptions being a resurgence in high-profile M&A activity: Merck announced a planned USD 11bn acquisition of Prometheus, while rumours surrounding IVERIC were put to rest with the confirmation of the USD 5.9bn takeover by Astellas on 1 May.

Monthly performance

In April the fund performed positively with 0.7%. The fund's performance relative to the broad biotech sector was primarily driven by not owning several names that materially outperformed on M&A news.

YTD performance

YTD as of the end of April, the fund has delivered a negative performance of 3.1%. The fund's underperformance relative to the sector in the year to date has largely been driven by headwinds in the biotech capital markets funding environment, which has weighed particularly heavily on longer duration, highly innovative names that we still expect will materially outperform over the longer term.

Performance contributors

Contributors in April included Arrowhead, IVERIC and Genmab. Arrowhead outperformed following positive Phase I data for its RNAi drug. IVERIC rose on acquisition rumours, while Genmab traded higher after J&J earnings indicated positive growth in the partnership DARZALEX franchise.

Performance detractors

Negative contributions came from Moderna and Relay, as well as not owning Prometheus after the USD 11bn Merck deal was announced.

For more information

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UBS Equity Biotech

Market exposure (%)

	Fund
United States	79.70
Denmark	5.15
Switzerland	2.69
United Kingdom	2.63
Germany	2.56
Netherlands	2.43
Ireland	1.91
Canada	1.88
Sweden	1.05

10 largest equity positions (%)

	Fund
Regeneron Pharmaceuticals Inc	9.28
Alnylam Pharmaceuticals Inc	8.51
Moderna Inc	6.44
Seagen Inc	6.00
Vertex Pharmaceuticals Inc	5.14
Gilead Sciences Inc	4.58
AbbVie Inc	4.43
Genmab A/S	3.96
Neurocrine Biosciences Inc	3.63
Karuna Therapeutics Inc	3.55

Current investment strategy

While we are maintaining exposure to larger pharma in order to diversify risk, we remain constructive on SMID cap names with a robust pipeline. Easing financial conditions over the latter half of 2023 should be a particular tailwind for the smaller end of the market, and we have added to select holdings on near-term price dislocation.

Risks

UBS Sector Funds invest in equities and may therefore be subject to high fluctuations in value. For this reason, an investment horizon of at least five years and corresponding risk tolerance and capacity are required. As these UBS Funds pursue an active management style, each Fund's performance can deviate substantially from that of its reference index. Focusing intentionally on individual sectors may entail additional risks. 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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