

A standout market opportunity

UBS Asset Management—China High Yield

Given the low or negative yield environment in many established fixed income markets, China bonds really stand out. The UBS China High Yield strategy provides access to the growing China credit markets and focuses on attractive risk-adjusted returns.

Why China high yield bonds?


Interest in Chinese bonds has increased, aided by a market that is opening up, index inclusion, better trading liquidity and more investor awareness of emerging market debt. There are clear signs of a maturing market, especially in the field of corporate bonds, and similar to equities, Chinese bonds also share the important attribute of low correlation to global developed market bonds.


Continuing growth of China credit market

In line with the overall bond market, the credit market in China has also grown substantially, and is now a significant part of the Asian and global fixed income market. Opportunity sets within the China credit market are broadening.




Why UBS China High Yield strategy?

 **Performance**
 Strong track record¹

 **Dependable income source**
 > 6% distribution yield p.a.²

 **"Boots-on-the-ground" research**
 Experts in China with longstanding experience of >20 years

 **Dynamic approach**
 in navigating evolving markets

 **Top foreign Asset Manager in China**
 (according to Broadridge, April 2020)

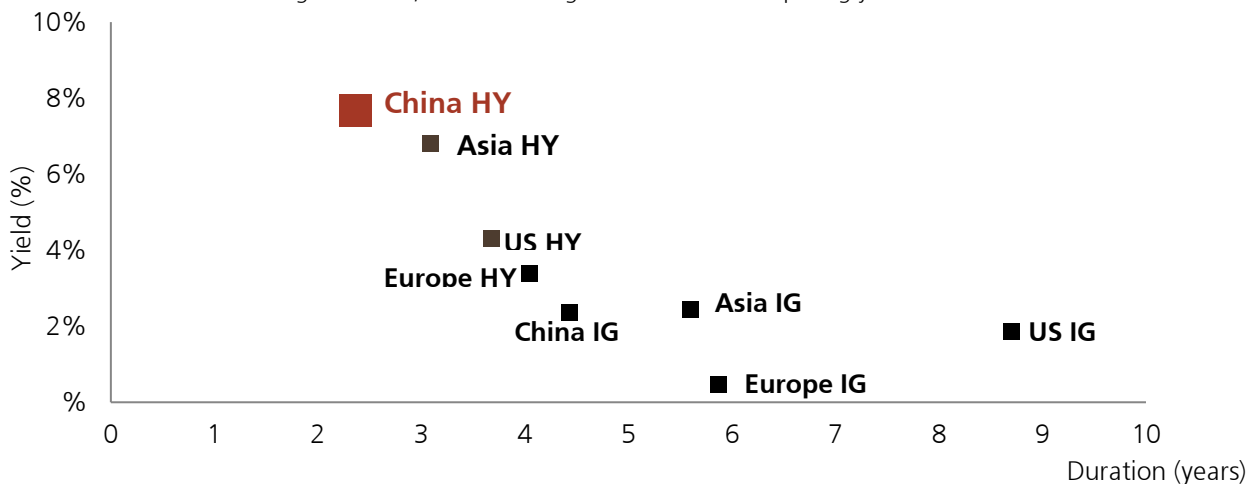
Source: UBS Asset Management, Morningstar. As of end January 2021

¹ Based on representative strategy: UBS China High Yield Bond Composite.

² Equivalent yield is derived from simple arithmetic calculation where the dividend is divided by the NAV, and annualized thereafter. Please use this for REFERENCE ONLY.

Attractive yields compared to US and Euro High Yield

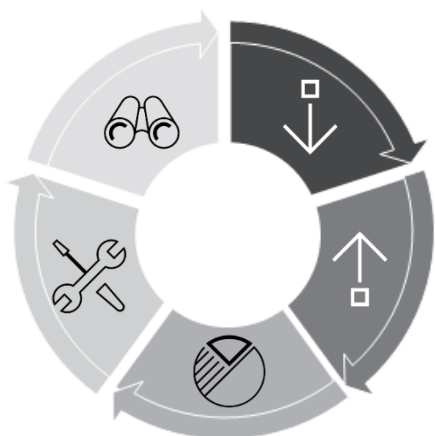
In a world of low and/or negative rates, China USD High Yield offers a compelling yield combined with lower duration risk.



Source: Bloomberg, J.P. Morgan. As represented by Bloomberg Barclays US Aggregate Corporate Index, Bloomberg Barclays Euro Aggregate Corporate index, JACI Investment Grade, JACI China Investment Grade, Bloomberg Barclays US Corporate High Yield Index, Bloomberg Barclays Pan-European High Yield Index, JACI Non-Investment Grade, and JACI China Non-Investment Grade. As of end January 2021.

Proven investment process

Active allocation to sectors with the best risk/reward ratio as the market changes



For illustrative purposes only.

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Top-down strategy
 - Responsibility: Strategy and PM-team, credit research, FIIF
 - Analysis of macro trends and market developments
- 
Bottom-up strategy
 - Responsibility: Credit research, Strategy and PM-team, SI-team
 - Fundamental company and ESG analysis, Avoidance of defaults and tail risks
- 
Portfolio construction
 - Responsibility: Strategy and PM-team
 - Alignment of client needs, investment goals and market environment
- 
Implementation
 - Responsibility: Strategy and PM-team
 - Best execution and timing
- 
Risk management and performance evaluation
 - Responsibility: Strategy and PM-team and independent Risk-Control Team
 - Continuous strategy-analysis and adjustments

Why UBS-AM for China High Yield?



- ✓ Longstanding history in Asia
- ✓ Only true pure greater China strategy among peers
- ✓ PM team with more than 17 years³ average industry experience
- ✓ 30+ Credit Research Analysts

³ Source: UBS Asset Management. As of January 2021

Hayden Briscoe has overall responsibility for all Asia Pacific fixed income activities at UBS Asset Management. This includes fixed income investment capabilities in Hong Kong, Singapore, Japan, Australia and China. He is also a member of the Global Fixed Income Management and Global Fixed Income Investment Committees.

Ross Dilkes is a portfolio manager within the Asia fixed income team and has responsibility for all credit strategies across Asian high yield and investment grade.

Smit Rastogi is a portfolio manager with the Asia fixed income team. He assists with the management of the Asian

USD credit portfolios, contributing to security selection and portfolio construction.

Brian Lou is a portfolio manager with the Pan Asia fixed income team. He is based in Shanghai and has responsibility for the analysis, development and implementation of China onshore interest rate and credit bond strategies.

Jiayi Yew is a portfolio manager with the Pan Asia fixed income team and is responsible for analysing, developing and implementing China fixed-income strategies.

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Americas

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EMEA

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