UBS USD High Yield Bond Fund P-6%-mdist

Fund Fact Sheet

UBS Bond Funds > UBS High Yield Funds

Fund description

- The actively managed fund invests primarily in high-yield corporate bonds selected using strict criteria.
- When selecting issuers of such bonds, particular attention is taken to spread investments across the various credit ratings.

Please see additional information on the following page.

For further information, please see the Key Investor Information Document (KIID) available at: www.ubs.com/espanafondos.

Name of fund	**UBS (Lux) Bond SICAV - USD High Yield (USD)**
Share class	UBS (Lux) Bond SICAV - USD High Yield (USD) P-6%-mdist
ISIN	LU1076698411
Bloomberg	UBLUHPU LX
Currency of fund / share class	USD/USD
Launch date	27.06.2014
Issue/redemption	daily
Swing pricing	yes
Accounting year end	31 May
Benchmark[1]	ICE BofAML US High Yield Cash Pay Constrained Index
Theoretical yield to maturity (net)[2]	6.66%
Theoretical yield to worst (net)	6.47%
Average rating	B+
Option Adjusted Duration	3.31
Distribution	monthly
Last distribution 15.02.2024	USD 0.37
Management fee p.a.	1.01%
Entry charge (max.)	6.00%
Exit charge (max.)	0.00%
Conversion fee (max.)	6.00%
Performance fee	none
Flat fee p.a.	1.26%
Name of the Management Company	UBS Fund Management (Luxembourg) S.A., Luxembourg
Fund domicile	Luxembourg
SFDR Classification	Art.6
Overall Morningstar Rating	★★★

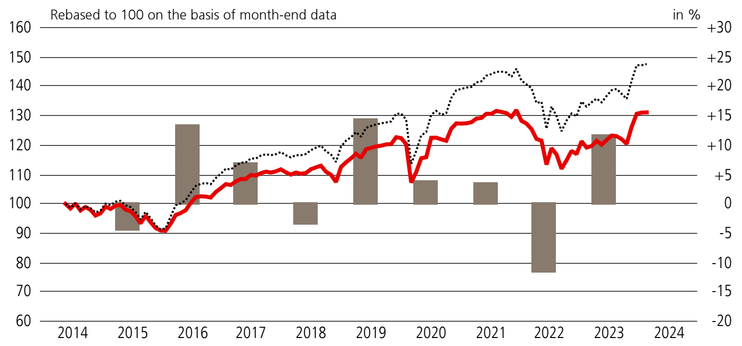
1 Reference index change on 20.10.2017 – old: BofA Merrill Lynch US High Yield Cash Pay Constrained Index, new: ICE BofAML US High Yield Cash Pay Constrained Index.
2 Yield to maturity is not a distributed yield nor reflects anticipated income to be earned by the fund. It may include the effect of some derivatives, including swaps and FX forwards, which can form a significant part of the investment strategy but do not pay a regular income. It is in the base currency of the master fund and not specific to a share class.

Lower risk — Higher risk
Typically lower rewards — Typically higher rewards

1	2	3	**4**	5	6	7

A category 1 rating should not be construed as indicating that the investment is free of any risk.

Performance (basis USD, net of fees)[1]



Fund performance net of fees (left-hand scale)
Fund performance per year in % net of fees (right-hand scale)
Index performance (left-hand scale)

Past performance is not a reliable indicator of future results.

in %	1 year	3 years	5 years	Ø p.a. 3 years	Ø p.a. 5 years
Fund (USD)	10.04	2.90	14.89	0.96	2.81
Ref. Index[2]	10.92	5.75	21.48	1.88	3.97

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)

Fund statistics

Net asset value (USD, 29.02.2024)	74.07
Last 12 months (USD) – high	74.58
– low	69.00
Total fund assets (USD m)	533.93
Share class assets (USD m)	6.46

	3 years	5 years
Beta	0.95	0.94
Volatility[1]		
– Fund	8.13%	9.16%
– Benchmark	8.48%	9.62%
Sharpe ratio	-0.21	0.08
Risk free rate	2.68%	2.11%

1 Annualised standard deviation

For more information

Phone: +34-917-457 000
Internet: www.ubs.com/espanafondos
Contact your client advisor

Portfolio management representatives

Matthew Iannucci
Anders Nelson
Robert Martin

Before making any investment decisions, we recommend that you read the Key Investor Information Document (KIID) and Prospectus, which are available at: www.ubs.com/espanafondos.

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Credit quality (%)

	Fund	Deviation from index
BB+	5.11	-5.4
BB	12.36	-3.3
BB-	26.07	+4.0
B+	17.46	+0.8
B	17.76	+5.4
B-	11.58	+0.4
NR	0.00	
BBB- and higher	3.13	+3.0
CCC and lower	6.66	-4.2
Cash and Equivalents	-0.13	-0.6

Categories of borrowers (%)

Sectors	Portfolio	Deviation from index
Industrials	83.03	-4.7
Financial Services	12.03	+3.6
Utility	3.69	+0.4
Cash & Equivalents	-0.13	-0.6
Others	1.38	+1.4

5 largest positions (%)

	Fund
Altice France Holding SA	1.7
Carnival Corporation	1.6
Venture Global	1.6
Charter Communications	1.5
Nidda Healthcare Holding	1.4

Benefits

Clients benefit from the return potential of corporate bonds, which is higher than that of government bonds.
Active portfolio management ensures that particular attention is paid to the prevailing economic situation, sector selection and issuers' credit ratings.
Risk is kept in check via meticulous company analysis and broad diversification of the portfolio.

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 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. The fund can use derivatives, which may result in additional risks (particularly counterparty risk).
The monthly 6%-mdist distributing share classes may distribute capital as well as income. It is possible that the distributions result in an erosion of assets and a reduction of invested capital. There are potential negative tax consequences for some investors in some jurisdictions. Investors in some jurisdictions may incur a higher rate of tax on distributed capital than on any capital gains which are realised on disposal of fund shares. Some investors may therefore choose to invest in the accumulating (-acc) instead of the distributing (-dist) share classes. Investors may be taxed at a later point in time on income and capital arising on accumulating (-acc) share classes compared to distributing (-dist) share classes. Investors should seek their own tax advice.

Warning: this fund can invest a percentage of 100% in low credit quality fixed income issues, so it has a very high credit risk.

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Additional information

- The investment objective is to generate a higher return than on prime USD bonds.
- The portfolio manager is not tied to the benchmark in terms of investment selection or weight.
- This share class distributes a constant percentage share of the NAV, not a constant amount.
- This share class is designed for investors who want to profit from performance opportunities on the financial markets and at the same time wish more stable distributions at a specific percentage level to cover recurring liquidity needs.
- As the distributions are substantial, this share class is not designed for investors who want to build wealth. The latter may prefer the accumulating share class.
- This share class must not be seen as an alternative to a savings account or fixed-interest paying investments.
- The percentage distribution rate of this share class is unrelated to the interest or other income generated in the fund. The distribution is a percentage payment of the current amount of investment.
- It is possible that the distributions result in an erosion of assets and a reduction of invested capital.
- This share class may distribute capital as well as income. There are potential negative tax consequences for some investors in some jurisdictions. See risk section below.

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 Information Document, 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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UBS AM Standard Glossary – for additional investment terms, please refer to the online glossary here.

Alpha: A fund's alpha is its outperformance relative to a benchmark. If a fund has a consistently high alpha this can indicate skilful management. If the benchmark returns 12% and the portfolio returns 14%, the outperformance (alpha) is equal to 14% - 12% = 2%. Compare with beta.
Accumulation: Reinvestment of the income generated by the investment fund into the fund`s assets.
Active management: Here the fund manager uses their expertise to pick investments to achieve the fund’s objectives
Benchmark: Index against which an investment fund’s performance is measured. Also called a reference index.
Beta: A measure of risk which indicates the sensitivity of an investment, to fluctuations in the market, as represented by the relevant benchmark. For example, a beta of 1.2 tells us that the value of an investment fund can be expected to change by 12% if the market is forecast to move by 10%.
Bonds: Debt instruments with a fixed or variable rate of interest and generally with a fixed maturity and redemption date. The most common issuers are major companies, government bodies such as the federal government and the cantons, public institutions, and international organisations such as the World Bank or the International Monetary Fund.
Commodities: A tradeable item that can be further processed and sold. Industrial (metals), agricultural (wool, wheat, sugar) and bulk commodities (coal, iron ore) are examples. It is possible to invest in physical commodities or in derivatives based on commodity prices.
Convertible bonds: Bonds which feature a conversion right entitling the holder to convert the bond into shares of the company in question at a certain point in time and at a conversion ratio set in advance.
Corporate bonds: Strictly speaking, corporate bonds are those issued by companies. Generally, however, the term is used to cover all bonds other than those issued by governments in their own currencies. Therefore the ‘credit’ sector, as it is often known, includes issues by companies, supranational organisations and government agencies. The key feature that distinguishes corporate bonds from government bonds is the risk of default – see credit risk.
Correlation: A measure of the degree to which the price trends of various investment categories or instruments move in the same direction.
Derivatives: Investments whose value is linked to another investment, or to the performance of a stock exchange or to some other variable factor, such as interest rates.
Distribution: Payment of an investment fund to distribute the income generated to its unit holders.
Diversification: Holding a variety of investments that typically perform differently from one another.
Duration: The duration represents the length of time for which capital is “tied up” in a bond investment. The concept of duration takes account of the time structure of returning cash flows (such as coupon repayments). The average duration of the portfolio is derived from the weighted average duration of the individual securities. The “modified duration” is derived from the duration and provides a measure of the sensitivity of bonds or bond portfolios to interest-rate changes.
Emerging economy or market: Emerging markets or developing markets - mainly in Asia, Eastern Europe, and Latin America - that are growing quickly, but whose economies and stock markets have not yet reached Western standards.
Equities: Securities which evidence an equity interest in a company. As a joint owner, the shareholder has rights of participation (voting right, right to information) and rights to assets (right to a share of profits, subscription rights).
Exchange traded fund (ETF): An investment fund that is traded like stocks on an exchange. Most ETFs are index funds: they hold the same securities in the same proportions as a certain index.
Feeder Fund: An investment fund that invests the majority of its assets into a master fund
Hedging: Protecting investments against losses. UBS Asset Allocation funds and hedged UBS ETFs specifically hedge against exchange-rate risks.
High watermark: The high watermark is used in connection with the performance fee. The fund manager calculates his or her share of the profits on the basis of the value increment over and above the last peak in the NAV. As a result, the performance fee does not become payable until all losses incurred have been completely recovered.
High Yield bonds: Bonds issued by borrowers with lower credit ratings. Such bonds offer higher rates of interest, but at the same time there is also a higher risk of default, i.e. that interest payments will not be paid or that the face value will not be repaid.
Inflation-linked bonds: An inflation-linked bond provides investors with protection from inflation by linking its principal amount or interest payments to a specific inflation index.
Investment grade: Term used to denote securities with ratings of between BBB and AAA, indicating that their credit quality is satisfactory or good.
Illiquid: Illiquid assets are those assets that cannot be easily bought, sold, or converted into cash. It may often be impossible to convert the asset to cash until the end of the life of the asset.
Index: Indicator of performance on one or more markets. The oldest and best-known stock market index is the Dow Jones. Indexes make it possible to compare the performance of a fund which is invested in a specific market with the development of this market.
Index Fund: An investment fund which replicates a chosen stock market index in its stock selection and weightings as exactly as possible.
Leverage: With derivative instruments, greater returns can be earned with a comparatively lower capital investment than with an investment in the actual underlying instrument. This effect is called leverage.
Management Style: Manner in which the investment decisions are made to achieve the investment objective (see also Active and Passive Management).
Master Fund: Funds invested in respective feeder funds, are then invested into the master fund. The master fund holds the portfolio investments and conducts all trading activity.
Maturity: Period from the issue of a bond to its due date or to the premature repayment of the bond. Not to be confused with duration.
Net Asset Value (NAV): Used to describe the value of a company’s assets less the value of their liabilities.
Rating: The measure of the creditworthiness of a borrower by special rating agencies such as Standard & Poor’s or Moody’s. As a rule, UBS bond funds principally invest in bonds issued by prime borrowers.
Reinvestment: The possibility of reinvesting the distribution in the same fund. Certain funds offer investors a special

reinvestment discount on the issuing price if the annual distribution is reinvested.

Over the counter (OTC): An over the counter financial contract is one that is not traded on an exchange but is 'tailor-made' for a client by a financial institution.

Passive management: Passive management seeks to attain performance equal to market or index returns.

Performance Fee: For non-classical investment funds such as hedge funds, the investor often has to pay, in addition to the conventional management fee, a supplementary performance fee in the form of a percentage (e.g. 20%) of the fund's annual increase in value.

Physical replication: In physical replication, an ETF invests directly in securities held in the benchmark it is tracking. To do so, the ETF can buy some or all of the securities that make up the replicated index - this method is called full replication and is suitable for liquid indices.

Share Class: An investment fund can issue several types of share certificates with different criteria. The share certificate classes may differ in the amount of fees, the appropriation of income or the currency of the share certificate class.

Synthetic replication: In contrast to physical replication, with synthetic replication an ETF does not invest directly in the securities held in the benchmark. Instead, it enters into a swap agreement with a counterparty, which promises to pay the return on the replicated index to the ETF.

Risk free rate: An investment with no chance of default, and a known or certain rate of return.

Swing Pricing: Method used to calculate the net asset values of investment funds. Which allows transaction costs arising from subscriptions made by incoming investors and redemptions made by outgoing investors to be borne by the incoming and outgoing investors, rather than existing investors.

Standard deviation: Statistical measure of the degree to which an individual value in a probability distribution tends to vary from the mean of the distribution. The greater the degree of dispersion the greater the risk.

Sharpe ratio: Measure expresses how much higher (or lower) a return an investor can expect compared to the risk-free rate of interest (e.g., interest rates on savings accounts) per unit of risk (volatility). The risk-free rate of interest varies from currency to currency.

Tracking error: Measure of the deviation of the return of a fund compared to the return of a benchmark over a fixed period, expressed as a percentage. The more passively the investment fund is managed, the smaller the tracking error.

Total Expense Ratio (TER): The ratio of total expense to a fund's average size over an annualised accounting period. Expenses are taken to include all expenses shown in the income account, including management, administration, custody, audit, legal and professional fees.

UCITS: Undertakings for Collective Investments in Transferable Securities. A UCITS fund is an authorised fund that may be sold across all EU countries.

Volatility: A measure of the size of short term changes in the value of an investment.

Yield to maturity: Weighted average rate earned by an investor who buys the bond portfolio today at the market price and holds the bond portfolio until maturity, and assuming that all coupon and principal payments will be made on schedule.

Ø – Average.