

Get unconventional for income potentials

UBS (HK) Fund Series – **Global Income Bond (USD)**

Important information

1. The Fund, **UBS (HK) Fund Series – Global Income Bond (USD) (“UBS Global Income Bond Fund”)**, invests primarily in global (including emerging markets) debt securities, including but not limited to government and non-government bonds (including bonds issued by local authorities, supra-nationals, agencies and corporate entities); fixed rate, variable rate (including floating rate), inflation-linked, convertible, secured, and unsecured, debt securities.
2. The Fund’s investments may be subject to risks associated with debt securities (such as credit/counterparty risk, interest rate risk, downgrading risk, valuation risk, credit rating risk, volatility and liquidity risk, sovereign debt risk, and risk associated with debt securities rated below investment grade and/or unrated), currency and exchange rate, currency hedging and emerging markets.
3. The Fund invests in emerging markets which may involve increased risks and special considerations not typically associated with investment in more developed markets, such as liquidity risks, currency risks/control, political and economic uncertainties, legal and taxation risks, settlement risks, custody risk and the likelihood of a high degree of volatility.
4. The Fund may invest in debt instruments with loss-absorption features. Such instruments are subject to greater risks when compared to traditional debt instruments as such instruments are typically subject to the risk of being written down or converted to ordinary shares upon the occurrence of pre-defined trigger event(s) which are likely to be outside of the issuer’s control. Such trigger events are complex and difficult to predict and may result in a significant or total reduction in the value of such instruments.
5. The Fund may use financial derivative instruments for investment and hedging purposes. The Fund’s net derivative exposure may be up to 50% of the Fund’s net asset value. The use of financial derivative instruments may involve additional risks such as counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk.
6. In respect of unit classes with “-mdist” in their name, dividends may be paid from capital or effectively out of capital (i.e. pay distributions out of gross income while charging/ paying all or part of the Fund’s fees and expenses to/out of the capital of the Fund, resulting in an increase in distributable income for the payment of distributions) of the Fund, at the discretion of the manager, which amount to a return or withdrawal of part of an investor’s original investment or from any capital gains attributable to that original investment. Any such dividends may result in an immediate decrease of the net asset value per unit.
7. The fixed rate distribution unit classes (i.e. unit classes with “5%-mdist” in their name) continue to distribute in periods that the Fund has negative return or is making losses, which further reduces the net asset value of the Fund.
8. This investment may involve risks that could result in loss of part or entire amount of investors’ investment.
9. Investors should not invest in the Fund solely based on this document and should read the relevant offering documents for further details including risk factors.
10. Investors are responsible for their investment decisions and should seek independent financial and professional advice if required.

As interest rates rise, the value of bonds can fall. As bond investors, your priority to preserve value could be impacted. And if your bond portfolio is benchmarked to core bond markets, your manager may not have as much flexibility to look beyond these to find more attractive income sources.

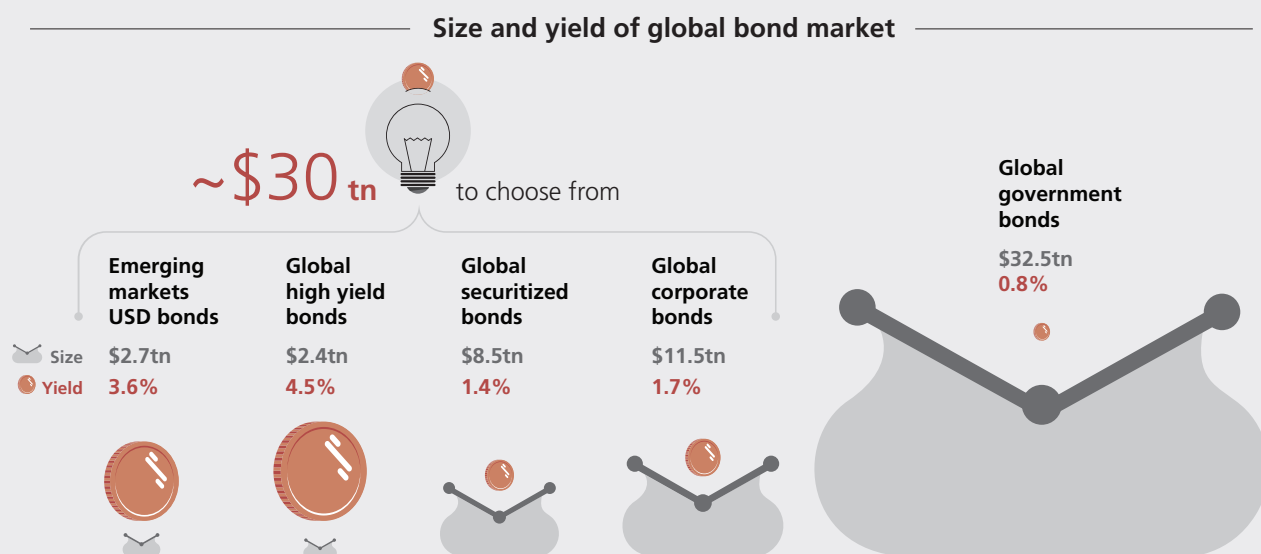
Find unconventional income potentials with UBS (HK) Global Income Bond Fund

Three ways the Fund navigates volatility:

1

Finding income by thinking out-of-the-box

Government bonds dominate core bond markets, but offer low yield. Investors can find higher income by looking to the USD 30tn non-government bond market.

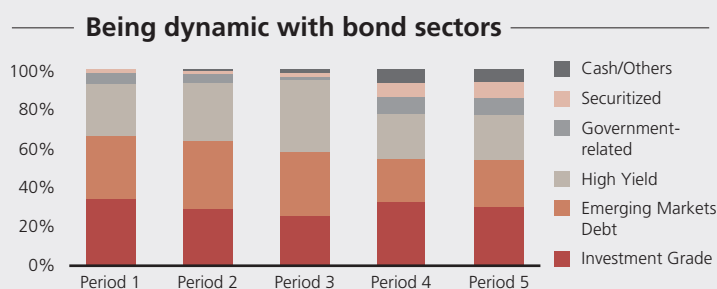


Source: Bloomberg Barclays Global Aggregate. Data as of 30 April 2021. Yield Rate is not guaranteed.

2

Be flexible and move with the times

Put money in what makes sense for the current market environment, regardless of sectors or countries. By rotating across sectors, you can potentially lower the risk of your portfolio as you optimize income from the various sources.

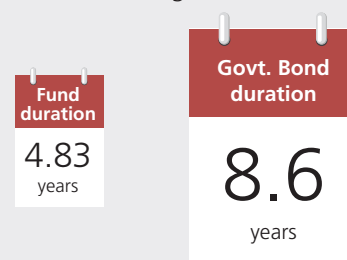


Source: UBS Asset Management, for illustrative purposes only.

3

Actively managing interest rate risk

Look at bonds that are less tied to interest rate risks and taking portfolio duration up or down as the market changes.



Source: UBS Asset Management, as of 31 July 2023.

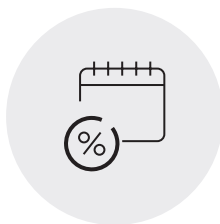
Fund overview

This diversified, investment-grade Fund invests across credit sectors to generate income. It allocates dynamically to opportunities and is not constrained by a benchmark. The Fund also actively manages duration and currency risks.



Indicative portfolio yield¹

7.26%



Duration (years)

5.11



Average rating of holdings

BBB-

Market allocation (%)

	Fund
United States	63.4
Mexico	5.2
Brazil	4.5
Cayman Islands	4.2
United Kingdom	2.9
Ireland	2.0
Chile	1.7
Turkey	1.4
Norway	1.1
India	1.1
Supranational	1.0
Switzerland	1.0
Peru	1.0
Qatar	1.0
Other	6.4
Cash / Other	2.3

Sector allocation (%)

	Fund
Government related	1.6
Corporate Investment Grade	48.8
Corporate High Yield	20.4
Collateralized	2.8
Collateralized Loan Obligation	4.2
Emerging Market Debt	20.0
Cash / Other	2.3

Notes:

Corporate Investment Grade includes Agency, Foreign Agency, Inflation-Linked, Local Authorities, Muni, Sovereign, Supranational, Treasury

Government related includes asset-backed securities, commercial mortgaged-backed securities, mortgage-backed securities, covered, Pfandbrief.

Collateralized includes collateralized debt obligations (CDO)

Collateralized Loan Obligation includes Cash & Equivalents, Forwards, Futures, Swaps, Options

Cash/Other: special reclassification

Credit rating breakdown

Investment Grade 67.5%	AAA	0.9
	AA	1.9
	A	8.2
	BBB	56.5
High Yield 30.2%	BB	22.2
	B	7.7
	CCC	0.2
	CC	0.0
	C	0.0
	D	0.0
	NR ²	0.0
Cash / Other	2.3	

Top 10 Bond Issuers	Fund (%)
NOTA DO TESOURO	2.5
BANK OF AMERICA CORP	1.8
CONCENTRIX	1.6
CELANESE US HLDS	1.5
JPMORGAN CHASE & CO	1.5
CITIGROUP	1.4
OCCIDENTAL PETROLEUM	1.4
WARNERMEDIA HLDG	1.4
ASHTREAD CAPITAL	1.4
AERCAP IRELAND CAP/GLOBA	1.4

Source: UBS Asset Management, data as of 29 February 2024. The portfolio is actively managed, thus the allocations and positionings can be changed any time at UBS's/the portfolio manager's sole discretion. For information purposes only. Not investment advice or a recommendation to buy or sell any securities.

¹ Yield is not guaranteed.

² NR: Not rated

Fund information

Fund name	UBS (HK) Fund Series – Global Income Bond (USD)
Fund inception date	17 March 2021
Base currency	USD
Management fee	1.07% p.a.
Subscription fee	Up to 3%
Distribution frequency	A-acc: reinvestment; A-mdist ^{3,4} : expected monthly

Available share classes	ISIN	Distribution Yield
Class A USD-acc	HK0000678158	Distribution reinvested
Class A USD-mdist ^{3,4}	HK0000678166	7.0%
Class A USD-5%-mdist ^{3,4}	HK0000678174	5.1%
Class A HKD-mdist ^{3,4}	HK0000678182	7.1%
Class A HKD-5%-mdist ^{3,4}	HK0000678190	5.0%
Class A RMB hedged-mdist ^{3,4}	HK0000678208	6.2%
Class A AUD hedged-mdist ^{3,4}	HK0000678216	5.6%

Source: UBS Asset Management, February 2024.

- 3 The share classes with “-mdist” aim to pay dividends on a monthly basis. **Dividend is not guaranteed. Dividend may be paid out of capital.** Share classes with “-mdist” in their name may also make distributions out of capital and realized capital gains, at the discretion of the Management Company, or pay distributions out of gross income while charging/paying all or part of the fund’s fees and expenses to/out of the capital of the relevant fund, resulting in an increase in distributable income for the payment of distributions by the fund and therefore, the fund may effectively pay distributions out of capital. Any distributions involving payment of dividends out of the fund’s capital or payment of dividends effectively out of the fund’s capital (as the case may be) may result in an immediate reduction of the next asset value per share/unit.
- 4 A positive distribution yield does not imply a positive return. Distribution yield = (Dividend per unit on last record date x 12 / Previous month-end NAV) x 100. The distribution yields shown here are for reference only. These share classes continue to distribute in periods that the Fund has negative return/is making losses which further reduces the NAV of the Fund. In extreme circumstances, investors may not be able to get back the original investment amount. Constant distributing share classes must not be seen as alternative to savings account or fixed-interest paying investment.

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Investment involves risks, and past performance figures shown are not indicative of future performance. The value of the funds and income from them can go up as well as down and consequently you may not get back the amount originally invested. Investors please refer to the offering document for further details including the risk factors.

The investment returns of some of our range of funds are denominated in currency other than USD/HKD. US/HK Dollar-based investors are therefore exposed to fluctuations in the US/HK dollar/ foreign currency exchange rate.

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Source for all data and charts (if not indicated otherwise): UBS Asset Management.

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