



UBS ETF Capital Markets
Weekly Flow Update
(25th of September – 29th of September)

Market Commentary

MSCI World in USD ended the week down 0.85% with the index being driven downwards by Utilities (-5.89%), Consumer Staples (-2.21%) and Real Estate (-1.51%) offset by relative strength in Energy (0.91%).

Q3 has been a tough quarter for both equities and bonds with MSCI World dropping 5% and over 7% from the highs in late July. Renewed fears of stagflation have driven yoy inflation to not fall fast as investors would have liked. Front and centre have been oil prices climbing back to USD95 per barrel. However, there has also been a surge in real rates which has pressured valuations especially in the long duration space of Tech. Weaker than expected economic data from China coupled with continued challenges in the property have dented the profit expectations of the Luxury segment. Despite some central banks now pausing rate hikes, it seems higher for longer is the prevailing narrative hence front-end rates remain higher. However, concerns about debt sustainability may lead to rates staying higher than expected at the long end, especially with respect to the US budget deficit. Although stocks have sold-off in sympathy with bonds, EPS revisions are holding up for now. If Q3 earnings deliver in line with expectations, it could help markets to bounce from current levels; in particular if China growth shows further signs of stabilisation.

Q3 started well with investors predicting continued strong growth and peaking rates which also led to a healthy broadening of the equity rally, away from Technology. Unfortunately, as the summer wore on the narrative shifted to stagflation and away from a soft landing. The OPEC+ supply cuts pushed Brent near to USD100 per barrel and real rates reached multi-year highs. Both equities and bonds struggled, causing the 60:40 portfolio to fall for the first time since Q3 2022. US equities acted as a drag in the DM space, particularly the longer duration Nasdaq hit by the surge in real yields. The S&P 500 fared relatively better given its wider exposure to the real economy. The Eurozone also fared poorly, dragged down by Germany given its exposure to China. Italy and Spain did relatively better given their financials/value tilt.

On the bright side, UK equities and gilts delivered positive returns despite the difficult economic backdrop owing to their commodity tilt and the BoE pause respectively. In addition, Japanese equities had a good quarter as the loose monetary policy from the BoJ continues to benefit Japanese companies accompanied by a weaker Yen.

From a sector perspective, Defensives outperformed Cyclical in Q3 but Energy and Financials were among the top performers. Higher real yields and weaker earnings dragged the Tech sector down and weakness in China caused Materials and Industrials to underperform. Financials performed well with higher for longer rates but Energy was the standout performer with surging oil prices providing a strong boost to earnings expectations.

Next week, we have US ISM Manufacturing and Eurozone Manufacturing PMI for September announced on Monday (BBG Cons: 47.8 and 43.4 respectively) and US non-farm payrolls for September announced on Friday (BBG Cons: 160k).

- Monday: Australia Melbourne Institute inflation, Brazil trade, Eurozone S&P Global Eurozone Manufacturing PMI, unemployment, France S&P Global France Manufacturing PMI, Germany S&P Global / BME Germany Manufacturing PMI, Indonesia CPI, Italy unemployment, Japan Tankan business sentiment survey, New Zealand building permits, Pakistan CPI, Singapore home prices, Spain unemployment, Sri Lanka trade, UK S&P Global / CIPS UK Manufacturing PMI and US construction spending, ISM Manufacturing.
- Tuesday: Australia building approvals, rate decision, Brazil industrial production, India S&P Global Manufacturing PMI, Mexico international reserves and US light vehicle sales.
- Wednesday: Eurozone S&P Global Eurozone Services PMI, retail sales, PPI, New Zealand rate decision, Poland rate decision, , Russia GDP, South Korea industrial production and US factory orders, ADP employment.
- Thursday: Argentina industrial production, Australia trade, France industrial production, Peru rate decision, Philippines CPI, Singapore retail sales, South Korea CPI, Spain industrial production, Sri Lanka rate decision, Taiwan CPI, Thailand CPI and US trade, initial jobless claim.
- Friday: Canada unemployment, Chile CPI, Colombia CPI, France trade, Germany factory orders, India rate decision, Japan household spending and US unemployment rate, nonfarm payrolls.

UBS ETF - Top 5 Net Inflows	USD
US Equities Sustainable (hedged)	145,036,838
Euro Corporate Bonds Sustainable	62,087,804
Global Equities Sustainable	54,341,925
Commodity (hedged)	51,866,466
Swiss Equities Sustainable	38,171,635
UBS ETF - Top 5 Net Outflows	USD
Swiss Equities	-157,187,468
US Equities (hedged)	-25,496,184
US Equities SmartBeta (Value)	-23,670,251
Global Government Bonds Sustainable	-15,819,060
Sustainable Development Bank Bonds	-15,366,960
UBS ETF - Top 5 Primary Market Creations	USD
UBS (Irl) ETF plc – S&P 500 ESG UCITS ETF (hedged to EUR) A-acc	121,755,045
UBS (Lux) Fund Solutions – Bloomberg MSCI Euro Area Liquid Corporates Sustainable UCITS ETF (EUR) A-acc	62,087,804
UBS (Irl) Fund Solutions plc – Bloomberg Commodity CMCI SF UCITS ETF (hedged to CHF) A-acc	47,366,239
UBS (Irl) ETF plc – MSCI EMU ESG Universal Low Carbon Select UCITS ETF (EUR) A-acc	41,336,532
UBS (Irl) Fund Solutions plc – MSCI ACWI SF UCITS ETF (hedged to EUR) A-acc	21,924,513
UBS ETF - Top 5 Primary Market Redemptions	USD
UBS ETF (CH) – SPI® (CHF) A-dis	-168,331,031
UBS (Lux) Fund Solutions – EURO STOXX 50 ESG UCITS ETF (EUR) A-dis	-24,518,034
UBS (Irl) ETF plc – MSCI USA hedged to CHF UCITS ETF (CHF) A-acc	-22,357,855
UBS (Lux) Fund Solutions – MSCI EMU Socially Responsible UCITS ETF (EUR) A-dis	-20,897,976
UBS (Irl) ETF plc – Factor MSCI USA Prime Value ESG UCITS ETF (USD) A-dis	-16,632,360

UBS ETF - Top 10 Secondary Market Trades	USD
UBS (Lux) Fund Solutions – MSCI Japan UCITS ETF (JPY) A-acc <i>NAV – Systematic Internaliser</i>	-148,290,000
UBS (Lux) Fund Solutions – EURO STOXX 50 ESG UCITS ETF (EUR) A-dis <i>Risk – Tradeweb</i>	-37,850,000
UBS (Irl) Fund Solutions plc – Bloomberg Commodity CMCI SF UCITS ETF (hedged to CHF) A-acc <i>NAV – Systematic Internaliser</i>	31,770,000
UBS (Irl) Fund Solutions plc – MSCI ACWI SF UCITS ETF (hedged to EUR) A-acc <i>Risk – Tradeweb</i>	28,680,000
UBS (Irl) Fund Solutions plc – MSCI ACWI SF UCITS ETF (hedged to EUR) A-acc <i>Risk – Tradeweb</i>	25,280,000
UBS (Irl) Fund Solutions plc – MSCI ACWI SF UCITS ETF (hedged to EUR) A-acc <i>Risk – Tradeweb</i>	21,620,000
UBS ETF (CH) – MSCI Switzerland IMI Socially Responsible (CHF) A-dis <i>Risk – Tradeweb</i>	21,170,000
UBS (Irl) Fund Solutions plc – MSCI ACWI SF UCITS ETF (hedged to EUR) A-acc <i>Risk – Tradeweb</i>	19,140,000
UBS (Irl) ETF plc – Factor MSCI USA Prime Value ESG UCITS ETF (USD) A-dis <i>Risk – Tradeweb</i>	-18,570,000
UBS (Irl) Fund Solutions plc – Bloomberg Commodity CMCI SF UCITS ETF (hedged to CHF) A-acc <i>NAV – Systematic Internaliser</i>	16,520,000

UBS ETF Capital Markets

Group e-mail: ol-etf-cm@ubs.com

Pravin Bagree CFA

Head of UBS ETF Capital Markets | pravin.bagree@ubs.com | +41 44 235 19 08

Giorgio Cescato

UBS ETF Capital Markets Specialist | giorgio.cescato@ubs.com | +41 44 234 54 85

Gianandrea Grassi

UBS ETF Capital Markets Specialist | gianandrea.grassi@ubs.com | +41 44 234 53 45

[Click here for more information on UBS ETFs](#)

© UBS 2023. All rights reserved.

For marketing and information purposes by UBS.

Issuer UBS Asset Management Switzerland AG, c/o UBS AG, Bahnhofstrasse 45, 8001 Zürich, Switzerland

E-mails can involve SUBSTANTIAL RISKS, e.g. lack of confidentiality, potential manipulation of contents and/or sender's address, incorrect recipient (misdirection), viruses etc. UBS assumes no responsibility for any loss or damage resulting from the use of e-mails. The recipient is aware of the inherent risks of use of emails and accepts them, in particular the disclosure of the banking relationship or of confidential data connected thereto to third parties.

UBS may evaluate and analyse the use of email in connection with this newsletter to create profiles. These are used by UBS and its group entities particularly to be able to provide their clients with individual advice, tailor made offers and information about UBS products as well as for market research, marketing and risk management purposes.

Privacy statement

For professional clients / qualified investors only.

The benchmark is the intellectual property of the index provider. The Share Class is not sponsored or endorsed by the index provider. Please refer to the Fund's prospectus or supplement for the full disclaimer.

Before investing in a product please read the latest prospectus and key information document carefully and thoroughly. Any decision to invest should take into account all the characteristics or objectives of the fund as described in its prospectus, or similar legal documentation. Investors are acquiring units or shares in a fund, and not in a given underlying asset such as building or shares of a company. The information and opinions contained in this document have been compiled or arrived at based upon information obtained from sources believed to be reliable and in good faith, but is not guaranteed as being accurate, nor is it a complete statement or summary of the securities, markets or developments referred to in the document. Members of the UBS Group may have a position in and may make a purchase and / or sale of any of the securities or other financial instruments mentioned in this document. Units of UBS funds mentioned herein may not be eligible for sale in all jurisdictions or to certain categories of investors and may not be offered, sold or delivered in the United States. The information mentioned herein is not intended to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments. Past performance is not a reliable indicator of future results. The calculated performance takes all costs on the fund level into consideration (ongoing costs). The entry and exit costs, which would have a negative impact on the performance, are not taken into consideration. If whole or part of the total costs to be paid is different from your reference currency, the costs may increase or decrease as a result of currency and exchange rate fluctuations.

Commissions and costs have a negative impact on the investment and on the expected returns. If the currency of a financial product or financial service is different from your reference currency, the return can increase or decrease as a result of currency and exchange rate fluctuations. This information pays no regard to the specific or future investment objectives, financial or tax situation or particular needs of any specific recipient. Future performance is subject to taxation which

depends on the personal situation of each investor and which may change in the future. The details and opinions contained in this document are provided by UBS without any guarantee or warranty and are for the recipient's personal use and information purposes only. This document may not be reproduced, redistributed or republished for any purpose without the written permission of UBS Asset Management Switzerland AG or a local affiliated company. Source for all data and charts (if not indicated otherwise): UBS Asset Management

This document contains statements that constitute “forward-looking statements”, including, but not limited to, statements relating to our future business development. While these forward-looking statements represent our judgments and future expectations concerning the development of our business, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations. More explanations of financial terms can be found at ubs.com/am-glossary

Austria: Prospectuses, key information documents (KID), the articles of association or the management regulations as well as annual and semi-annual reports of UBS funds are available in a language required by the local applicable law free of charge UBS Fund Management (Luxembourg) S.A. and online at ubs.com/etf.

Belgium: Prospectuses, key information documents (KID), the articles of association or the management regulations as well as annual and semi-annual reports of UBS funds are available in a language required by the local applicable law free of charge from UBS 18th floor, Amstelplein 1, 1096 HA Amsterdam and online at ubs.com/funds.

Cyprus: Prospectuses, key information documents (KID), the articles of association or the management regulations as well as annual and semi-annual reports of UBS funds are available in a language required by the local applicable law free of charge from [UBS Fund Management (Luxembourg) S.A. 33A Avenue J.F. Kennedy, L-1855 Luxembourg / UBS Fund Management (Ireland) Limited, 1st Floor, College Park House, South Frederick Street, Dublin 2, Ireland] and online at ubs.com/funds.

Denmark: Prospectuses, key information documents (KID), the articles of association or the management regulations as well as annual and semi-annual reports of UBS funds are available in a language required by the local applicable law free of charge from UBS Asset Management, Regeringsgatan 38, 11153 Stockholm or from UBS Europe SE, Denmark Branch, filial af UBS Europe SE, Sankt Annae Plads 13, 1 TH, 1250 Copenhagen, Denmark and online at ubs.com/funds.

Finland: Prospectuses, key information documents (KID), the articles of association or the management regulations as well as annual and semi-annual reports of UBS funds are available in a language required by the local applicable law free of charge from UBS Asset Management, Regeringsgatan 38, S-11153 Stockholm and online at ubs.com/funds.

France: Copies of the prospectus, key information documents (KID), articles of association, management regulations and the annual and semi-annual reports of UBS funds are available in a language required by the local applicable law free of charge from UBS (France) S.A., 69, boulevard Haussmann, 75008 Paris (388 368 110 RCS Paris) and online at ubs.com/etf.

Germany: Prospectuses, key information documents (KID), the articles of association or the management regulations as well as annual and semi-annual reports of UBS funds are available in a language required by the local applicable law free of charge from UBS Fund Management (Luxembourg) S.A. and online at www.ubs.com/deutschlandfonds.

Greece: Prospectuses, key information documents (KID), the articles of association or the management regulations as well as annual and semi-annual reports of UBS funds are available in a language required by the local applicable law free of charge from [UBS Fund Management (Luxembourg) S.A. 33A Avenue J.F. Kennedy, L-1855 Luxembourg / UBS Fund Management (Ireland) Limited, 1st Floor, College Park House, South Frederick Street, Dublin 2, Ireland] and online at ubs.com/funds.

Hungary: Prospectuses, key information documents (KID), the articles of association or the management regulations as well as annual and semi-annual reports of UBS funds are available in a language required by the local applicable law free of charge from securities broker (forgalmazó): OTP Bank Nyrt., or from UBS Asset Management Switzerland AG, c/o UBS AG, Bahnhofstrasse 45, 8001 Zürich, Switzerland and online at ubs.com/funds.

Israel: Prospectuses, key information documents (KID), the articles of association or the management regulations as well as annual and semi-annual reports of UBS funds are available in a language required by the local applicable law free of charge from UBS Asset Management, Regeringsgatan 38, S-11153 Stockholm and online at ubs.com/funds.

Italy: Prospectuses, key information documents (KID), the articles of association or the management regulations as well as annual and semi-annual reports may be obtained in a language required by the local applicable law free of charge from UBS Asset Management (Italia) – SGR S.p.A., Via del Vecchio Politecnico, n. 3, 20121 Milano (MI), Italy and online at ubs.com/funds.

Ireland: The prospectuses, supplements, key information documents (KID), the memorandum and articles of association as well as annual and semi-annual reports of UBS ETF may be obtained in a language required by the local applicable law free of charge for UBS ETFs plc and UBS (Irl) ETF plc from State Street Fund Services (Ireland) Limited, 78 Sir John Rogerson's Quay, Dublin 2, Ireland and online at ubs.com/etf.

Liechtenstein: Prospectuses, key information documents (KID), the articles of association or the management regulations as well as annual and semi-annual reports of UBS funds are available in a language required by the local applicable law free of charge from UBS Fund Management (Luxembourg) S.A. and online at ubs.com/funds.

Luxembourg: Prospectuses, key information documents (KID), the articles of association or the management regulations as well as annual and semi-annual reports of UBS funds are available in a language required by the local applicable law free of charge from UBS Fund Management (Luxembourg) S.A., 33A Avenue J.F. Kennedy, L-1855 Luxembourg and online at ubs.com/etf.

Malta: Prospectuses, key information documents (KID), the articles of association and the management regulations as well as annual and semi-annual reports of UBS funds are available in a language required by the local applicable law free of charge from UBS Fund Management (Luxembourg) S.A. 33A Avenue J.F. Kennedy, L-1855 Luxembourg and online at ubs.com/funds.

Netherlands: Prospectuses, key information documents (KID), the articles of association or the management regulations as well as annual and semi-annual reports of UBS funds are available in a language required by the local applicable law free of charge from UBS Fund Management (Luxembourg) SA or on the internet at ubs.com/funds.

Norway: Prospectuses, key information documents (KID), the articles of association or the management regulations as well as annual and semi-annual reports of UBS funds are available in a language required by the local applicable law free of charge from UBS Asset Management, Regeringsgatan 38, S-11153 Stockholm and online at ubs.com/funds.

Portugal: Prospectuses, key information documents (KID), the articles of association or the management regulations as well as annual and semi-annual reports of UBS funds are available in a language required by the local applicable law free of charge from Best – Banco Electrónico de Serviço Total, S.A. Praça Marquês de Pombal, 3A - 3º 1250-161 Lisboa, Portugal or from UBS Europe SE, Luxembourg Branch, P.O. Box 2, L-2010 Luxembourg and online at ubs.com/etf. For more information on the distribution of UBS funds, in particular the applicable tax regime, please consult the Supplementary Information Memorandum for Portugal, available free of charge from the placing agent.

Spain: Prospectuses, key information documents (KID), the articles of association or the management regulations as well as annual and semi-annual reports of UBS funds are available in a language required by the local applicable law free of charge from UBS Europe SE, sucursal en España, MARÍA DE MOLINA Nº 4, E-28006 MADRID / AVENIDA DIAGONAL Nº 640, 2º A, E-08017 BARCELONA / FERNÁNDEZ Y GONZÁLEZ Nº 2, PLANTA PRINCIPAL, E-41001 SEVILLA / C/ROGER DE LAURIA Nº 7, 1ª PLANTA, E-46002 VALENCIA / COSO Nº 33, 5º A, E-50003 ZARAGOZA, CANTÓN PEQUEÑO 15, 4º, E-15003 A CORUÑA and online at ubs.com/funds.

Sweden: Prospectuses, key information documents (KID), the articles of association or the management regulations as well as annual and semi-annual reports of UBS funds are available in a language required by the local applicable law free of charge from UBS Fund Management (Luxembourg) S.A. and online at ubs.com/funds.

Switzerland: Prospectuses, key information document, the articles of association or the management regulations as well as annual and semi-annual reports of UBS funds are available in a language required by the local applicable law free of charge from UBS Asset Management Switzerland AG, c/o UBS AG, Bahnhofstrasse 45, 8001 Zürich, Switzerland or from UBS Fund Management (Switzerland) AG, P.O. Box, CH-4002 Basel.

United Kingdom: Prospectuses, key investor information documents (KIID), the articles of association or the management regulations as well as annual and semi-annual reports of UBS funds are available free of charge from UBS Asset Management (UK) Ltd, 5 Broadgate, London, EC2M 2QS. The fund documentation is available free of charge in English and, where relevant, in one of the local language(s) where the fund is registered and online at ubs.com/funds. [UBS funds make use of the Temporary Permissions Regime allowing EEA-domiciled funds to be distributed in the UK for a limited period until full authorisation is obtained. For reporting fund status, please visit the HMRC's website. The protections offered by the UK's regulatory system, and compensation under the Financial Services Compensation Scheme, will not be available. The document has not been

prepared in line with the Financial Conduct Authority requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research.

A summary of investor rights in English can be found online at: ubs.com/funds.

© UBS 2023. The key symbol and UBS are among the registered and unregistered trademarks of UBS. All rights reserved.