

Sustainably pursuing your investment goals

UBS (Lux) Strategy Fund



Important information for UBS (Lux) Strategy Fund – Fixed Income Sustainable (USD)*, UBS (Lux) Strategy Fund – Yield Sustainable (USD)*, UBS (Lux) Strategy Fund – Balanced Sustainable (USD)* and UBS (Lux) Strategy Fund – Growth Sustainable (USD)* (collectively, the “Fund(s)”)

1. The Funds’ sustainable investment focus carries the risk that the Funds may underperform funds that do not utilize a sustainable investment strategy. Further, the implementation of the sustainable investment strategy may result in foregoing opportunities to buy certain securities when it might otherwise be advantageous to do so, and/or selling securities when it might be disadvantageous to do so, which may adversely affect the Funds’ investment performance.
2. In assessing the eligibility of an issuer, there is a dependence upon information and data from external research data providers and internal analyses, which may be subjective, incomplete, inaccurate or unavailable. As a result, there is a risk of incorrectly or subjectively assessing a security or issuer or there is a risk that the Funds could have exposure to issuers who do not meet the relevant criteria. In addition, there is a lack of standardized taxonomy of ESG investments.
3. The Funds may gain exposure to their investments via collective investment schemes in which case the Funds will not have control of the investments of the underlying funds and will be subject to the risks associated with the underlying funds, particularly where the Funds predominantly invest in underlying funds.
4. In respect of unit class with “-mdist” in their name, dividends may be paid out of capital which may result in an immediate reduction of the net asset value per unit. Payment of dividends out of capital amounts to a return or withdrawal of part of an investor’s original investment or from any capital gains attributable to that original investment.
5. The distribution amount and net asset value of the hedged class of units may be adversely affected by differences in the interest rates of the reference currency of the hedged class and each of the Fund’s base currency, resulting in an increase in the amount of distribution that is paid out of capital and hence a greater erosion of capital than other non-hedged classes.
6. Unit classes with a fixed percentage in their names do not distribute a fixed amount. The absolute distributions received by investors may vary from month to month depending on the net asset value of each of the Fund as of the end of the month.
7. This investment may involve risks that could result in loss of part or entire amount of investors’ investment.
8. Investors should not invest in the Funds solely based on this document and should read the relevant offering documents for further details including risk factors.
9. Investors are responsible for their investment decisions and should seek independent financial and professional advice if required.

* Please note that these funds have been renamed and repositioned with effect from 15 November 2021 – For more information, please refer to footnote 3 on the last page.

Important information for UBS (Lux) Strategy Fund – Fixed Income Sustainable (USD)*

1. The Fund invests at least 70% of its net assets in bonds. The Fund may invest directly and/or indirectly in high yield bonds, emerging market bonds and commodities.
2. At least 70% of the Fund's net assets are allocated to investment strategies that (i) take account of environmental and/or social considerations or aim to make sustainable investments or to reduce carbon emissions, and (ii) are subject to the Portfolio Manager's sustainability focus strategy.
3. The Fund's investments may be subject to risks associated with a sustainable investment focus, investing in other collective investment schemes/funds, debt securities, equities, currency, Renminbi, emerging markets, instruments with loss-absorption features, securities lending transactions and active currency positions.
4. The Fund's investments in debt securities may be subject to credit/counterparty risk, interest rate risk, volatility and liquidity risk, downgrading risk, valuation risk, credit rating risk and below investment grade or unrated risk.
5. The Fund may use financial derivative instruments for investment management and hedging purposes. The Fund does not intend to use financial derivative instruments extensively for investment purposes. The Fund's net derivative exposure may be up to 50% of the Fund's net asset value.

Important information for UBS (Lux) Strategy Fund – Yield Sustainable (USD)*

1. The Fund invests at least 15% of its net assets in equity securities and up to 85% of its net assets in bonds. The Fund may invest directly and/or indirectly in high yield bonds, emerging market bonds and commodities.
2. At least 70% of the Fund's net assets are allocated to investment strategies that (i) take account of environmental and/or social considerations or aim to make sustainable investments or to reduce carbon emissions, and (ii) are subject to the Portfolio Manager's sustainability focus strategy.
3. The Fund's investments may be subject to risks associated with a sustainable investment focus, investing in other collective investment schemes/funds, asset allocation strategy, debt securities, equities, currency, Renminbi, emerging markets, instruments with loss-absorption features, securities lending transactions and active currency positions.
4. The Fund's investments in debt securities may be subject to credit/counterparty risk, interest rate risk, volatility and liquidity risk, downgrading risk, valuation risk, credit rating risk and below investment grade or unrated risk.
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.

Important information for UBS (Lux) Strategy Fund – Balanced Sustainable (USD)*

1. The Fund invests at least 30% of its net assets in equity securities, and up to 70% of its net assets in bonds. The Fund may invest directly and/or indirectly in high yield bonds, emerging market bonds and commodities.
2. At least 70% of the Fund's net assets are allocated to investment strategies that (i) take account of environmental and/or social considerations or aim to make sustainable investments or to reduce carbon emissions, and (ii) are subject to the Portfolio Manager's sustainability focus strategy.
3. The Fund's investments may be subject to risks associated with a sustainable investment focus, investing in other collective investment schemes/funds, asset allocation strategy, debt securities, equities, currency, Renminbi, emerging markets, instruments with loss-absorption features, securities lending transactions and active currency positions.
4. As the Fund focuses on ESG investments, the value of the Fund may be more volatile than that of a fund having a more diverse portfolio of investments.
5. The Fund may use financial derivative instruments for investment management and hedging purposes. The Fund's net derivative exposure may be up to 50% of the Fund's net asset value.

Important information for UBS (Lux) Strategy Fund – Growth Sustainable (USD)*

1. The Fund invests at least 55% of its net assets in equity securities and up to 45% of its net assets in bonds. The Fund may invest directly and/or indirectly in high yield bonds, emerging market bonds and commodities.
2. At least 70% of the Fund's net assets are allocated to investment strategies that (i) take account of environmental and/or social considerations or aim to make sustainable investments or to reduce carbon emissions, and (ii) are subject to the Portfolio Manager's sustainability focus strategy.
3. The Fund's investments may be subject to risks associated with a sustainable investment focus, investing in other collective investment schemes/funds, asset allocation strategy, debt securities, equities, currency, Renminbi, emerging markets, instruments with loss-absorption features, securities lending transactions and active currency positions.
4. As the Fund focuses on ESG investments, the value of the Fund may be more volatile than that of a fund having a more diverse portfolio of investments.
5. The Fund may use financial derivative instruments for investment management and hedging purposes. The Fund's net derivative exposure may be up to 50% of the Fund's net asset value.

* Please note that these funds have been renamed and repositioned with effect from 15 November 2021 – For more information, please refer to footnote 3 on the last page.

What is ESG and why now?

1. ESG is at the heart of our investments

If you're not just investing for financial performance and want to have the potential to make a positive impact on the environment and society, then ESG is key topic.



Environmental

What does ESG mean?

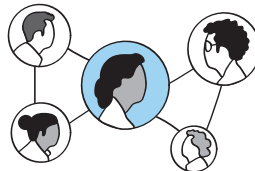
Climate change, pollution and waste, environmental opportunities.

What could be affected?

Investments may plummet when an environmental disaster comes to light.

Potential to benefit?

Investments may grow market share on the back of favorable regulation and shifting consumer preferences.

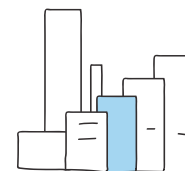


Social

Workplace safety, discrimination and diversity, supply chain, community controversies, human rights.

Companies may struggle from conflicts with local communities, and investments can suffer due to customer boycotts.

There may be greater worker productivity which could lead to improved industry margins.



Governance

Corruption, tax gaps, anti-competitive behavior, business ethics, board structure.

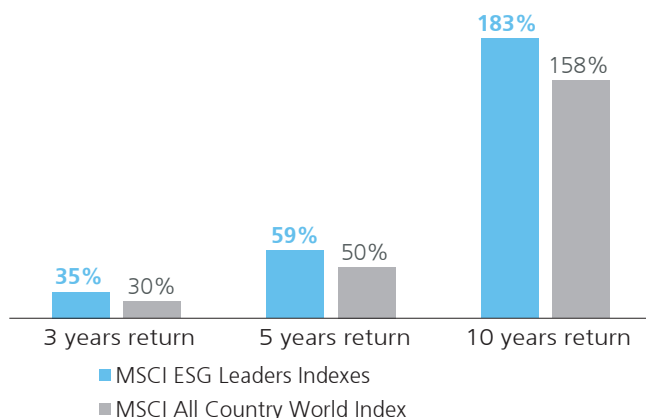
Investments may fall if companies receive significant fines for anti-practice or are pursued for back taxes.

Investments may attract high-quality institutional investors drawn by good governance, which could result in lower investment volatility.

2. Incorporating ESG can enhance potential returns

Sustainable investments outperformed conventional investments and the trend is further escalated since the pandemic

Relative performance MSCI AC World ESG Leaders vs MSCI AC World



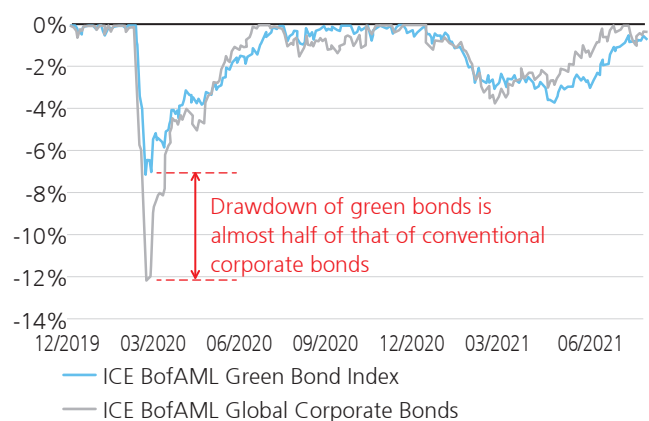
Source: Bloomberg, UBS, as of August 2022.

For illustrative purposes only. Past performance is not indicative of future results.

3. Incorporating ESG can provide better downside protection

Green bonds were more resilient in the period immediately post the COVID-19 outbreak

ICE BofAML Green Bond Index vs. ICE BofAML Global Corporate Bonds, drawdowns in % during 2020 market volatility



Source: Bloomberg, UBS Asset Management, as of August 2022.

Our solution - UBS (Lux) Strategy Fund

Growth sustainable represents UBS (Lux) Strategy Fund – Growth Sustainable (USD).

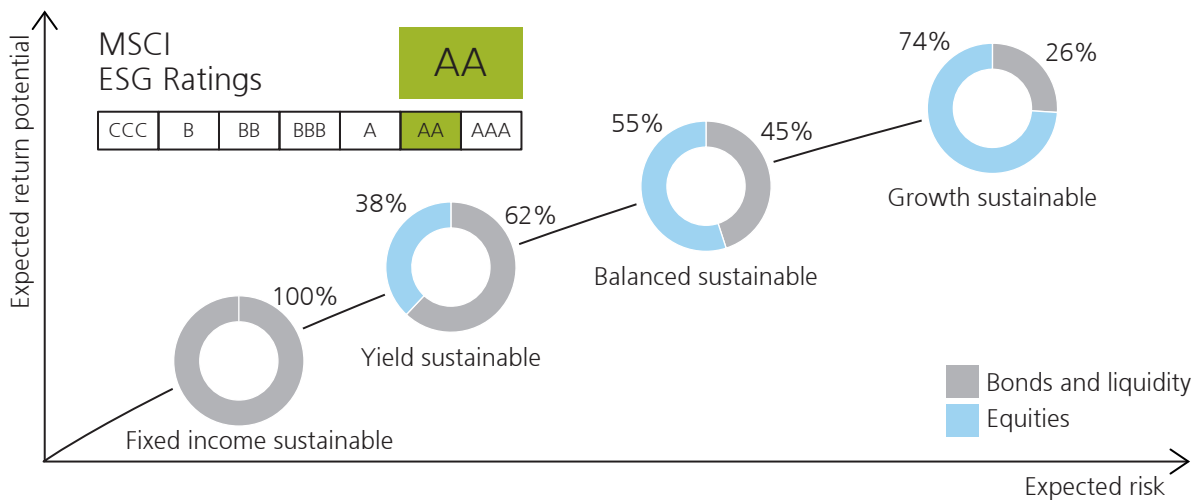
Balanced sustainable represents UBS (Lux) Strategy Fund – Balanced Sustainable (USD).

Yield sustainable represents UBS (Lux) Strategy Fund – Yield Sustainable (USD).

Fixed income sustainable represents UBS (Lux) Strategy Fund – Fixed Income Sustainable (USD).

One-stop shop for different risk appetite

Four different risk profiles, so suitable for virtually any investor profile



For illustrative purposes only. Markets change and returns can fluctuate. The above target allocations can be adjusted at UBS's discretion at any time. This information should not be considered as recommendation to buy or sell any security.

Investment results: UBS (Lux) Strategy Fund

Calendar year performance

Calendar year %	Growth sustainable	Balanced sustainable	Yield sustainable	Fixed income sustainable
1991	2.9%*	-	4.2%*	-
1992	3.8%	-	9.9%	-1.1%*
1993	18.4%	-	14.8%	6.7%
1994	-9.3%	0.2%*	-6.7%	-1.8%
1995	7.0%	15.7%	7.6%	14.2%
1996	13.3%	11.1%	8.6%	5.6%
1997	11.4%	9.6%	5.6%	4.3%
1998	13.9%	12.8%	9.5%	7.9%
1999	8.0%	4.8%	0.6%	-1.9%
2000	-2.8%	0.4%	3.7%	7.8%
2001	-7.5%	-3.4%	1.0%	5.4%
2002	-14.7%	-6.3%	1.3%	9.4%
2003	22.2%	16.1%	10.2%	3.8%
2004	9.9%	7.8%	5.7%	3.4%
2005	5.3%	3.4%	1.7%	-0.3%
2006	14.2%	10.2%	6.4%	3.2%
2007	3.4%	4.5%	5.7%	5.9%
2008	-29.4%	-18.3%	-6.7%	5.7%
2009	20.1%	13.9%	7.9%	2.9%
2010	8.5%	7.6%	5.7%	3.5%
2011	-4.8%	-2.6%	-0.3%	3.1%
2012	10.3%	8.3%	5.7%	2.7%
2013	15.5%	10.1%	4.9%	-1.5%
2014	5.7%	5.4%	4.9%	2.9%
2015	-2.2%	-2.0%	-2.0%	-0.9%
2016	6.6%	5.5%	4.7%	2.4%
2017	16.0%	12.4%	9.0%	3.0%
2018	-8.8%	-7.0%	-5.3%	-1.5%
2019	18.7%	15.3%	12.5%	7.1%
2020	8.9%	7.9%	6.6%	6.0%
2021	11.0%	7.4%	5.2%	-1.7%
2022	-17.3%	-15.7%	-14.3%	-9.9%
2023	12.8%	10.6%	8.8%	5.9%
Positive periods	24/33	23/30	27/33	23/32

Rolling returns:

91.0% on average of the periods delivered positive 3-year rolling returns, over the last 10 years.

UBS (Lux) Strategy Fund	% of positive periods	Average return
Growth sustainable	98.3%	18.2%
Balanced sustainable	95.8%	13.8%
Yield sustainable	88.3%	9.8%
Fixed income sustainable	81.7%	3.7%

Source (left table): UBS Asset Management, Morningstar. Data as of end Dec 2023. *Since inception till end of the year.

Source (right table): Bloomberg, UBS Asset Management; data as of end February 2024. Performance is calculated based on 3-year trailing returns of each month-end for the last 10 years.

Performance is calculated on NAV to NAV basis, with dividend reinvested, based on (USD)P-acc. Past performance is not indicative of future results. Performance shown is net of fees.

UBS (Lux) Strategy Fund – Growth Sustainable (USD) fund inception date: 10 Sep 1991.

UBS (Lux) Strategy Fund – Balanced Sustainable (USD) fund inception date: 01 July 1994.

UBS (Lux) Strategy Fund – Yield Sustainable (USD) fund inception date: 10 Sep 1991.

UBS (Lux) Strategy Fund – Fixed Income Sustainable (USD) fund inception date: 16 Oct 1992.

UBS House View: Sustainable Investing Strategic Asset Allocation

ESG Leaders Equities

Equity shares in companies that manage a range of critical ESG issues and seize ESG opportunities better than their competitors.

ESG Improver Equities

Equity shares in companies that are getting better at managing a range of critical ESG issues and opportunities.

ESG Thematic Equities

Equity shares in companies that sell products and services that tackle a particular environmental or social challenge, and/or whose businesses are particularly good at managing a single ESG factor, such as gender equality.

Multilateral Development Bank Debt

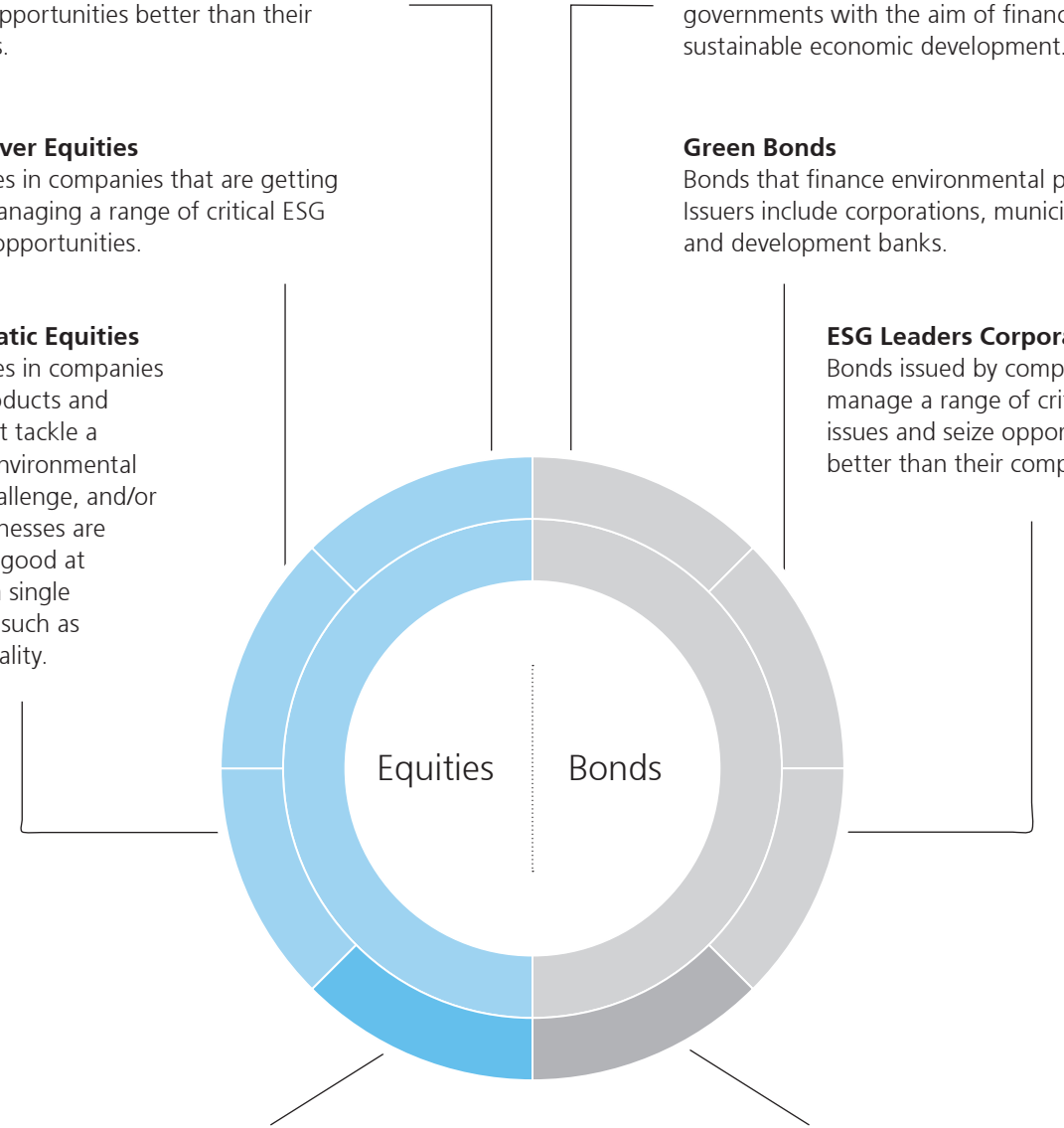
Bonds issued by multilateral development banks (MDBs). MDBs are backed by multiple governments with the aim of financing sustainable economic development.

Green Bonds

Bonds that finance environmental projects. Issuers include corporations, municipalities, and development banks.

ESG Leaders Corporate Bonds

Bonds issued by companies that manage a range of critical ESG issues and seize opportunities better than their competitors.



ESG Engagement Equities
 An approach where fund managers take active equity stakes in order to engage company management to improve their performance on ESG issues and opportunities.

ESG Engagement High Yield Bonds
 An approach where fund managers take active bond positions in issuers with credit ratings below BBB- in order to engage company management to improve their performance on ESG issues and opportunities.

Source: UBS Switzerland AG, UBS Chief Investment Office Global Wealth Management.
 For illustrative purposes only. Markets change and returns can fluctuate. The above target allocations can be adjusted at UBS's discretion at any time. This information should not be considered as recommendation to buy or sell any security.

Fund overview

	UBS (Lux) Strategy Fund – Growth Sustainable (USD)	UBS (Lux) Strategy Fund – Balanced Sustainable (USD)	UBS (Lux) Strategy Fund – Yield Sustainable (USD)	UBS (Lux) Strategy Fund – Fixed Income Sustainable (USD)
Inception	Sep 1991	Jul 1994	Sep 1991	Oct 1992
Total fund assets	USD 145.35 million	USD 653.81 million	USD 693.11 million	USD 95.05 million
Allocation				
Management fee % p.a.	1.44%	1.30%	1.15%	0.86%
5-year cumulative return (in %)	4.89	3.54	2.48	0.73
5-year annual volatility (in %)	13.94	11.57	9.26	4.82

Available share classes	ISIN	Distribution Yield
UBS (Lux) Strategy Fund – Growth Sustainable (USD)		
P-acc	LU0033040865	Distribution reinvested
UBS (Lux) Strategy Fund – Balanced Sustainable (USD)		
P-acc	LU0049785792	Distribution reinvested
P-mdist ^{1,2}	LU1008478767	3.5%
P-4%-mdist ^{1,2}	LU1107502343	4.0%
(HKD) P-4%-mdist ^{1,2}	LU1121136813	4.0%
(RMB hedged) P-4%-mdist ^{1,2}	LU1121136730	4.0%
(AUD Hedged) P-4%-mdist ^{1,2}	LU1121136656	4.0%
P-6%-mdist ^{1,2}	LU2504084638	6.0%
(HKD) P-6%-mdist ^{1,2}	LU2504084802	6.0%
(AUD hedged) P-6%-mdist ^{1,2}	LU2504084984	6.0%
UBS (Lux) Strategy Fund – Yield Sustainable (USD)		
P-acc	LU0033043885	Distribution reinvested
P-4%-mdist ^{1,2}	LU1417001382	4.0%
UBS (Lux) Strategy Fund – Fixed Income Sustainable (USD)		
P-acc	LU0039703532	Distribution reinvested
P-mdist ^{1,2}	LU1415540852	5.0%

Source: UBS Asset Management, data as of end February 2024. Above numbers are subject to rounding. Past performance is not indicative of future results. Performance shown is net of fees.

- 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.
- 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.

3 Please note that these funds have been renamed and repositioned with effect from 15 November 2021: from UBS (Lux) Strategy Fund – Growth (USD) to UBS (Lux) Strategy Fund – Growth Sustainable (USD); from UBS (Lux) Strategy Fund – Balanced (USD) to UBS (Lux) Strategy Fund – Balanced Sustainable (USD); from UBS (Lux) Strategy Fund – Yield (USD) to UBS (Lux) Strategy Fund – Yield Sustainable (USD); from UBS (Lux) Strategy Fund – Fixed Income (USD) to UBS (Lux) Strategy Fund – Fixed Income Sustainable (USD).

Follow us on WeChat and LinkedIn for more insights



WeChat



LinkedIn

Visit www.ubs.com/am-hk

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.

Units of UBS funds mentioned in this publication may not be offered, sold or delivered in the USA. The document has not been reviewed by the Securities and Futures Commission in Hong Kong. The document is issued by UBS Asset Management (Hong Kong) Limited. A number of comments in this document are based on current expectations and are considered "forward-looking statements". Actual future results may prove to be different from expectations and any unforeseen risk or event may arise in the future. The opinions expressed are a reflection of UBS Asset Management's judgment at the time this document is compiled and any obligation to update or alter forward-looking statements as a result of new information, future events, or otherwise is disclaimed.

You are advised to exercise caution in relation to this document. The information in this document does not constitute advice and does not take into consideration your investment objectives, legal, financial or tax situation or particular needs in any other respect. Investors should be aware that past performance of investment is not necessarily indicative of future performance. Potential for profit is accompanied by possibility of loss. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

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

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