

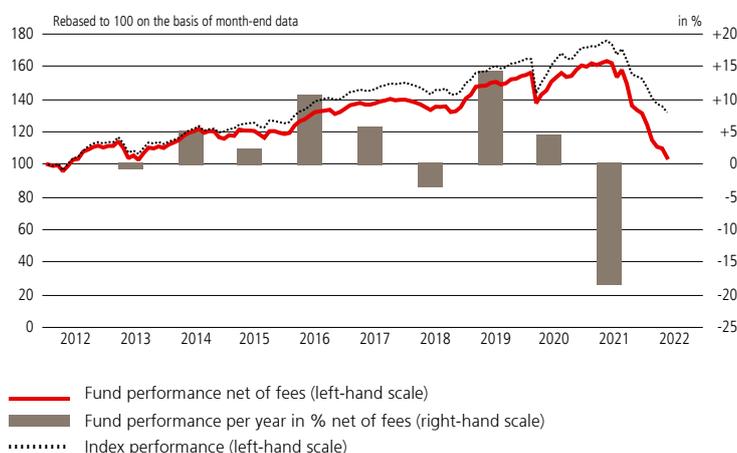
UBS Bond Asian High Yield

Performance **Review**

UBS (Lux) Bond SICAV - Asian High Yield (USD) P-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 %	1 year	3 years	5 years	Ø p.a. 3 years	Ø p.a. 5 years
Fund (USD)	-36.26	-29.79	-23.81	-11.12	-5.29
Ref. Index ²	-25.00	-15.95	-9.12	-5.63	-1.89

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 Reference Index in currency of share class (without costs)

Asian USD credit markets were negative in May, driven by the sell-off in the China property space, as well as widening spreads for high yield sovereign names.

Monthly performance

In May the fund performed negatively with 5.2%. Performance in the Asian credit space over the course of the month was driven by widening credit spreads in most sectors.

YTD performance

YTD as of the end of May, the fund has delivered a negative performance of 20.7%. Performance in the Asian credit space was negative, driven by the challenging backdrop in the China real estate sector and mounting refinancing pressure, as well as the broader risk-off move in global credit markets and rising interest rate environment.

Performance contributors

Allocations to industrials, technology, media and telecom (TMT) and utilities contributed to performance.

Performance detractors

Allocations to real estate, financials and consumers detracted from performance.

For more information

Phone: +46-8-453 73 00

Internet: www.ubs.com/swedenfunds

Contact your client advisor

Portfolio management representatives

Hayden Briscoe

Smit Rastogi

Michael Fleisch

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Market exposure (%)

	Fund
China	27.5
India	19.4
Hong Kong	9.6
Philippines	6.8
Thailand	4.9
Macau	4.7
Indonesia	4.6
Pakistan	3.2
Sri Lanka	1.8
Singapore	1.4
Others	16.2

Sector exposure (%)

	Fund
Real estate	28.7
Financial	12.9
Utilities	10.8
Consumer Services	8.1
Mining & Metal	5.7
Sovereigns	5.6
Diversified	4.6
Oil and Gas	3.3
Tmt	2.9
Others	17.5

10 largest positions (%)

	Fund
Vedanta Resources Plc	2.74
Greenko Dutch Bv	2.29
Islamic Rep Of Pakistan	2.12
Hdfc Bank Ltd	1.99
Periama Holdings Llc/De	1.73
Smc Global Power Hldgs	1.57
Lai Sun Mtn Ltd	1.38
Krung Thai Bank/Cayman	1.37
Kasikornbank Pcl Hk	1.37
10 Renew Power Subsidiar	1.30

Current investment strategy

Fundamentally, we have a constructive outlook on Asian credit markets based on the accelerating economic recovery materialising, driven by sound credit fundamentals overall across major blocs in the region and a supportive technical backdrop. Asian high yield provides a meaningful yield pick-up relative to global credit markets, and spread valuations remain relatively attractive. In addition, the shorter maturity of this space relative to comparable global credit markets suggests a lower sensitivity to US rate volatility. Despite the recovery story playing out, we believe that some volatility is likely to persist in the near term. For us, the key risks are the path forward in the China corporate space against the backdrop of the hawkish regulatory stance and the timing of an eventual inflection point on the policy side.

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 and exchange 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.

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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