

# UBS International Share Fund

March 2024

## Fund description

The Fund is an actively managed fund investing in a portfolio of 70–90 listed global equity securities.

## Target market

The Target Market Determination (TMD) for the UBS International Share Fund sets out the class of consumers for whom the product, including its key attributes, would likely be consistent with their likely objectives, financial situation and needs. For more information visit our website.

## Investment strategy

The Fund seeks to invest across a wide number of countries and currencies in order to deliver a diversified investment strategy aimed at achieving the investment objective of the Fund. Currency exposure to each country may be fully hedged, partially hedged to \$A, or may exceed the Fund's securities exposure to that country.

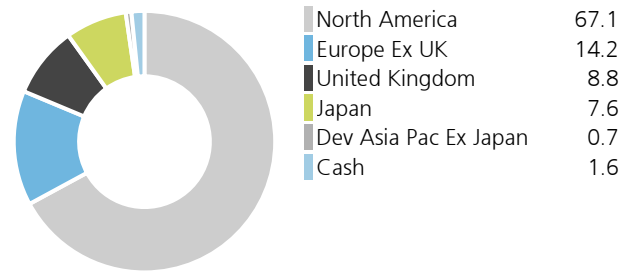
## Investment objective

The Fund aims to outperform (after management costs) the MSCI World ex Australia net total return Index (unhedged) over rolling five year periods.

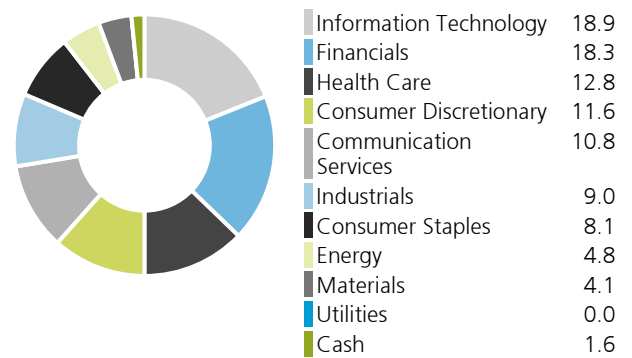
## Fund information

Inception date	15 October 1992
Fund size	\$ 78.8m
Management fee	1.00% pa
Minimum initial investment	\$ 50,000
Typical number of holdings	70 to 90
Distributions	Annually
Buy/sell spread	+/- 0.25%
Currency management	Actively managed
APIR code	SBC0822AU

## Country/regional allocation (%)



## Sector allocation (%)



## Active security positions

Overweight	Underweight
Servicenow Inc	Apple Inc
Take-Two Interactive Softwre	Nvidia Corp
Fidelity National Info Serv	Microsoft Corp.
Ingersoll-Rand Inc	Meta Platforms Inc
Aib Group Plc	Alphabet Inc-CI C

## Active industry positions

Overweight	Underweight
Media & Entertainment	Capital Goods
Transportation	Semiconductors & Semiconductor Equipment
Banks	Utilities
Health Care Equipment & Services	Technology Hardware & Equipment
Household & Personal Products	Equity Real Estate Investment Trusts (Reits)

## Investment performance

Fund	1 month %	3 months %	1 year %	2 years % pa	3 years % pa	5 years % pa	Since inception* % pa
Total return	2.98	10.39	24.07	14.52	12.26	13.11	7.46
Benchmark**	3.02	14.06	28.72	15.85	14.42	14.08	8.56
<b>Added Value</b>	<b>(0.04)</b>	<b>(3.67)</b>	<b>(4.65)</b>	<b>(1.33)</b>	<b>(2.16)</b>	<b>(0.97)</b>	<b>(1.10)</b>

\* The UBS Asset Management price/value equities process was adopted on 1 April 1996.

\*\* MSCI World ex Australia net total return Index (unhedged)(\$A).

Performance figures are net of ongoing fees and expenses. The performance figures quoted are historical, calculated using end of month redemption prices, and do not allow for the effects of income tax or inflation. Total returns assume the reinvestment of all distributions. Performance can be volatile and future returns can vary from past returns.

## Performance/attribution comments

In March, the International Share Fund modestly outperformed the benchmark.

Stock selection Industrials added the most value, followed by our overall positioning in Information Technology. On the other hand, stock selection in Communication Services and Consumer Staples detracted.

## Largest stock contributors

- Not owning **Apple** contributed positively to relative performance as the share price continued to be weighed by demand concerns, particularly out of China. The shares came under further pressure this month due to a wave of antitrust scrutiny after the DOJ filed a suit, and EU regulators launched a probe into potential breaches of the new Digital Markets Act which is designed to increase competition in online services.
- **Micron Technology's** share price rose post Q4 results after the company reported two consecutive quarters of double-digit growth in year-over-year revenue. Management cited near term demand trends for its memory products as clear growth drivers.
- **Lyft** shares climbed higher in March on positive sentiment surrounding their enhanced service levels, product pipeline, and plans to work with strategic partners to sustain their growth trajectory.
- **Banco de Sabadell SA** shares continued to gain following strong earnings last month, in addition to signs that central banks will delay their easing process until inflation comes down further.
- **AIB Group** shares rose as full year operating income came in at the top end of market estimates, in addition to signs that central banks will delay their easing process until inflation comes down further.

## Largest stock detractors

- Not owning **NVIDIA** detracted from relative performance as the stock continues to benefit from positive sentiment around AI. At their recent global intelligence conference, the company announced the launch of their GB200 Superchip and Blackwell architecture, which the market expects should help NVIDIA maintain leadership in generative AI.
- **AIA Group** shares detracted following disappointing Q4 results, which revealed that the company faced challenges in its IFRS earnings and book values amid a tough macroeconomic backdrop and elevated media claims.
- **Dollar Tree** shares sharply sold off post earnings release after management acknowledged that macroeconomic headwinds coupled with the company's strategic shift may lead to delays to their previously announced \$10 EPS target for 2026.
- **Spectris** shares continued to fall as the company's outlook was weighed by a slowdown in the Life Sciences and Pharmaceuticals sector, one of their key end markets.
- **IAC** shares faced pressure as the outlook for their ANGI segment continued to be challenged.

## Market Review

Global equities delivered their fifth straight month of gains in March as implied volatility in bonds declined to its lowest level since the Federal Reserve's tightening cycle began and economic data continued to signal a broadening of growth.

All major regional equity indexes rose in March, with outsized strength in the UK and Europe. Global credit spreads continued to compress even closer towards their tightest levels in the past 15 years. The Bloomberg Commodity Index rose 1.2 percent, with robust monthly gains in gold and oil driving returns.

## Outlook

While the 'Magnificent 7' drove the majority of market returns in 2023, we have started to see some deviation this quarter. Of these stocks, only NVIDIA and Meta delivered significant gains, while Tesla declined close to 30% and Apple was down 10% for the quarter. This points to considerable divergence amongst Mega Cap stocks which up until now have experienced narrow leadership driven by top down trends.

Against this backdrop, we believe that the portfolio is well positioned amid a broadening out of equity market gains and some mean reversion in share price performance as markets start to normalize and we move past a peaking of interest rates. In this environment, we emphasize the importance of staying true to our price-to-intrinsic value philosophy and remain optimistic that our relative performance will recover as fundamentals come back into focus. Currently, the portfolio's largest sector overweights are to Communication Services and Financials, while we are underweight to and Information Technology and Utilities.

## Client Services

[www.ubs.com/am-australia](http://www.ubs.com/am-australia)

Telephone: (03) 9046 4041

Freecall: 1800 572 018

Email: [ubs@unitregistry.com.au](mailto:ubs@unitregistry.com.au)

This document is intended to provide general information only and is not an invitation to subscribe for units in the Fund. When making a decision about your investments, you should seek the advice of a professional financial adviser or qualified expert. Any materials that constitutes financial product advice is general financial product advice only. It has been prepared without taking into account the objectives, financial situation or needs of any particular person. Before making an investment decision, you should consider whether this information is appropriate having regard to your objectives, financial situation or needs. Refer to UBS Asset Management (Australia) Ltd's financial services guide on our website for more information. Your investment in the Fund does not represent deposits or other liabilities of UBS AG or any member company of the UBS Group including UBS Asset Management (Australia) Ltd (ABN 31 003 146 290) (AFS Licence No. 222605), the issuer of the Fund. Your investment is subject to investment risk, including possible delays on the repayment of withdrawal proceeds and the loss of income or the capital invested. The repayment of capital or the performance of the Fund or rate of return is not guaranteed by any company in the UBS Group. Any potential investor should obtain and consider the Fund's product disclosure statement (PDS) before deciding whether to acquire, or continue to hold, units in the Fund. UBS has also issued a target market determination (TMD) that describes the class of consumers that comprises the target market for the Fund and matters relevant to its distribution and review. A copy of the PDS, PDS addition information booklet and TMD is available from UBS Asset Management (Australia) Ltd, the issuer of the UBS Funds, on our website [www.ubs.com.au](http://www.ubs.com.au) or by calling (03) 9046 4041 or 1800 572 018. Unless specifically stated otherwise, all price and performance information is indicative only. Past performance is not a reliable indicator of future performance. No allowance has been made for taxation. No representation or warranty, either express or implied, is provided in relation to the accuracy, completeness or reliability of the content in this document.

The PDS for this Fund is only available to persons receiving the PDS (electronically or otherwise) in Australia, unless expressly authorised by us in writing. The offer does not constitute an offer or invitation in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation. This Fund (or the PDS) has not been registered under the laws of any jurisdiction outside Australia. The Fund may not be offered or sold in the United States of America or to 'U.S. Persons' (as defined in 'Regulation S' of the Securities Act of 1933, as amended) and the PDS is not for use in, and may not be delivered to or inside, the United States of America.

This document may not be reproduced or copies circulated without prior authority from UBS Asset Management (Australia) Ltd.

© UBS 2024. The key symbol and UBS are among the registered and unregistered trademarks of UBS. All rights reserved.

