

UBS Exchange Traded Funds

Financial Report

For the year/period ended 30 June 2019

This financial report covers the following UBS Exchange Traded Funds:

UBS IQ Morningstar Australia Quality ETF (ASX code: ETF)

ARSN 159 571 534

UBS IQ Morningstar Australia Dividend Yield ETF (ASX code: DIV)

ARSN 161 570 574

UBS IQ MSCI Australia Ethical ETF (ASX code: UBA)

ARSN 166 219 601

UBS IQ MSCI Asia APEX 50 Ethical ETF (ASX code: UBP)

ARSN 603 812 826

UBS IQ MSCI Europe Ethical ETF (ASX code: UBE)

ARSN 603 813 949

UBS IQ MSCI Japan Ethical ETF (ASX Code: UBJ)

ARSN 603 812 451

UBS IQ MSCI USA Ethical ETF (ASX Code: UBU)

ARSN 603 812 246

UBS IQ MSCI World ex Australia Ethical ETF (ASX code: UBW)

ARSN 603 812 040

UBS IQ Cash ETF (ASX Code: MONY)

ARSN 618 551 125



UBS Exchange Traded Funds Financial Report For the year ended 30 June 2019

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The financial report covers the UBS IQ Morningstar Australia Quality ETF, UBS IQ Morningstar Australia Dividend Yield ETF, UBS IQ MSCI Australia Ethical ETF, UBS IQ MSCI Asia APEX 50 Ethical ETF, UBS IQ MSCI Europe Ethical ETF, UBS IQ MSCI Japan Ethical ETF, UBS IQ MSCI USA Ethical ETF, UBS IQ MSCI World ex Australia Ethical ETF and UBS IQ Cash ETF as individual entities.

Directors' Report

The directors of UBS Asset Management (Australia) Ltd (ABN 31 003 146 290) (AFS Licence No. 222 605), the Responsible Entity of the UBS IQ Morningstar Australia Quality ETF, UBS IQ Morningstar Australia Dividend Yield ETF, UBS IQ MSCI Australia Ethical ETF, UBS IQ MSCI Asia APEX 50 Ethical ETF, UBS IQ MSCI Europe Ethical ETF, UBS IQ MSCI Japan Ethical ETF, UBS IQ MSCI USA Ethical ETF, UBS IQ MSCI World ex Australia Ethical ETF and UBS IQ Cash ETF ("the Funds"), present their report together with the financial statements of the Funds for the year ended 30 June 2019.

Funds' information

The Funds are Australian Registered Schemes. UBS Asset Management (Australia) Ltd, the Responsible Entity of the Funds, is incorporated and domiciled in Australia. The registered office of the Responsible Entity is located at Level 16 Chifley Tower, 2 Chifley Square, Sydney, NSW 2000.

Directors

The following persons held office as directors of UBS Asset Management (Australia) Ltd during the year and up to the date of this report:

B J Doherty, Chairman
A L Anderson
J D Males (Resigned 12 December 2018)
A L Flockart (Resigned 16 November 2018)
R Buehlmann (Resigned 31 January 2019)
G Rice (Appointed 31 January 2019)

Principal Activities

During the year, the Funds continued to invest in accordance with their current Product Disclosure Statements and the provisions of the Funds' Constitutions.

The Funds did not have any employees during the year.

There were no significant changes in the nature of the Funds' activities during the year or since the end of the year and up to the date of this report.

Review and results of operations

There have been no significant changes to the operations of the Funds since the previous financial year. The Funds continued to invest in accordance with target asset allocations as set out in the governing documents of the Funds and in accordance with the provisions of the Funds' Constitutions.

Directors' Report (continued)

Review and results of operations (continued)

The performance of the Funds, as represented by the results of their operations, was as follows:

	UBS IQ Morningstar Australia Quality ETF		UBS IQ Morningstar Australia Dividend Yield ETF	
	Year ended		Year ended	
	30 June 2019 \$	30 June 2018 \$	30 June 2019 \$	30 June 2018 \$
Profit/(loss) before finance costs attributable to unitholders	<u>714,552</u>	<u>332,777</u>	<u>937,457</u>	<u>526,009</u>
<i>Distributions - quoted class</i>				
Total distribution paid	<u>197,339</u>	<u>449,708</u>	<u>351,039</u>	<u>892,596</u>
Total distribution payable	<u>156,820</u>	<u>139,616</u>	<u>155,978</u>	<u>253,569</u>
Total distribution (cents per unit)	<u>91.11</u>	<u>86.15</u>	<u>109.39</u>	<u>111.12</u>
Total return (including both capital and distribution return) for the year/period assuming reinvestment of all distributions back into the Fund (%)	<u>11.12</u>	<u>4.49</u>	<u>11.34</u>	<u>5.55</u>
<i>Distributions - unquoted class</i>				
Total distribution paid	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total distribution payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total distribution (cents per unit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total return (including both capital and distribution return) for the year/period assuming reinvestment of all distributions back into the Fund (%)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Directors' Report (continued)

Review and results of operations (continued)

	UBS IQ MSCI Australia Ethical ETF		UBS IQ MSCI Asia APEX 50 Ethical ETF	
	Year ended 30 June 2019 \$'000	30 June 2018 \$'000	Year ended 30 June 2019 \$'000	30 June 2018 \$'000
Profit/(loss) before finance costs attributable to unitholders	<u>21,673</u>	<u>22,990</u>	<u>347</u>	<u>443</u>
<i>Distributions - quoted class</i>				
Total distribution paid	<u>5,399</u>	<u>4,754</u>	<u>-</u>	<u>-</u>
Total distribution payable	<u>5,392</u>	<u>2,783</u>	<u>211</u>	<u>92</u>
Total distribution (cents per unit)	<u>122.48</u>	<u>82.89</u>	<u>44.84</u>	<u>26.20</u>
Total return (including both capital and distribution return) for the year/period assuming reinvestment of all distributions back into the Fund (%)	<u>12.24</u>	<u>12.87</u>	<u>2.36</u>	<u>16.66</u>
<i>Distributions - unquoted class</i>				
Total distribution paid	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total distribution payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total distribution (cents per unit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total return (including both capital and distribution return) for the year/period assuming reinvestment of all distributions back into the Fund (%)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Directors' Report (continued)

Review and results of operations (continued)

	UBS IQ MSCI Europe Ethical ETF		UBS IQ MSCI Japan Ethical ETF	
	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$	30 June 2018 \$
Profit/(loss) before finance costs attributable to unitholders	<u>1,280</u>	<u>852</u>	<u>102,683</u>	<u>508,536</u>
<i>Distributions - quoted class</i>				
Total distribution paid	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total distribution payable	<u>469</u>	<u>300</u>	<u>106,940</u>	<u>83,757</u>
Total distribution (cents per unit)	<u>68.20</u>	<u>58.10</u>	<u>44.42</u>	<u>43.98</u>
Total return (including both capital and distribution return) for the year/period assuming reinvestment of all distributions back into the Fund (%)	<u>7.61</u>	<u>9.72</u>	<u>0.90</u>	<u>14.46</u>
<i>Distributions - unquoted class</i>				
Total distribution paid	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total distribution payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total distribution (cents per unit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total return (including both capital and distribution return) for the year/period assuming reinvestment of all distributions back into the Fund (%)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Directors' Report (continued)

Review and results of operations (continued)

	UBS IQ MSCI USA Ethical ETF Year ended		UBS IQ MSCI World ex Australia Ethical ETF Year ended	
	30 June 2019 \$	30 June 2018 \$	30 June 2019 \$'000	30 June 2018 \$'000
Profit/(loss) before finance costs attributable to unitholders	<u>1,044,071</u>	<u>1,080,763</u>	<u>5,702</u>	<u>6,230</u>
<i>Distributions - quoted class</i>				
Total distribution paid	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total distribution payable	<u>264,177</u>	<u>139,454</u>	<u>922</u>	<u>602</u>
Total distribution (cents per unit)	<u>105.30</u>	<u>55.69</u>	<u>70.10</u>	<u>51.78</u>
Total return (including both capital and distribution return) for the year/period assuming reinvestment of all distributions back into the Fund (%)	<u>15.42</u>	<u>18.66</u>	<u>11.91</u>	<u>15.48</u>
<i>Distributions - unquoted class</i>				
Total distribution paid	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total distribution payable	<u>-</u>	<u>-</u>	<u>435</u>	<u>314</u>
Total distribution (cents per unit)	<u>-</u>	<u>-</u>	<u>70.10</u>	<u>51.78</u>
Total return (including both capital and distribution return) for the year/period assuming reinvestment of all distributions back into the Fund (%)	<u>-</u>	<u>-</u>	<u>11.95</u>	<u>15.47</u>

Directors' Report (continued)

Review and results of operations (continued)

	UBS IQ Cash ETF	
	Year ended 30 June 2019	For the reporting period from 27 April 2017 to 30 June 2018
	\$	\$
Profit/(loss) before finance costs attributable to unitholders	<u>23,621</u>	<u>17,912</u>
<i>Distributions - quoted class</i>		
Total distribution paid	<u>20,283</u>	<u>16,811</u>
Total distribution payable	<u>1,502</u>	<u>1,579</u>
Total distribution (cents per unit)	<u>37.28</u>	<u>36.78</u>
Total return (including both capital and distribution return) for the year/period assuming reinvestment of all distributions back into the Fund (%)	<u>2.00</u>	<u>1.65</u>
<i>Distributions - unquoted class</i>		
Total distribution paid	<u>-</u>	<u>-</u>
Total distribution payable	<u>-</u>	<u>-</u>
Total distribution (cents per unit)	<u>-</u>	<u>-</u>
Total return (including both capital and distribution return) for the year/period assuming reinvestment of all distributions back into the Fund (%)	<u>-</u>	<u>-</u>

Significant changes in the state of affairs

UBS IQ Cash ETF is no longer satisfied as an AMIT Fund. The Fund does not satisfy the widely held test for an AMIT Fund (50 members for a retail trust) and the two years startup exemption has elapsed (ended 25 May 2019).

In the opinion of the directors, there were no other significant changes in the state of affairs of the Funds that occurred during the year.

Likely developments and expected results of operations

The Funds will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Funds and in accordance with the provisions of the Funds' Constitutions.

Further information on likely developments in the operations of the Funds and the expected results of those operations have not been included in this report because the Responsible Entity believes it would be likely to result in unreasonable prejudice to the Funds.

Events occurring after reporting period

No matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect:

- (i) the operations of the Funds in future financial years, or
- (ii) the results of those operations in future financial years, or
- (iii) the state of affairs of the Funds in future financial years.

Directors' Report (continued)

Indemnification and insurance of officers and auditors

No insurance premiums are paid for out of the assets of the Funds in regards to insurance cover provided to either the officers of UBS Asset Management (Australia) Ltd or the auditors of the Funds. So long as the officers of UBS Asset Management (Australia) Ltd act in accordance with the Funds' Constitutions and the *Corporations Act 2001*, the officers remain indemnified out of the assets of the Funds against losses incurred while acting on behalf of the Funds.

The auditors of the Funds are in no way indemnified out of the assets of the Funds.

Fees paid to and interests held in the Funds by the Responsible Entity or its associates

Fees paid to the Responsible Entity and its associates out of Funds' assets during the year are disclosed in Note 16 of the financial statements.

No fees were paid out of the Funds' assets to the directors of the Responsible Entity during the year.

The number of interests in the Funds held by the Responsible Entity or its associates as at the end of the financial year are disclosed in Note 16 of the financial statements.

Interests in the Funds

The movement in units on issue in the Funds during the year is disclosed in Note 5 of the financial statements.

The value of the Funds' assets and liabilities is disclosed in the Statement of Financial Position and derived using the basis set out in Note 2 of the financial statements.

Environmental regulation

The operations of the Funds are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

Single set of financial reports

The Funds are entities of the kind referred to in ASIC Corporations (Related Scheme Reports) Instrument 2015/839 issued by the Australian Securities and Investments Commission ("ASIC") and in accordance with that Instrument, Funds with a common Responsible Entity (or related Responsible Entities) can include their financial reports in adjacent columns in a single set of financial reports.

Proceeds from redeeming units in a Fund can be applied to acquire units in other Funds included in these financial statements. All the Funds are open-ended.

Rounding of amounts

The Funds are entities of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission ("ASIC") relating to the "rounding off" of amounts in the Directors' report. For UBS IQ MSCI Australia Ethical ETF, UBS IQ MSCI Asia APEX 50 Ethical ETF, UBS IQ MSCI Europe Ethical ETF and UBS IQ MSCI World ex Australia Ethical ETF, amounts in the Directors' report have been rounded to the nearest thousand dollars in accordance with that ASIC Instrument, unless otherwise indicated. For UBS IQ Morningstar Australia Quality ETF, UBS IQ Morningstar Australia Dividend Yield ETF, UBS IQ MSCI Japan Ethical ETF, UBS IQ MSCI USA Ethical ETF and UBS IQ Cash ETF, amounts in the Directors' report have been rounded to the nearest dollar in accordance with that ASIC Instrument, unless otherwise indicated.

Directors' Report (continued)

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 10.

This report is made in accordance with a resolution of the directors.



B J Doherty
Chairman



G Rice
Director

Sydney
12 September 2019

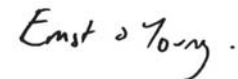

Auditor's Independence Declaration to the Directors of UBS Asset Management (Australia) Ltd, as Responsible Entity for UBS Exchange Traded Funds

For the following UBS Exchanged Traded Funds ("the Funds"):

- ▶ UBS IQ Morningstar Australia Quality ETF
- ▶ UBS IQ Morningstar Australia Dividend Yield ETF
- ▶ UBS IQ MSCI Australia Ethical ETF
- ▶ UBS IQ MSCI Asia APEX 50 Ethical ETF
- ▶ UBS IQ MSCI Europe Ethical ETF
- ▶ UBS IQ MSCI Japan Ethical ETF
- ▶ UBS IQ MSCI USA Ethical ETF
- ▶ UBS IQ Cash ETF
- ▶ UBS IQ MSCI World ex Australia Ethical ETF

As lead auditor for the audit of the Funds for the financial year ended 30 June 2019, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.


Ernst & Young

Graeme McKenzie
Partner
12 September 2019

Statements of Comprehensive Income

	Notes	UBS IQ Morningstar Australia Quality ETF		UBS IQ Morningstar Australia Dividend Yield ETF	
		Year ended		Year ended	
		30 June 2019	30 June 2018	30 June 2019	30 June 2018
		\$	\$	\$	\$
Investment income					
Dividend/Trust distribution income		353,325	610,376	511,464	1,146,164
Interest income		21	7	27	166
Net gains/(losses) on financial instruments at fair value through profit or loss	4	385,900	(231,344)	451,626	(542,940)
Net foreign exchange gains/(losses)		-	-	-	-
Other income		-	-	4,175	-
Total investment income/(loss)		<u>739,246</u>	<u>379,039</u>	<u>967,292</u>	<u>603,390</u>
Expenses					
Responsible Entity's fees	16	23,760	42,779	28,642	73,328
Transaction costs		922	3,483	1,184	4,053
Other expenses		12	-	9	-
Total expenses		<u>24,694</u>	<u>46,262</u>	<u>29,835</u>	<u>77,381</u>
Profit/(loss) before finance costs attributable to unitholders		<u>714,552</u>	<u>332,777</u>	<u>937,457</u>	<u>526,009</u>
Finance costs attributable to unitholders					
Distributions to unitholders	6	354,159	589,324	507,017	1,146,164
Increase/(decrease) in net assets attributable to unitholders	5	<u>360,393</u>	<u>(256,547)</u>	<u>430,440</u>	<u>(620,155)</u>
Profit/(loss) for the year/period attributable to unitholders		-	-	-	-
Other comprehensive income for the year/period attributable to unitholders		-	-	-	-
Total comprehensive income for the year/period attributable to unitholders		-	-	-	-

The above Statements of Comprehensive Income should be read in conjunction with the accompanying notes.

Statements of Comprehensive Income (continued)

	Notes	UBS IQ MSCI Australia Ethical ETF		UBS IQ MSCI Asia APEX 50 Ethical ETF	
		Year ended 30 June 2019 \$'000	30 June 2018 \$'000	Year ended 30 June 2019 \$'000	30 June 2018 \$'000
Investment income					
Dividend/Trust distribution income		9,724	8,199	305	168
Interest income		2	2	-	-
Net gains/(losses) on financial instruments at fair value through profit or loss	4	12,264	15,104	134	355
Net foreign exchange gains/(losses)		-	-	(8)	(37)
Other income		5	-	7	23
Total investment income/(loss)		21,995	23,305	438	509
Expenses					
Responsible Entity's fees	16	319	309	49	34
Transaction costs		3	3	3	13
Other expenses		-	3	39	19
Total expenses		322	315	91	66
Profit/(loss) before finance costs attributable to unitholders		21,673	22,990	347	443
Finance costs attributable to unitholders					
Distributions to unitholders	6	10,791	7,537	211	92
Increase/(decrease) in net assets attributable to unitholders	5	10,882	15,453	136	351
Profit/(loss) for the year/period attributable to unitholders		-	-	-	-
Other comprehensive income for the year/period attributable to unitholders		-	-	-	-
Total comprehensive income for the year/period attributable to unitholders		-	-	-	-

The above Statements of Comprehensive Income should be read in conjunction with the accompanying notes.

Statements of Comprehensive Income (continued)

	Notes	UBS IQ MSCI Europe Ethical ETF Year ended		UBS IQ MSCI Japan Ethical ETF Year ended	
		30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$	30 June 2018 \$
Investment income					
Dividend/Trust distribution income		505	355	125,375	87,809
Interest income		-	-	-	-
Net gains/(losses) on financial instruments at fair value through profit or loss	4	861	562	11,767	435,010
Net foreign exchange gains/(losses)		18	14	(1,635)	11,056
Other income		7	6	82	200
Total investment income/(loss)		1,391	937	135,589	534,075
Expenses					
Responsible Entity's fees	16	51	40	20,082	16,418
Transaction costs		8	7	169	226
Other expenses		52	38	12,655	8,895
Total expenses		111	85	32,906	25,539
Profit/(loss) before finance costs attributable to unitholders		1,280	852	102,683	508,536
Finance costs attributable to unitholders					
Distributions to unitholders	6	469	300	106,940	83,757
Increase/(decrease) in net assets attributable to unitholders	5	811	552	(4,257)	424,779
Profit/(loss) for the year/period attributable to unitholders		-	-	-	-
Other comprehensive income for the year/period attributable to unitholders		-	-	-	-
Total comprehensive income for the year/period attributable to unitholders		-	-	-	-

The above Statements of Comprehensive Income should be read in conjunction with the accompanying notes.

Statements of Comprehensive Income (continued)

	Notes	UBS IQ MSCI USA Ethical ETF Year ended		UBS IQ MSCI World ex Australia Ethical ETF Year ended	
		30 June 2019 \$	30 June 2018 \$	30 June 2019 \$'000	30 June 2018 \$'000
Investment income					
Dividend/Trust distribution income		140,422	118,778	1,216	1,029
Interest income		-	-	1	-
Net gains/(losses) on financial instruments at fair value through profit or loss	4	940,499	990,423	4,822	5,522
Net foreign exchange gains/(losses)		1,078	963	1	(43)
Other income		1,130	497	5	5
Total investment income/(loss)		1,083,129	1,110,661	6,045	6,513
Expenses					
Responsible Entity's fees	16	14,362	12,528	173	152
Transaction costs		85	26	3	5
Other expenses		24,611	17,344	167	126
Total expenses		39,058	29,898	343	283
Profit/(loss) before finance costs attributable to unitholders		1,044,071	1,080,763	5,702	6,230
Finance costs attributable to unitholders					
Distributions to unitholders	6	264,177	139,454	1,357	916
Increase/(decrease) in net assets attributable to unitholders	5	779,894	941,309	4,345	5,314
Profit/(loss) for the year/period attributable to unitholders		-	-	-	-
Other comprehensive income for the year/period attributable to unitholders		-	-	-	-
Total comprehensive income for the year/period attributable to unitholders		-	-	-	-

The above Statements of Comprehensive Income should be read in conjunction with the accompanying notes.

Statements of Comprehensive Income (continued)

		UBS IQ Cash ETF	
		Year ended 30 June 2019	For the reporting period from 27 April 2017 to 30 June 2018
	Notes	\$	\$
Investment income			
Dividend/Trust distribution income		-	-
Interest income		23,738	20,351
Net gains/(losses) on financial instruments at fair value through profit or loss	4	<u>2,024</u>	<u>(485)</u>
Total investment income/(loss)		<u>25,762</u>	<u>19,866</u>
Expenses			
Responsible Entity's fees	16	2,139	1,954
Other expenses		<u>2</u>	<u>-</u>
Total expenses		<u>2,141</u>	<u>1,954</u>
Profit/(loss) before finance costs attributable to unitholders		<u>23,621</u>	<u>17,912</u>
Finance costs attributable to unitholders			
Distributions to unitholders	6	21,785	18,390
Increase/(decrease) in net assets attributable to unitholders	5	<u>1,836</u>	<u>(478)</u>
Profit/(loss) for the year/period attributable to unitholders		<u>-</u>	<u>-</u>
Other comprehensive income for the year/period attributable to unitholders		<u>-</u>	<u>-</u>
Total comprehensive income for the year/period attributable to unitholders		<u>-</u>	<u>-</u>

The above Statements of Comprehensive Income should be read in conjunction with the accompanying notes.

Statements of Financial Position

	Notes	UBS IQ Morningstar Australia Quality ETF		UBS IQ Morningstar Australia Dividend Yield ETF	
		As at		As at	
		30 June 2019	30 June 2018	30 June 2019	30 June 2018
		\$	\$	\$	\$
Assets					
Cash and cash equivalents	7	143,762	261,616	155,283	378,417
Receivables	10	158,396	68,639	139,703	38,856
Financial assets at fair value through profit or loss	8	<u>7,708,487</u>	<u>8,229,681</u>	<u>9,568,488</u>	<u>10,998,688</u>
Total assets		<u>8,010,645</u>	<u>8,559,936</u>	<u>9,863,474</u>	<u>11,415,961</u>
Liabilities					
Distributions payable	6	156,820	139,616	155,978	253,569
Payables	11	<u>3,277</u>	<u>58,606</u>	<u>3,925</u>	<u>59,492</u>
Total liabilities (excluding net assets attributable to unitholders)		<u>160,097</u>	<u>198,222</u>	<u>159,903</u>	<u>313,061</u>
Net assets attributable to unitholders*	5	<u>7,850,548</u>	<u>8,361,714</u>	<u>9,703,571</u>	<u>11,102,900</u>

*Net assets attributable to unitholders are classified as a financial liability at 30 June 2019.
 The above Statements of Financial Position should be read in conjunction with the accompanying notes.

Statements of Financial Position (continued)

	Notes	UBS IQ MSCI Australia Ethical ETF		UBS IQ MSCI Asia APEX 50 Ethical ETF	
		As at		As at	
		30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000
Assets					
Cash and cash equivalents	7	1,192	447	11	73
Receivables	10	1,236	1,885	251	63
Financial assets at fair value through profit or loss	8	<u>191,695</u>	<u>203,889</u>	<u>12,055</u>	<u>8,905</u>
Total assets		<u>194,123</u>	<u>206,221</u>	<u>12,317</u>	<u>9,041</u>
Liabilities					
Distributions payable	6	5,392	2,783	211	92
Payables	11	<u>27</u>	<u>30</u>	<u>18</u>	<u>11</u>
Total liabilities (excluding net assets attributable to unitholders)		<u>5,419</u>	<u>2,813</u>	<u>229</u>	<u>103</u>
Net assets attributable to unitholders*	5	<u>188,704</u>	<u>203,408</u>	<u>12,088</u>	<u>8,938</u>

*Net assets attributable to unitholders are classified as a financial liability at 30 June 2019.
 The above Statements of Financial Position should be read in conjunction with the accompanying notes.

Statements of Financial Position (continued)

	Notes	UBS IQ MSCI Europe Ethical ETF		UBS IQ MSCI Japan Ethical ETF	
		As at		As at	
		30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$	30 June 2018 \$
Assets					
Cash and cash equivalents	7	88	360	20,968	19,430
Receivables	10	548	59	107,083	119,269
Financial assets at fair value through profit or loss	8	15,306	11,029	5,668,473	4,517,394
Total assets		15,942	11,448	5,796,524	4,656,093
Liabilities					
Distributions payable	6	469	300	106,940	83,757
Payables	11	7	24	22,028	45,436
Financial liabilities at fair value through profit or loss	9	-	3	-	-
Total liabilities (excluding net assets attributable to unitholders)		476	327	128,968	129,193
Net assets attributable to unitholders*	5	15,466	11,121	5,667,556	4,526,900

*Net assets attributable to unitholders are classified as a financial liability at 30 June 2019.
The above Statements of Financial Position should be read in conjunction with the accompanying notes.

Statements of Financial Position (continued)

	Notes	UBS IQ MSCI USA Ethical ETF		UBS IQ MSCI World ex Australia Ethical ETF	
		As at		As at	
		30 June 2019	30 June 2018	30 June 2019	30 June 2018
		\$	\$	\$'000	\$'000
Assets					
Cash and cash equivalents	7	6,189	108,096	176	626
Receivables	10	220,866	30,351	916	189
Financial assets at fair value through profit or loss	8	<u>7,570,572</u>	<u>6,749,566</u>	<u>53,327</u>	<u>44,614</u>
Total assets		<u>7,797,627</u>	<u>6,888,013</u>	<u>54,419</u>	<u>45,429</u>
Liabilities					
Distributions payable	6	264,177	139,454	1,357	916
Payables	11	2,634	10,681	28	91
Financial liabilities at fair value through profit or loss	9	-	-	-	4
Total liabilities (excluding net assets attributable to unitholders)		<u>266,811</u>	<u>150,135</u>	<u>1,385</u>	<u>1,011</u>
Net assets attributable to unitholders*	5	<u>7,530,816</u>	<u>6,737,878</u>	<u>53,034</u>	<u>44,418</u>

*Net assets attributable to unitholders are classified as a financial liability at 30 June 2019.
The above Statements of Financial Position should be read in conjunction with the accompanying notes.

Statements of Financial Position (continued)

		UBS IQ Cash ETF	
		As at	
		30 June	30 June
		2019	2018
	Notes	\$	\$
Assets			
Cash and cash equivalents	7	6,019	7,699
Receivables	10	37	26
Financial assets at fair value through profit or loss	8	697,790	993,755
Total assets		<u>703,846</u>	<u>1,001,480</u>
Liabilities			
Distributions payable	6	1,502	1,579
Payables	11	234	199
Total liabilities (excluding net assets attributable to unitholders)		<u>1,736</u>	<u>1,778</u>
Net assets attributable to unitholders*	5	<u>702,110</u>	<u>999,702</u>

*Net assets attributable to unitholders are classified as a financial liability at 30 June 2019.
 The above Statements of Financial Position should be read in conjunction with the accompanying notes.

Statements of Changes in Equity

	UBS IQ Morningstar Australia Quality ETF		UBS IQ Morningstar Australia Dividend Yield ETF	
	Year ended		Year ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$	\$	\$	\$
Total equity at the beginning of the year/period	-	-	-	-
Profit/(loss) for the year/period attributable to unitholders	-	-	-	-
Other comprehensive income for the year/period attributable to unitholders	-	-	-	-
Total comprehensive income for the year/period attributable to unitholders	-	-	-	-
Transactions with owners in their capacity as owners	-	-	-	-
Total equity at the end of the year/period	-	-	-	-

In accordance with AASB 132 Financial Instruments: Presentation, net assets attributable to unitholders are classified as a liability rather than equity. As a result, there was no equity at the beginning and the end of the year.

Changes in net assets attributable to unitholders are disclosed in Note 5.

The above Statements of Changes in Equity should be read in conjunction with the accompanying notes.

Statements of Changes in Equity (continued)

	UBS IQ MSCI Australia Ethical ETF		UBS IQ MSCI Asia APEX 50 Ethical ETF	
	Year ended		Year ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$'000	\$'000	\$'000	\$'000
Total equity at the beginning of the year/period	-	-	-	-
Profit/(loss) for the year/period attributable to unitholders	-	-	-	-
Other comprehensive income for the year/period attributable to unitholders	-	-	-	-
Total comprehensive income for the year/period attributable to unitholders	-	-	-	-
Transactions with owners in their capacity as owners	-	-	-	-
Total equity at the end of the year/period	-	-	-	-

In accordance with AASB 132 Financial Instruments: Presentation, net assets attributable to unitholders are classified as a liability rather than equity. As a result, there was no equity at the beginning and the end of the year.

Changes in net assets attributable to unitholders are disclosed in Note 5.

The above Statements of Changes in Equity should be read in conjunction with the accompanying notes.

Statements of Changes in Equity (continued)

	UBS IQ MSCI Europe Ethical ETF		UBS IQ MSCI Japan Ethical ETF	
	Year ended		Year ended	
	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$	30 June 2018 \$
Total equity at the beginning of the year/period	-	-	-	-
Profit/(loss) for the year/period attributable to unitholders	-	-	-	-
Other comprehensive income for the year/period attributable to unitholders	-	-	-	-
Total comprehensive income for the year/period attributable to unitholders	-	-	-	-
Transactions with owners in their capacity as owners	-	-	-	-
Total equity at the end of the year/period	-	-	-	-

In accordance with AASB 132 Financial Instruments: Presentation, net assets attributable to unitholders are classified as a liability rather than equity. As a result, there was no equity at the beginning and the end of the year.

Changes in net assets attributable to unitholders are disclosed in Note 5.

The above Statements of Changes in Equity should be read in conjunction with the accompanying notes.

Statements of Changes in Equity (continued)

	UBS IQ MSCI USA Ethical ETF		UBS IQ MSCI World ex Australia Ethical ETF	
	Year ended		Year ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$	\$	\$'000	\$'000
Total equity at the beginning of the year/period	-	-	-	-
Profit/(loss) for the year/period attributable to unitholders	-	-	-	-
Other comprehensive income for the year/period attributable to unitholders	-	-	-	-
Total comprehensive income for the year/period attributable to unitholders	-	-	-	-
Transactions with owners in their capacity as owners	-	-	-	-
Total equity at the end of the year/period	-	-	-	-

In accordance with AASB 132 Financial Instruments: Presentation, net assets attributable to unitholders are classified as a liability rather than equity. As a result, there was no equity at the beginning and the end of the year.

Changes in net assets attributable to unitholders are disclosed in Note 5.

The above Statements of Changes in Equity should be read in conjunction with the accompanying notes.

Statements of Changes in Equity (continued)

	UBS IQ Cash ETF	
	Year ended 30 June 2019	For the reporting period from 27 April 2017 to 30 June 2018
	\$	\$
Total equity at the beginning of the year/period	-	-
Profit/(loss) for the year/period attributable to unitholders	-	-
Other comprehensive income for the year/period attributable to unitholders	-	-
Total comprehensive income for the year/period attributable to unitholders	-	-
Transactions with owners in their capacity as owners	-	-
Total equity at the end of the year/period	-	-

In accordance with AASB 132 Financial Instruments: Presentation, net assets attributable to unitholders are classified as a liability rather than equity. As a result, there was no equity at the beginning and the end of the year.

Changes in net assets attributable to unitholders are disclosed in Note 5.

The above Statements of Changes in Equity should be read in conjunction with the accompanying notes.

Statements of Cash Flows

	UBS IQ Morningstar Australia Quality ETF		UBS IQ Morningstar Australia Dividend Yield ETF	
	Year ended		Year ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Notes	\$	\$	\$	\$
Cash flows from operating activities				
Proceeds from sale of financial instruments at fair value through profit or loss	4,235,475	7,186,511	5,141,063	9,234,274
Purchase of financial instruments at fair value through profit or loss	(4,395,084)	(7,367,721)	(5,351,927)	(9,819,162)
Dividends/Trust distributions received	351,205	743,427	497,998	1,257,434
Interest received	34	13	41	-
Net foreign exchange gains/(losses)	-	-	-	-
Other income received	92	584	3,628	164
Responsible Entity's fees paid	(23,884)	(47,070)	(29,096)	(77,320)
Payments for other expenses	(843)	(4,277)	(4,182)	(4,589)
Net cash inflows/(outflows) from operating activities	166,995	511,467	257,525	590,801
18(a)				
Cash flows from financing activities				
Proceeds from applications by unitholders(i)	-	-	2	-
Payments for redemptions by unitholders(i)	(42)	-	(418)	-
Distributions paid	(284,807)	(549,879)	(480,243)	(317,275)
Net cash inflows/(outflows) from financing activities	(284,849)	(549,879)	(480,659)	(317,275)
Net increase/(decrease) in cash and cash equivalents				
	(117,854)	(38,412)	(223,134)	273,526
Cash and cash equivalents at the beginning of the year/period	261,616	300,028	378,417	104,891
Cash and cash equivalents at the end of the year/period	143,762	261,616	155,283	378,417
18(b)				

(i) Refer to Note 5 for non-cash applications and redemptions, where applicable.

The above Statements of Cash Flows should be read in conjunction with the accompanying notes.

Statements of Cash Flows (continued)

	Notes	UBS IQ MSCI Australia Ethical ETF		UBS IQ MSCI Asia APEX 50 Ethical ETF	
		Year ended 30 June 2019 \$'000	30 June 2018 \$'000	Year ended 30 June 2019 \$'000	30 June 2018 \$'000
Cash flows from operating activities					
Proceeds from sale of financial instruments at fair value through profit or loss		7,673	4,542	756	3,661
Purchase of financial instruments at fair value through profit or loss		(16,564)	(11,820)	(3,921)	(8,367)
Dividends/Trust distributions received		10,373	7,799	237	128
Interest received		2	2	-	-
Net foreign exchange gains/(losses)		-	-	(8)	(37)
Other income received		5	-	7	24
Responsible Entity's fees paid		(320)	(303)	(49)	(32)
Payments for other expenses		(5)	(4)	(6)	(13)
Net cash inflows/(outflows) from operating activities	18(a)	1,164	216	(2,984)	(4,636)
Cash flows from financing activities					
Proceeds from applications by unitholders(i)		2	-	3,004	7,904
Payments for redemptions by unitholders(i)		(37)	(10)	-	(3,187)
Distributions paid		(384)	(223)	(82)	(14)
Net cash inflows/(outflows) from financing activities		(419)	(233)	2,922	4,703
Net increase/(decrease) in cash and cash equivalents		745	(17)	(62)	67
Cash and cash equivalents at the beginning of the year/period		447	464	73	6
Cash and cash equivalents at the end of the year/period	18(b)	1,192	447	11	73

(i) Refer to Note 5 for non-cash applications and redemptions, where applicable.

The above Statements of Cash Flows should be read in conjunction with the accompanying notes.

Statements of Cash Flows (continued)

	Notes	UBS IQ MSCI Europe Ethical ETF Year ended		UBS IQ MSCI Japan Ethical ETF Year ended	
		30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$	30 June 2018 \$
Cash flows from operating activities					
Proceeds from sale of financial instruments at fair value through profit or loss		475	745	207,354	92,770
Purchase of financial instruments at fair value through profit or loss		(4,345)	(3,504)	(1,357,225)	(1,035,184)
Dividends/Trust distributions received		395	278	111,633	76,078
Interest received		-	-	-	-
Net foreign exchange gains/(losses)		18	14	(1,764)	10,951
Other income received		7	6	-	-
Responsible Entity's fees paid		(50)	(39)	(19,722)	(15,973)
Payments for other expenses		(6)	(8)	(23)	(195)
Net cash inflows/(outflows) from operating activities	18(a)	(3,506)	(2,508)	(1,059,747)	(871,553)
Cash flows from financing activities					
Proceeds from applications by unitholders(i)		3,514	2,978	1,138,230	919,471
Payments for redemptions by unitholders(i)		-	-	-	-
Distributions paid		(280)	(182)	(77,074)	(44,029)
Net cash inflows/(outflows) from financing activities		3,234	2,796	1,061,156	875,442
Net increase/(decrease) in cash and cash equivalents		(272)	288	1,409	3,889
Cash and cash equivalents at the beginning of the year/period		360	72	19,430	15,436
Effects of foreign exchange rate changes on cash and cash equivalents		-	-	129	105
Cash and cash equivalents at the end of the year/period	18(b)	88	360	20,968	19,430

(i) Refer to Note 5 for non-cash applications and redemptions, where applicable.

The above Statements of Cash Flows should be read in conjunction with the accompanying notes.

Statements of Cash Flows (continued)

	Notes	UBS IQ MSCI USA Ethical ETF		UBS IQ MSCI World ex Australia Ethical ETF	
		Year ended 30 June 2019 \$	30 June 2018 \$	Year ended 30 June 2019 \$'000	30 June 2018 \$'000
Cash flows from operating activities					
Proceeds from sale of financial instruments at fair value through profit or loss		266,325	352,612	1,373	6,835
Purchase of financial instruments at fair value through profit or loss		(346,360)	(226,429)	(5,948)	(8,423)
Dividends/Trust distributions received		119,895	100,236	1,017	857
Interest received		-	-	1	-
Net foreign exchange gains/(losses)		1,139	902	-	(44)
Other income received		1,083	466	5	4
Responsible Entity's fees paid		(14,224)	(12,395)	(171)	(150)
Payments for other expenses		(3,294)	(277)	(83)	(1)
Net cash inflows/(outflows) from operating activities	18(a)	24,564	215,115	(3,806)	(922)
Cash flows from financing activities					
Proceeds from applications by unitholders(i)		-	-	3,890	6,756
Payments for redemptions by unitholders(i)		-	-	-	(5,000)
Distributions paid		(126,410)	(114,650)	(535)	(341)
Net cash inflows/(outflows) from financing activities		(126,410)	(114,650)	3,355	1,415
Net increase/(decrease) in cash and cash equivalents					
Cash and cash equivalents at the beginning of the year/period		108,096	7,570	626	132
Effects of foreign exchange rate changes on cash and cash equivalents		(61)	61	1	1
Cash and cash equivalents at the end of the year/period	18(b)	6,189	108,096	176	626

(i) Refer to Note 5 for non-cash applications and redemptions, where applicable.

The above Statements of Cash Flows should be read in conjunction with the accompanying notes.

Statements of Cash Flows (continued)

		UBS IQ Cash ETF	
		Year ended 30 June 2019	For the reporting period from 27 April 2017 to 30 June 2018
Notes	\$	\$	\$
Cash flows from operating activities			
		321,728	-
		-	(973,890)
		65	26
		<u>(2,183)</u>	<u>(1,806)</u>
18(a)		<u>319,610</u>	<u>(975,670)</u>
Cash flows from financing activities			
		2,502,738	1,000,000
		(2,803,587)	-
		<u>(20,441)</u>	<u>(16,631)</u>
		<u>(321,290)</u>	<u>983,369</u>
		(1,680)	7,699
		<u>7,699</u>	<u>-</u>
18(b)		<u>6,019</u>	<u>7,699</u>

(i) Refer to Note 5 for non-cash applications and redemptions, where applicable.

The above Statements of Cash Flows should be read in conjunction with the accompanying notes.

1 General Information

These financial statements cover the UBS IQ Morningstar Australia Quality ETF, UBS IQ Morningstar Australia Dividend Yield ETF, UBS IQ MSCI Australia Ethical ETF, UBS IQ MSCI Asia APEX 50 Ethical ETF, UBS IQ MSCI Europe Ethical ETF, UBS IQ MSCI Japan Ethical ETF, UBS IQ MSCI USA Ethical ETF, UBS IQ MSCI World ex Australia Ethical ETF and UBS IQ Cash ETF ("the Funds") as individual entities.

The Responsible Entity of the Funds is UBS Asset Management (Australia) Ltd ("the Responsible Entity"). The Responsible Entity's registered office is located at Level 16 Chifley Tower, 2 Chifley Square, Sydney NSW 2000. The Responsible Entity is incorporated and domiciled in Australia.

The financial statements of the Funds for the year ended 30 June 2019 were authorised for issue in accordance with a resolution of the directors of the Responsible Entity dated 12 September 2019. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

The financial statements are presented in Australian dollars.

On 5 May 2016, the Attribution Managed Investment Trust "AMIT" regime, applying to Managed Investment Trusts ("MITs") was established under the Tax Laws Amendment (New Tax System for Managed Investment Trusts) Act 2016. With its introduction, the Responsible Entity has modified the Funds' Constitutions to facilitate each Fund's operation under the new AMIT regime. The Responsible Entity has elected for the AMIT Regime to apply to the Funds from the 2017/2018 financial reporting period via the lodgement of the Funds' tax returns. As at 30 June 2018, the Funds met the conditions to be an AMIT and reassessed the other criteria in AASB 132 *Financial Instruments: Presentation* for classifying unitholders' funds. The Funds had determined that the units should continue to be classified as financial liabilities on 30 June 2019 as they do not meet the criteria under AASB 132 *Financial Instruments: Presentation* to be classified as equity.

UBS IQ Cash ETF is no longer satisfied as an AMIT Fund. The Fund does not satisfy the widely held test for a MIT Fund (50 members for a retail trust) and the two years startup exemption has elapsed (ended 25 May 2019).

See Note 2 for further information.

The Funds contain two classes which are equally subordinate but not identical (one class is quoted and traded on the AQUA market and the other class is unquoted and available to wholesale investors only). Though both classes have applied the same management fee rate during the year, management fees can be varied by the Responsible Entity, and therefore, contractually, the fee rates may differ and the return that the members in each class receive on liquidation may also differ. Therefore, as there are different obligations per each class, the Responsible Entity has a contractual obligation to make distribution, and therefore the liability classification has been retained.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years/period presented, unless otherwise stated.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001* in Australia.

The Funds are for-profit funds for the purpose of preparing the financial statements.

The financial statements are prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

The Statement of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be recovered or settled within twelve months, except for investments in financial assets, financial liabilities at fair value through profit or loss and net assets attributable to unitholders. The amount expected to be recovered or settled within twelve months after the end of the reporting period cannot be reliably determined.

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

(i) Compliance with Australian Accounting Standards and International Financial Reporting Standards (IFRS)

The financial statements of the Funds comply with Australian Accounting Standards as issued by the Australian Accounting Standards Board and also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

(b) New accounting standards and interpretations

The Funds apply, for the first time, AASB 9 *Financial Instruments* and AASB 15 *Revenue from Contracts with Customers*. Accounting implications resulting from the application AASB9 and AASB15 are disclosed below.

- AASB 9 *Financial Instruments*

AASB 9 *Financial Instruments* became effective for financial years commencing on or after 1 January 2018. AASB 9 replaces AASB 139 *Financial Instruments: Recognition and Measurement*, including the following three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting.

(i) Classification and measurement

Classification and measurement of debt securities is driven by the Funds' business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

A debt instrument is measured at amortised cost if the objective of the business model is to hold the financial asset for the collection of the contractual cash flows and the contractual cash flows under the instrument represent solely payments of principal and interest (SPPI).

A debt instrument is measured at fair value through other comprehensive income if the objective of the business model is to hold the financial asset both to collect contractual cash flows from SPPI and to sell.

All other debt instruments must be recognised at fair value through profit or loss. A Fund may however, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

Derivative and equity instruments are measured at fair value through profit or loss unless, for equity instruments not held for trading, an irrevocable option is taken to measure at fair value through other comprehensive income.

Assets

The Funds classify their investments based on their business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The Funds' portfolio of financial assets is managed and performance is evaluated on a fair value basis in accordance with the Funds' documented investment strategy that the business model is held for sale. The Responsible Entity evaluates the information about these financial assets on a fair value basis together with other related financial information.

For equity securities and derivatives such as futures and foreign currency contracts, the contractual cash flows of these instruments do not represent solely payments of principal and interest. Consequently, these investments are measured at fair value through profit or loss.

The Funds hold equity securities and unit trusts which had previously been designated at fair value through profit or loss. There is no impact from adoption of AASB 9 as these securities are now mandatorily classified as fair value through profit or loss.

The Funds hold derivatives which had previously been held for trading and measured at fair value through profit or loss. There is no impact from adoption of AASB 9 as these securities are now mandatorily classified as fair value through profit or loss.

2 Summary of significant accounting policies (continued)

(b) New accounting standards and interpretations (continued)

(i) Classification and measurement (continued)

For other receivables and payables, including amounts due to/from brokers, these balances are classified at amortised cost as they are deemed to be held in a business model with the objective to collect contractual cash flows through to maturity, and whose terms meet the SPPI criterion by virtue of the fact that payments pertain to only principal and/or simple interest and have a maturity of less than 12 months.

Liabilities

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

The Funds hold derivatives which had previously been held for trading. On adoption of AASB 9 these securities are mandatorily classified as fair value through profit or loss.

Measurement

At initial recognition, the Funds measure financial assets and financial liabilities at fair value, plus in the case of a financial asset or liability not measured at fair value through profit or loss, transaction costs.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the financial assets or financial liabilities at fair value through profit or loss category are presented in the Statement of Comprehensive Income within 'Net gains/(losses) on financial instruments at fair value through profit or loss' in the period in which they arise.

For further details on how the fair values of financial instruments are determined please see Note 15 of the financial statements.

Subsequent to initial recognition, financial assets and liabilities measured at amortised cost will use the effective interest rate method and are presented net of provisions for impairment.

(ii) Impairment

AASB 9 also introduces a new expected credit loss (ECL) approach to recognise and measure impairment, which replaces AASB 139's incurred loss approach. AASB 9 require the Funds to record an allowance for ECLs for all financial assets not at fair value through profit or loss.

The ECL approach is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Funds expect to receive. The shortfall is then discounted at the asset's original effective interest rate.

For receivables, due from brokers, margin accounts and applications receivable, the Funds have applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses.

The Funds consider a financial asset in default when contractual payment are 90 days past due. However, in certain cases, the Funds may also consider a financial asset to be in default when internal or external information indicates that the Funds are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Funds.

There was no material impact to the Funds upon adoption of the ECL requirements of AASB 9.

(iii) Hedge accounting

The Funds do not apply hedge accounting.

(iv) Derecognition

Accounting for derecognition of financial instruments remain unchanged from the requirements of AASB 139.

- AASB 15 Revenue from Contracts with Customers

2 Summary of significant accounting policies (continued)

(b) New accounting standards and interpretations (continued)

(iv) Derecognition (continued)

AASB 15 replaces AASB 118 *Revenue* which covers contracts for goods and services and AASB 111 *Construction Contracts* which covers construction contracts. AASB 15 is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The notion of control replaces the existing notion of risks and rewards.

The Funds' main sources of income include interest, dividend/distribution and gains on financial instruments at fair value through profit or loss. All of these are outside the scope of the new revenue standard. As a consequence, the adoption of AASB 15 does not have a significant impact on the Funds' accounting policies or the amounts recognised in the financial statements.

(c) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(d) Investment entities

Funds that meet the definition of an investment entity within AASB 10 are required to measure their subsidiaries at fair value through profit or loss rather than consolidate them. The criteria which define an investment entity are, as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

The Board of Directors of the Responsible Entity ("The Board") has concluded that the Funds meet the additional characteristics of an investment entity, in that it has more than one investment; the investments are predominantly in the form of equities and similar securities; it has more than one investor.

The Board has also concluded that the Funds meet the definition of an investment entity. These conclusions will be reassessed on an annual basis, if any of these criteria or characteristics change.

(e) Net assets attributable to unitholders

Units are redeemable at the unitholders' option, however, applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unitholders.

The units can be put back to the Funds at any time for cash based on the redemption price, which is equal to a proportionate share of the Funds' net asset value attributable to the unitholders.

The units are carried at the redemption amount that is payable at balance sheet date if the holder exercises the right to put the unit back to the Funds. This amount represents the expected cash flows on redemption of these units.

Units are classified as equity when they satisfy the following criteria under AASB 132 *Financial Instruments: Presentation*:

- the puttable financial instrument entitles the holder to a pro-rata share of net assets in the event of the Funds' liquidation;
- the puttable financial instrument is in the class of instruments that is subordinate to all other classes of instruments and class features are identical;

2 Summary of significant accounting policies (continued)

(e) Net assets attributable to unitholders (continued)

- the puttable financial instrument does not include any contractual obligations to deliver cash or another financial asset, or to exchange financial instruments with another entity under potentially unfavourable conditions to the Funds, and it is not a contract settled in the Fund's own equity instruments; and
- the total expected cash flows attributable to the puttable financial instrument over the life are based substantially on the profit or loss.

(f) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks or other financial institutions and margin accounts. Margin accounts comprise cash held as collateral for derivative transactions. The cash pertinent to the margin accounts is held by the broker and is only available to meet margin calls.

(g) Investment income

Interest income and expense is recognised in the Statement of Comprehensive Income for all debt instruments using the effective interest method.

Interest income on discount securities include both interest on maturity and any realized gains/(losses) on discount securities component.

Interest income on discount securities is calculated as the difference between the purchase price and face value on maturity of a security.

Dividend income is recognised on the ex-dividend date when the Funds' right to receive the payment is established and dividend revenue is presented gross of withholding tax in the Statement of Comprehensive Income.

Trust distributions are recognised on a present entitlement basis.

(h) Expenses

All expenses, including Responsible Entity's fees and other expenses, which include dividend withholding tax, are recognised in the Statement of Comprehensive Income on an accruals basis.

(i) Income tax

Under current legislation, the Funds are not subject to income tax as unitholders are presently entitled to the income of the Funds and the Funds fully distributes their net taxable income.

(j) Distributions

In accordance with the Funds' Constitutions, the Funds fully distribute their income adjusted for amounts determined by the Responsible Entity, to unitholders by cash or reinvestment. The distributions are recognised in the Statement of Comprehensive Income as finance costs attributable to unitholders.

(k) Increase/decrease in net assets attributable to unitholders

Income not distributed is included in the net assets attributable to the unitholders. Where the Funds' units are classified as liabilities, movements in net assets attributable to unitholders are recognized in profit or loss as finance costs.

2 Summary of significant accounting policies (continued)

(l) Foreign currency translation

(i) Functional and presentation currency

Items included in the Funds' financial statements are measured using the currency of the primary economic environment in which it operates ("the functional currency"). This is the Australian dollar, which reflects the currency of the economy in which the Funds compete for funds and is regulated. The Australian dollar is also the Funds' presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined. Translation differences on assets and liabilities carried at fair value are reported in the Statement of Comprehensive Income on a net basis within net gains/(losses) on financial instruments at fair value through profit or loss.

(m) Receivables

Receivables may include income receivable and amounts are generally received within 30 days of being recorded as receivables.

Trades are recorded on trade date and normally settled within three business days. Sales of securities and investments that are unsettled at the end of the financial year, are included in receivables.

Accrued income may include amounts for dividends, trust distributions and interest.

Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the end of the year from the time of last payment.

(n) Payables

Payables include liabilities and accrued expenses owing by the Funds which are unpaid as at the end of the year.

Trades are recorded on trade date and normally settled within three business days. Purchases of securities and investments that are unsettled at the end of the financial year are included in payables.

The distribution amount payable to unitholders as at the end of the year is recognised separately on the Statement of Financial Position as unitholders are presently entitled to the distributable income under the Funds' Constitutions.

(o) Applications and redemptions

Application amounts may be in the form of a parcel of quoted securities transferred through Clearing House Electronic Subregister System (CHESS) or can be paid in cash. The parcel of securities related to in-specie applications generally reflect the characteristics of the Funds' underlying Indexes. Investors may purchase units by trading on the Australian Securities Exchange (ASX).

Applications for Units in a Fund may only be made by Authorised Participants, acting as principal. Unitholders may only redeem Units if they are an Authorised Participant acting as principal and are a Qualifying Australian Resident as defined in the Product Disclosure Statement. Investors may sell units by trading on the ASX.

Unit redemption price is determined by reference to the net assets of the Funds divided by the number of units on issue. For unit pricing purposes, net assets are determined using the last reported trade price for securities. These prices may differ from the market price quoted on the ASX.

2 Summary of significant accounting policies (continued)

(p) Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Funds by third parties have been passed on to the Funds. The Funds qualifies for Reduced Input Tax Credits (RITC) at a rate of 55% to 75%. Hence, the costs have been recognised in the Statement of Comprehensive Income net of the amount of GST recoverable from the Australian Taxation Office (ATO).

Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the Statement of Financial Position.

Cash flows relating to GST are included in the Statement of Cash Flow on a gross basis.

(q) Use of estimates

The Funds makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. No significant estimates were used in the preparation of these financials.

(r) Segment reporting

A business segment is identified for a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is identified when products or services are provided within a particular economic environment subject to risks and returns that are different from those of segments operating in other economic environments.

The Board of the Responsible Entity reviews performance of the segments against the performance of the Funds' benchmark.

(s) Comparative information

Where appropriate, comparative disclosures have been reclassified/amended to be consistent with the current year's presentation. Such reclassifications/amendments have not significantly affected the Statement of Comprehensive Income or Statement of Financial Position.

(t) Rounding of amounts

The Funds are entities of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission (ASIC) relating to the "rounding off" of amounts in the financial statements. For UBS IQ MSCI Australia Ethical ETF, UBS IQ MSCI Asia APEX 50 Ethical ETF, UBS IQ MSCI Europe Ethical ETF and UBS IQ MSCI World ex Australia Ethical ETF, amounts in the financial statements have been rounded to the nearest thousand dollars in accordance with that ASIC Instrument, unless otherwise indicated. For UBS IQ Morningstar Australia Quality ETF, UBS IQ Morningstar Australia Dividend Yield ETF, UBS IQ MSCI Japan Ethical ETF, UBS IQ MSCI USA Ethical ETF and UBS IQ Cash ETF, amounts in the financial statements have been rounded to the nearest dollar in accordance with that ASIC Instrument, unless otherwise indicated.

3 Auditor's remuneration

During the year the following professional fees were paid or payable by the Responsible Entity for services provided by the auditor of the Funds.

	UBS IQ Morningstar Australia Quality ETF		UBS IQ Morningstar Australia Dividend Yield ETF	
	Year ended		Year ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$	\$	\$	\$
Assurance services				
<i>Ernst & Young</i>				
Audit and review of financial statements	14,900	14,900	14,900	14,900
Audit of compliance plan	1,742	1,652	1,742	1,652
Total remuneration for assurance services	16,642	16,552	16,642	16,552

	UBS IQ MSCI Australia Ethical ETF		UBS IQ MSCI Asia APEX 50 Ethical ETF	
	Year ended		Year ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$	\$	\$	\$
Assurance services				
<i>Ernst & Young</i>				
Audit and review of financial statements	14,900	14,900	14,900	14,900
Audit of compliance plan	1,742	1,652	1,742	1,652
Total remuneration for assurance services	16,642	16,552	16,642	16,552

	UBS IQ MSCI Europe Ethical ETF		UBS IQ MSCI Japan Ethical ETF	
	Year ended		Year ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$	\$	\$	\$
Assurance services				
<i>Ernst & Young</i>				
Audit and review of financial statements	14,900	14,900	14,900	14,900
Audit of compliance plan	1,742	1,652	1,742	1,652
Total remuneration for assurance services	16,642	16,552	16,642	16,552

3 Auditor's remuneration (continued)

	UBS IQ MSCI USA Ethical ETF		UBS IQ MSCI World ex Australia Ethical ETF	
	Year ended		Year ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$	\$	\$	\$
Assurance services				
<i>Ernst & Young</i>				
Audit and review of financial statements	14,900	14,900	14,900	14,900
Audit of compliance plan	1,742	1,652	1,742	1,652
Total remuneration for assurance services	16,642	16,552	16,642	16,552

	UBS IQ Cash ETF	
	Year ended 30 June 2019	For the reporting period from 27 April 2017 to 30 June 2018
	\$	\$
Assurance services		
<i>Ernst & Young</i>		
Audit and review of financial statements	10,400	10,400
Audit of compliance plan	1,742	3,256
Total remuneration for assurance services	12,142	13,656

4 Net gains/(losses) on financial instruments at fair value through profit or loss

	UBS IQ Morningstar Australia Quality ETF		UBS IQ Morningstar Australia Dividend Yield ETF	
	Year ended		Year ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$	\$	\$	\$
Net gains/(losses) on financial instruments at fair value through profit or loss	385,900	(231,344)	451,626	(542,940)
Total net gains/(losses) on financial instruments at fair value through profit or loss	385,900	(231,344)	451,626	(542,940)

4 Net gains/(losses) on financial instruments at fair value through profit or loss (continued)

	UBS IQ MSCI Australia Ethical ETF		UBS IQ MSCI Asia APEX 50 Ethical ETF	
	Year ended		Year ended	
	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000
Net gains/(losses) on financial instruments at fair value through profit or loss	<u>12,264</u>	<u>15,104</u>	<u>134</u>	<u>355</u>
Total net gains/(losses) on financial instruments at fair value through profit or loss	<u>12,264</u>	<u>15,104</u>	<u>134</u>	<u>355</u>

	UBS IQ MSCI Europe Ethical ETF		UBS IQ MSCI Japan Ethical ETF	
	Year ended		Year ended	
	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$	30 June 2018 \$
Net gains/(losses) on financial instruments at fair value through profit or loss	<u>861</u>	<u>562</u>	<u>11,767</u>	<u>435,010</u>
Total net gains/(losses) on financial instruments at fair value through profit or loss	<u>861</u>	<u>562</u>	<u>11,767</u>	<u>435,010</u>

	UBS IQ MSCI USA Ethical ETF		UBS IQ MSCI World ex Australia Ethical ETF	
	Year ended		Year ended	
	30 June 2019 \$	30 June 2018 \$	30 June 2019 \$'000	30 June 2018 \$'000
Net gains/(losses) on financial instruments at fair value through profit or loss	<u>940,499</u>	<u>990,423</u>	<u>4,822</u>	<u>5,522</u>
Total net gains/(losses) on financial instruments at fair value through profit or loss	<u>940,499</u>	<u>990,423</u>	<u>4,822</u>	<u>5,522</u>

4 Net gains/(losses) on financial instruments at fair value through profit or loss (continued)

	UBS IQ Cash ETF	
	Year ended 30 June 2019 \$	For the reporting period from 27 April 2017 to 30 June 2018 \$
Net gains/(losses) on financial instruments at fair value through profit or loss	2,024	(485)
Total net gains/(losses) on financial instruments at fair value through profit or loss	2,024	(485)

5 Net assets attributable to unitholders

Movements in the number of units and net assets attributable to unitholders during the year were as follows:

	Year ended			
	30 June 2019 No.	30 June 2018 No.	30 June 2019 \$	30 June 2018 \$
UBS IQ Morningstar Australia Quality ETF				
Net assets attributable to unitholders - quoted class				
Opening balance	410,483	1,351,517	8,361,714	27,460,668
Redemptions*	(50,000)	(950,000)	(923,707)	(19,026,399)
Units issued upon reinvestment of distributions	2,713	8,966	52,148	183,992
Increase/(decrease) in net assets attributable to unitholders	-	-	360,393	(256,547)
Closing balance	363,196	410,483	7,850,548	8,361,714
Total net assets attributable to unitholders			7,850,548	8,361,714

5 Net assets attributable to unitholders (continued)

UBS IQ Morningstar Australia Dividend Yield ETF	30 June	Year ended		30 June
	2019	30 June	30 June	2018
	No.	No.	\$	\$
Net assets attributable to unitholders - quoted class				
Opening balance	547,447	1,356,749	11,102,900	27,548,842
Applications*	50,000	50,000	936,100	1,014,552
Redemptions*	(150,000)	(900,000)	(2,890,234)	(17,653,187)
Units issued upon reinvestment of distributions	6,276	40,698	124,365	812,848
Increase/(decrease) in net assets attributable to unitholders	-	-	430,440	(620,155)
Closing balance	453,723	547,447	9,703,571	11,102,900
Total net assets attributable to unitholders			9,703,571	11,102,900

UBS IQ MSCI Australia Ethical ETF	30 June	Year ended		30 June
	2019	30 June	30 June	2018
	No. '000	No. '000	\$'000	\$'000
Net assets attributable to unitholders - quoted class				
Opening balance	9,752	8,289	203,408	159,456
Applications*	100	1,625	2,060	31,900
Redemptions*	(1,700)	(500)	(35,444)	(10,117)
Units issued upon reinvestment of distributions	404	338	7,798	6,716
Increase/(decrease) in net assets attributable to unitholders	-	-	10,882	15,453
Closing balance	8,556	9,752	188,704	203,408
Total net assets attributable to unitholders			188,704	203,408

5 Net assets attributable to unitholders (continued)

	30 June 2019 No. '000	Year ended		30 June 2018 \$'000
		30 June 2018 No. '000	30 June 2019 \$'000	
UBS IQ MSCI Asia APEX 50 Ethical ETF				
Net assets attributable to unitholders - quoted class				
Opening balance	350	175	8,938	3,870
Applications	120	300	3,004	7,904
Redemptions	-	(125)	-	(3,187)
Units issued upon reinvestment of distributions	-	-	10	-
Increase/(decrease) in net assets attributable to unitholders	-	-	136	351
Closing balance	470	350	12,088	8,938
Total net assets attributable to unitholders			12,088	8,938

	30 June 2019 No. '000	Year ended		30 June 2018 \$'000
		30 June 2018 No. '000	30 June 2019 \$'000	
UBS IQ MSCI Europe Ethical ETF				
Net assets attributable to unitholders - quoted class				
Opening balance	517	376	11,121	7,578
Applications	170	140	3,514	2,978
Units issued upon reinvestment of distributions	1	1	20	13
Increase/(decrease) in net assets attributable to unitholders	-	-	811	552
Closing balance	688	517	15,466	11,121
Total net assets attributable to unitholders			15,466	11,121

	30 June 2019 No.	Year ended		30 June 2018 \$
		30 June 2018 No.	30 June 2019 \$	
UBS IQ MSCI Japan Ethical ETF				
Net assets attributable to unitholders - quoted class				
Opening balance	190,436	150,224	4,526,900	3,178,178
Applications	50,000	40,000	1,138,230	919,471
Units issued upon reinvestment of distributions	284	212	6,683	4,472
Increase/(decrease) in net assets attributable to unitholders	-	-	(4,257)	424,779
Closing balance	240,720	190,436	5,667,556	4,526,900
Total net assets attributable to unitholders			5,667,556	4,526,900

5 Net assets attributable to unitholders (continued)

	30 June 2019 No.	Year ended		30 June 2018 No.
		30 June 2019 \$	30 June 2018 \$	
UBS IQ MSCI USA Ethical ETF				
Net assets attributable to unitholders - quoted class				
Opening balance	250,398	250,147	6,737,878	5,790,727
Units issued upon reinvestment of distributions	479	251	13,044	5,842
Increase/(decrease) in net assets attributable to unitholders	-	-	779,894	941,309
Closing balance	250,877	250,398	7,530,816	6,737,878
Total net assets attributable to unitholders			7,530,816	6,737,878

	30 June 2019 No. '000	Year ended		30 June 2018 No. '000
		30 June 2019 \$'000	30 June 2018 \$'000	
UBS IQ MSCI World ex Australia Ethical ETF				
Net assets attributable to unitholders - quoted class				
Opening balance	1,162	875	29,175	19,429
Applications	150	285	3,858	6,719
Units issued upon reinvestment of distributions	3	2	67	35
Increase/(decrease) in net assets attributable to unitholders	-	-	2,923	2,992
Closing balance	1,315	1,162	36,023	29,175
Net assets attributable to unitholders - Unquoted class				
Opening balance	607	791	15,243	17,545
Applications	1	1	32	37
Redemptions	-	(200)	-	(5,000)
Units issued upon reinvestment of distributions	13	15	314	339
Increase/(decrease) in net assets attributable to unitholders	-	-	1,422	2,322
Closing balance	621	607	17,011	15,243
Total net assets attributable to unitholders			53,034	44,418

5 Net assets attributable to unitholders (continued)

	30 June 2019		30 June 2019	
	No.	For the reporting period from 27 April 2017 to 30 June 2018	\$	For the reporting period from 27 April 2017 to 30 June 2018
	No.	No.	\$	\$
UBS IQ Cash ETF				
Net assets attributable to unitholders - Quoted class				
Opening balance	50,009	-	999,702	-
Applications	125,000	50,000	2,502,738	1,000,000
Redemptions	(140,000)	-	(2,803,587)	-
Units issued upon reinvestment of distributions	71	9	1,421	180
Increase/(decrease) in net assets attributable to unitholders	-	-	1,836	(478)
Closing balance	35,080	50,009	702,110	999,702
Total net assets attributable to unitholders			702,110	999,702

* These are non-cash applications and redemptions through assets transfer in-specie.

As stipulated within the relevant Funds' Constitutions and the Product Disclosure Statements, each unit in the Funds confers an equal undivided interest in the relevant Class Assets and subject to the liabilities applicable to that unit or class. A unit does not confer an interest in a particular asset. All units in a Class rank equally and each class is a separate class of interests for the purposes of the *Corporations Act 2001*.

Capital risk management

The Funds manage their net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders can change significantly on a daily basis as the Funds are subject to daily applications and redemptions at the discretion of unitholders. The Funds monitor the level of daily applications and redemptions relative to the liquid assets in the Funds.

Two classes of units in the Funds may be offered. One class that is quoted and traded on the AQUA market of the ASX. This is reflected in the current Product Disclosure Statements. The other class is an unquoted class that is available to wholesale investors only. The UBS IQ MSCI World ex Australia Ethical ETF is the only Fund having unquoted class of investors with an outstanding balance of \$17,010,603 as at 30 June 2019 (\$15,243,514 at 30 June 2018).

6 Distributions to unitholders

The distributions for the year were paid/payable as follows:

	Year ended			
	30 June 2019	30 June 2019	30 June 2018	30 June 2018
UBS IQ Morningstar Australia Quality ETF	\$	CPU	\$	CPU
Distributions - quoted class				
11 October	-	-	294,497	21.67
31 December	197,339	47.93	155,211	30.47
30 June (payable)	156,820	43.18	139,616	34.01
	<u>354,159</u>	<u>91.11</u>	<u>589,324</u>	<u>86.15</u>
Total distributions	<u>354,159</u>		<u>589,324</u>	

	Year ended			
	30 June 2019	30 June 2019	30 June 2018	30 June 2018
UBS IQ Morningstar Australia Dividend Yield ETF	\$	CPU	\$	CPU
Distributions - quoted class				
30 September	124,577	24.91	475,476	33.59
31 December	84,089	18.63	153,877	11.54
31 March	142,373	31.47	263,242	19.67
30 June (payable)	155,978	34.38	253,569	46.32
	<u>507,017</u>	<u>109.39</u>	<u>1,146,164</u>	<u>111.12</u>
Total distributions	<u>507,017</u>		<u>1,146,164</u>	

	Year ended			
	30 June 2019	30 June 2019	30 June 2018	30 June 2018
UBS IQ MSCI Australia Ethical ETF	\$'000	CPU	\$'000	CPU
Distributions - quoted class				
31 December	5,399	59.46	4,754	54.35
30 June (payable)	5,392	63.02	2,783	28.54
	<u>10,791</u>	<u>122.48</u>	<u>7,537</u>	<u>82.89</u>
Total distributions	<u>10,791</u>		<u>7,537</u>	

6 Distributions to unitholders (continued)

	30 June 2019 \$'000	Year ended		30 June 2018 CPU
		30 June 2019 CPU	30 June 2018 \$'000	
UBS IQ MSCI Asia APEX 50 Ethical ETF				
Distributions - quoted class				
30 June (payable)	<u>211</u>	<u>44.84</u>	<u>92</u>	<u>26.20</u>
	<u>211</u>	<u>44.84</u>	<u>92</u>	<u>26.20</u>
Total distributions	<u>211</u>		<u>92</u>	

	30 June 2019 \$'000	Year ended		30 June 2018 CPU
		30 June 2019 CPU	30 June 2018 \$'000	
UBS IQ MSCI Europe Ethical ETF				
Distributions - quoted class				
30 June (payable)	<u>469</u>	<u>68.20</u>	<u>300</u>	<u>58.10</u>
	<u>469</u>	<u>68.20</u>	<u>300</u>	<u>58.10</u>
Total distributions	<u>469</u>		<u>300</u>	

	30 June 2019 \$	Year ended		30 June 2018 CPU
		30 June 2019 CPU	30 June 2018 \$	
UBS IQ MSCI Japan Ethical ETF				
Distributions - quoted class				
30 June (payable)	<u>106,940</u>	<u>44.42</u>	<u>83,757</u>	<u>43.98</u>
	<u>106,940</u>	<u>44.42</u>	<u>83,757</u>	<u>43.98</u>
Total distributions	<u>106,940</u>		<u>83,757</u>	

	30 June 2019 \$	Year ended		30 June 2018 CPU
		30 June 2019 CPU	30 June 2018 \$	
UBS IQ MSCI USA Ethical ETF				
Distributions - quoted class				
30 June (payable)	<u>264,177</u>	<u>105.30</u>	<u>139,454</u>	<u>55.69</u>
	<u>264,177</u>	<u>105.30</u>	<u>139,454</u>	<u>55.69</u>
Total distributions	<u>264,177</u>		<u>139,454</u>	

6 Distributions to unitholders (continued)

	Year ended			
	30 June 2019 \$'000	30 June 2019 CPU	30 June 2018 \$'000	30 June 2018 CPU
UBS IQ MSCI World ex Australia Ethical ETF				
Distributions - quoted class				
30 June (payable)	<u>922</u>	<u>70.10</u>	<u>602</u>	<u>51.78</u>
	<u>922</u>	<u>70.10</u>	<u>602</u>	<u>51.78</u>
Distributions - Unquoted class				
30 June (payable)	<u>435</u>	<u>70.10</u>	<u>314</u>	<u>51.78</u>
	<u>435</u>	<u>70.10</u>	<u>314</u>	<u>51.78</u>
Total distributions	<u>1,357</u>		<u>916</u>	
	30 June 2019 \$	30 June 2019 CPU	For the reporting period from 27 April 2017 to 30 June 2018 \$	For the reporting period from 27 April 2017 to 30 June 2018 CPU
UBS IQ Cash ETF				
Distributions - Quoted class				
31 May 2017	-	-	-	-
30 June 2017	-	-	1,461	2.92
31 July	1,450	2.90	1,350	2.70
31 August	1,451	2.90	1,375	2.75
30 September	1,501	3.00	1,375	2.75
31 October	1,801	3.00	1,375	2.75
30 November	1,861	3.10	1,375	2.75
31 December	1,861	3.10	1,375	2.75
31 January	1,921	3.20	1,425	2.85
28 February	1,922	3.20	1,425	2.85
31 March	1,922	3.20	1,425	2.85
30 April	2,722	3.20	1,425	2.85
31 May	1,871	2.20	1,425	2.85
30 June (payable)	<u>1,502</u>	<u>4.28</u>	<u>1,579</u>	<u>3.16</u>
	<u>21,785</u>	<u>37.28</u>	<u>18,390</u>	<u>36.78</u>
Total distributions	<u>21,785</u>		<u>18,390</u>	

7 Cash and cash equivalents

	UBS IQ Morningstar Australia Quality ETF		UBS IQ Morningstar Australia Dividend Yield ETF	
	As at		As at	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$	\$	\$	\$
Cash at bank	127,708	244,958	113,089	353,240
Margin accounts	16,054	16,658	42,194	25,177
Total cash and cash equivalents	143,762	261,616	155,283	378,417

	UBS IQ MSCI Australia Ethical ETF		UBS IQ MSCI Asia APEX 50 Ethical ETF	
	As at		As at	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$'000	\$'000	\$'000	\$'000
Cash at bank	773	304	11	73
Margin accounts	419	143	-	-
Total cash and cash equivalents	1,192	447	11	73

	UBS IQ MSCI Europe Ethical ETF		UBS IQ MSCI Japan Ethical ETF	
	As at		As at	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$'000	\$'000	\$	\$
Cash at bank	62	348	20,968	19,430
Margin accounts	26	12	-	-
Total cash and cash equivalents	88	360	20,968	19,430

	UBS IQ MSCI USA Ethical ETF		UBS IQ MSCI World ex Australia Ethical ETF	
	As at		As at	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$	\$	\$'000	\$'000
Cash at bank	6,189	108,096	131	602
Margin accounts	-	-	45	24
Total cash and cash equivalents	6,189	108,096	176	626

7 Cash and cash equivalents (continued)

	UBS IQ Cash ETF	
	As at	
	30 June 2019	30 June 2018
	\$	\$
Cash at bank	6,019	7,699
Total cash and cash equivalents	6,019	7,699

8 Financial assets at fair value through profit or loss

	UBS IQ Morningstar Australia Quality ETF		UBS IQ Morningstar Australia Dividend Yield ETF	
	As at		As at	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$	\$	\$	\$
Derivatives (Note 12)	1,475	2,600	1,475	2,600
Listed equities	6,481,321	7,214,509	9,567,013	10,996,088
Listed unit trusts	1,225,691	1,012,572	-	-
Total financial assets at fair value through profit or loss	7,708,487	8,229,681	9,568,488	10,998,688

	UBS IQ MSCI Australia Ethical ETF		UBS IQ MSCI Asia APEX 50 Ethical ETF	
	As at		As at	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$'000	\$'000	\$'000	\$'000
Derivatives (Note 12)	18	28	-	-
Listed equities	177,975	191,111	12,055	8,905
Listed unit trusts	13,702	12,750	-	-
Total financial assets at fair value through profit or loss	191,695	203,889	12,055	8,905

8 Financial assets at fair value through profit or loss (continued)

	UBS IQ MSCI Europe Ethical ETF		UBS IQ MSCI Japan Ethical ETF	
	As at		As at	
	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$	30 June 2018 \$
Derivatives (Note 12)	5	-	161	273
Listed equities	15,185	10,924	5,579,907	4,467,241
Listed unit trusts	116	105	88,405	49,880
Total financial assets at fair value through profit or loss	15,306	11,029	5,668,473	4,517,394

	UBS IQ MSCI USA Ethical ETF		UBS IQ MSCI World ex Australia Ethical ETF	
	As at		As at	
	30 June 2019 \$	30 June 2018 \$	30 June 2019 \$'000	30 June 2018 \$'000
Derivatives (Note 12)	381	5	4	-
Listed equities	7,321,369	6,550,330	52,005	43,608
Listed unit trusts	248,822	199,231	1,318	1,006
Total financial assets at fair value through profit or loss	7,570,572	6,749,566	53,327	44,614

	UBS IQ Cash ETF	
	As at	
	30 June 2019 \$	30 June 2018 \$
Debt securities	697,790	993,755
Total financial assets at fair value through profit or loss	697,790	993,755

An overview of the risk exposures relating to financial assets at fair value through profit or loss is included in Note 13.

9 Financial liabilities at fair value through profit or loss

	UBS IQ MSCI Europe Ethical ETF		UBS IQ MSCI World ex Australia Ethical ETF	
	As at		As at	
	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000
Derivatives (Note 12)	-	3	-	4
Total financial liabilities at fair value through profit or loss	-	3	-	4

10 Receivables

	UBS IQ Morningstar Australia Quality ETF		UBS IQ Morningstar Australia Dividend Yield ETF	
	As at		As at	
	30 June 2019 \$	30 June 2018 \$	30 June 2019 \$	30 June 2018 \$
Interest receivables	-	13	-	-
Dividends receivable	68,254	67,929	49,317	35,851
Due from brokers - receivables for securities sold	89,537	-	85,034	-
Other receivables	605	697	5,352	3,005
Total receivables	158,396	68,639	139,703	38,856

	UBS IQ MSCI Australia Ethical ETF		UBS IQ MSCI Asia APEX 50 Ethical ETF	
	As at		As at	
	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000
Interest receivables	-	-	-	-
Dividends receivable	1,229	1,878	75	44
Due from brokers - receivables for securities sold	-	-	172	15
Other receivables	7	7	4	4
Total receivables	1,236	1,885	251	63

10 Receivables (continued)

	UBS IQ MSCI Europe Ethical ETF		UBS IQ MSCI Japan Ethical ETF	
	As at		As at	
	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$	30 June 2018 \$
Dividends receivable	101	58	8,004	6,771
Due from brokers - receivables for securities sold	446	-	98,497	112,021
Other receivables	1	1	582	477
Total receivables	548	59	107,083	119,269

	UBS IQ MSCI USA Ethical ETF		UBS IQ MSCI World ex Australia Ethical ETF	
	As at		As at	
	30 June 2019 \$	30 June 2018 \$	30 June 2019 \$'000	30 June 2018 \$'000
Dividends receivable	6,899	7,560	127	96
Due from brokers - receivables for securities sold	213,654	22,525	785	89
Other receivables	313	266	4	4
Total receivables	220,866	30,351	916	189

	UBS IQ Cash ETF	
	As at	
	30 June 2019 \$	30 June 2018 \$
Interest receivables	-	1
Other receivables	37	25
Total receivables	37	26

11 Payables

	UBS IQ Morningstar Australia Quality ETF		UBS IQ Morningstar Australia Dividend Yield ETF	
	As at		As at	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$	\$	\$	\$
Responsible Entity's fees payable	1,965	2,089	2,403	2,857
Due to brokers - payable for securities purchased	-	55,296	-	53,938
Other payables	1,312	1,221	1,522	2,697
Total payables	3,277	58,606	3,925	59,492

	UBS IQ MSCI Australia Ethical ETF		UBS IQ MSCI Asia APEX 50 Ethical ETF	
	As at		As at	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$'000	\$'000	\$'000	\$'000
Responsible Entity's fees payable	27	28	4	3
Due to brokers - payable for securities purchased	-	-	-	-
Other payables	-	2	14	8
Total payables	27	30	18	11

	UBS IQ MSCI Europe Ethical ETF		UBS IQ MSCI Japan Ethical ETF	
	As at		As at	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$'000	\$'000	\$	\$
Responsible Entity's fees payable	5	4	1,890	1,530
Due to brokers - payable for securities purchased	-	20	18,787	42,870
Other payables	2	-	1,351	1,036
Total payables	7	24	22,028	45,436

11 Payables (continued)

	UBS IQ MSCI USA Ethical ETF		UBS IQ MSCI World ex Australia Ethical ETF	
	As at		As at	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$	\$	\$'000	\$'000
Responsible Entity's fees payable	1,263	1,125	15	13
Due to brokers - payable for securities purchased	-	8,399	-	68
Other payables	1,371	1,157	13	10
Total payables	2,634	10,681	28	91

	UBS IQ Cash ETF	
	As at	
	30 June 2019	30 June 2018
	\$	\$
Responsible Entity's fees payable	104	148
Other payables	130	51
Total payables	234	199

12 Derivative financial instruments

In the normal course of business, the Funds enter into transactions in various derivative financial instruments with certain risks. A derivative is a financial instrument or other contract which is settled at a future date and whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable.

Derivative financial instruments require either no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

Derivative transactions include many different instruments, such as futures. Derivatives are considered to be part of the investment process and the use of derivatives is an essential part of the Funds' portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multifaceted and may include:

- hedging to protect an asset or liability of the Funds against a fluctuation in market values or to reduce volatility;
- a substitution for trading of physical securities;
- adjusting asset exposures within the parameters set in the investment strategy.

While derivatives are used for trading purposes, they are not used to gear (leverage) a portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceeds the underlying value of the Funds.

The Funds hold the following derivative instruments:

(a) Futures

Futures are contractual obligations to buy or sell financial instruments on a future date at a specified price established in an organised market. The futures contracts are collateralised by cash or marketable securities. Changes in futures contracts' values are settled daily with the exchange. Index futures are contractual obligations to receive or pay a net amount based on changes in indices at a future date at a specified price, established in an organised financial market.

(b) Foreign currency contracts

Foreign currency contracts are used by the Funds for non-Australian dollar denominated trading activities to mitigate foreign exchange rate risks. The Funds agree to receive or deliver a fixed quantity of foreign currency for an agreed upon price on an agreed future date. Currency contracts are valued at the prevailing bid price at the end of each financial year. The Funds recognise a gain or loss equal to the change in fair value at the end of each financial year.

The Funds's derivative financial instruments at year end are detailed below:

	UBS IQ Morningstar Australia Quality ETF					
	Contract/ Notional \$	30 June 2019 Assets \$	Liabilities \$	Contract/ Notional \$	30 June 2018 Assets \$	Liabilities \$
Australian share price index futures	<u>162,450</u>	<u>1,475</u>	-	<u>151,075</u>	<u>2,600</u>	-
	<u>162,450</u>	<u>1,475</u>	-	<u>151,075</u>	<u>2,600</u>	-

12 Derivative financial instruments (continued)

(b) Foreign currency contracts (continued)

	UBS IQ Morningstar Australia Dividend Yield ETF					
	30 June 2019			30 June 2018		
	Contract/ Notional \$	Assets \$	Liabilities \$	Contract/ Notional \$	Assets \$	Liabilities \$
Australian share price index futures	162,450	1,475	-	151,075	2,600	-
	<u>162,450</u>	<u>1,475</u>	<u>-</u>	<u>151,075</u>	<u>2,600</u>	<u>-</u>

	UBS IQ MSCI Australia Ethical ETF					
	30 June 2019			30 June 2018		
	Contract/ Notional \$'000	Assets \$'000	Liabilities \$'000	Contract/ Notional \$'000	Assets \$'000	Liabilities \$'000
Australian share price index futures	1,949	18	-	1,970	28	-
	<u>1,949</u>	<u>18</u>	<u>-</u>	<u>1,970</u>	<u>28</u>	<u>-</u>

	UBS IQ MSCI Asia APEX 50 Ethical ETF					
	30 June 2019			30 June 2018		
	Contract/ Notional \$'000	Assets \$'000	Liabilities \$'000	Contract/ Notional \$'000	Assets \$'000	Liabilities \$'000
Foreign currency contracts	126	-	-	6	-	-
	<u>126</u>	<u>-</u>	<u>-</u>	<u>6</u>	<u>-</u>	<u>-</u>

	UBS IQ MSCI Europe Ethical ETF					
	30 June 2019			30 June 2018		
	Contract/ Notional \$'000	Assets \$'000	Liabilities \$'000	Contract/ Notional \$'000	Assets \$'000	Liabilities \$'000
International share price index futures	166	5	-	107	-	3
Foreign currency contracts	440	-	-	-	-	-
	<u>606</u>	<u>5</u>	<u>-</u>	<u>107</u>	<u>-</u>	<u>3</u>

12 Derivative financial instruments (continued)

(b) Foreign currency contracts (continued)

	UBS IQ MSCI Japan Ethical ETF						
	Contract/ Notional	30 June 2019			30 June 2018		
		Assets	Liabilities		Assets	Liabilities	
\$	\$	\$		\$	\$		
Foreign currency contracts	<u>100,000</u>	<u>161</u>	-	<u>77,000</u>	<u>273</u>	-	
	<u>100,000</u>	<u>161</u>	-	<u>77,000</u>	<u>273</u>	-	

	UBS IQ MSCI USA Ethical ETF						
	Contract/ Notional	30 June 2019			30 June 2018		
		Assets	Liabilities		Assets	Liabilities	
\$	\$	\$		\$	\$		
Foreign currency contracts	<u>215,000</u>	<u>381</u>	-	<u>20,000</u>	<u>5</u>	-	
	<u>215,000</u>	<u>381</u>	-	<u>20,000</u>	<u>5</u>	-	

	UBS IQ MSCI World ex Australia Ethical ETF						
	Contract/ Notional	30 June 2019			30 June 2018		
		Assets	Liabilities		Assets	Liabilities	
\$'000	\$'000	\$'000		\$'000	\$'000	\$'000	
International share price index futures	<u>211</u>	<u>3</u>	-	<u>183</u>	-	<u>4</u>	
Foreign currency contracts	<u>788</u>	<u>1</u>	-	<u>110</u>	-	-	
	<u>999</u>	<u>4</u>	-	<u>293</u>	-	<u>4</u>	

Risk exposures and fair value measurements

Information about the Funds' exposure to price risk, credit risk, foreign exchange risk, interest rate risk, liquidity risk and about the methods and assumptions used in determining fair values is provided in Note 13 to the financial statements. The maximum exposure to credit risk at the end of the year is the carrying amount of each class of derivative financial instruments disclosed above.

13 Financial risk management

The Funds' activities expose it to a variety of financial risks: market risk (including price risk, foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The Funds' overall risk management programme focuses on ensuring compliance with the Funds' Product Disclosure Statements and seeks to maximise the returns derived for the level of risk to which the Funds are exposed. The Funds may use derivative financial instruments to manage certain risk exposures. Financial risk management is carried out by the Investment Manager under an Investment Mandate approved by the Board of Directors of the Responsible Entity ("the Board").

Compliance with the Funds' Constitutions are monitored on a daily basis and reported to the Board and Compliance Committee on a regular basis.

The Funds use different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of market risk.

(a) Market risk

Market risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate due to changes in market prices. The Funds' equity investments are publicly traded and are included in their underlying Indexes.

(i) Price risk

The Funds, excluding UBS IQ Cash ETF, are exposed to equity securities and derivative securities price risk. This arises from investments held by the Funds for which prices in the future are uncertain. Where non-monetary financial instruments are denominated in currencies other than the Australian dollar, the price in the future will also fluctuate because of changes in foreign exchange rates. Investments are classified in the Statement of Financial Position as at fair value through profit or loss. All securities investments present a risk of loss of capital.

The tables below for respective Funds, excluding UBS IQ Cash ETF, summarise the sensitivity of the Funds' Profit/(loss) before finance costs attributable to unitholders and net assets attributable to unitholders to equity price risk. The reasonably possible movements in the risk variables have been determined based on management's best estimate, having regard to a number of factors, including historical correlation of the Funds' investments with the relevant benchmark and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities in which the Funds invest. As a result, historic variations in risk variables are not a definitive indicator of future variations in the risk variables.

	As at 30 June 2019		As at 30 June 2018	
	Increased by 10%	Decreased by 10%	Increased by 10%	Decreased by 10%
UBS IQ Morningstar Australia Quality ETF	\$	\$	\$	\$
Increase/(decrease) in value of financial assets at fair value through profit or loss	<u>770,849</u>	<u>(770,849)</u>	<u>822,968</u>	<u>(822,968)</u>

The Fund tracks on the Morningstar® Australia Moat Focus Index™. The Index is a rules-based, equal-weighted index intended to offer exposure to quality companies that Morningstar determines have sustainable competitive advantages based on a proprietary methodology that considers quantitative and qualitative factors.

The Index is designed to target exposure to approximately 25-50 wide and narrow 'moat' stocks in the Morningstar Australia Index™ with the lowest ratios of current market price to fair value price determined under an independent research process by the Morningstar Equity Research team. The fair value estimate is based primarily on Morningstar's proprietary three-stage discounted cash flow model. Morningstar checks its fair value estimates against other valuation measures, such as sum-of-the-parts, multiples and yields, among others.

13 Financial risk management (continued)

(a) Market risk (continued)

(i) Price risk (continued)

	As at 30 June 2019		As at 30 June 2018	
	Increased by 10% by 10%	Decreased by 10% by 10%	Increased by 10% by 10%	Decreased by 10% by 10%
UBS IQ Morningstar Australia Dividend Yield ETF	\$	\$	\$	\$
Increase/(decrease) in value of financial assets at fair value through profit or loss	<u>956,849</u>	<u>(956,849)</u>	<u>1,099,869</u>	<u>(1,099,869)</u>

The Fund tracks on the Morningstar® Australia Dividend Yield Focus Index™. The Index provides exposure to the equities of high-quality Australian-domiciled companies with strong financial health and an ability to sustain above-average dividend payouts. Companies must have a strong balance sheet and a sustainable competitive advantage as deemed by Morningstar equity research team.

The Index consists of 25 stocks screened for their dividend yield. The Index is reconstituted and rebalanced semi-annually. The Index is weighted according to the dividends paid by each company that are available to investors. Consequently, the available dividend dollar value is the product of the security's shares outstanding, free float factor, and annual indicated dividend per share. At the time of rebalancing and reconstitution, the largest weight in the Index will not exceed 10% and the sum of the constituent weights that are each greater than 5% will not exceed 50%.

	As at 30 June 2019		As at 30 June 2018	
	Increased by 10% by 10%	Decreased by 10% by 10%	Increased by 10% by 10%	Decreased by 10% by 10%
UBS IQ MSCI Australia Ethical ETF	\$'000	\$'000	\$'000	\$'000
Increase/(decrease) in value of financial assets at fair value through profit or loss	<u>19,170</u>	<u>(19,170)</u>	<u>20,389</u>	<u>(20,389)</u>

The Fund tracks on the MSCI Australia ex Tobacco ex Controversial Weapons Index. The Index is designed to measure the performance of the large and mid cap segments of the Australia market. The Index comprises approximately 70 constituents listed on the Australian exchanges, and covers approximately 85% of the free float-adjusted market capitalisation in Australia. The Index excludes companies with significant business activities involving tobacco and those engaged in the production of cluster bombs, landmines, chemical and biological weapons and depleted uranium weapons. Constituent selection is based on data from MSCI research.

	As at 30 June 2019		As at 30 June 2018	
	Increased by 10% by 10%	Decreased by 10% by 10%	Increased by 10% by 10%	Decreased by 10% by 10%
UBS IQ MSCI Asia APEX 50 Ethical ETF	\$'000	\$'000	\$'000	\$'000
Increase/(decrease) in value of financial assets at fair value through profit or loss	<u>1,206</u>	<u>(1,206)</u>	<u>891</u>	<u>(891)</u>

The Fund tracks on the MSCI Asia APEX 50 ex Tobacco ex Controversial Weapons Index. The Index is a free-float adjusted market capitalisation weighted index that is designed to track the 50 largest stocks in the Asia ex Japan region represented in the MSCI AC Asia ex Japan Index. The MSCI Asia APEX 50 Index serves as a tradable proxy to the broader MSCI AC Asia ex Japan Index, a benchmark index widely followed by investors investing in Asia and forms the basis for many investment products.

13 Financial risk management (continued)

(a) Market risk (continued)

(i) Price risk (continued)

The Index excludes companies with significant business activities involving tobacco and those engaged in the production of cluster bombs, landmines, chemical and biological weapons and depleted uranium weapons. Constituent selection is based on data from MSCI research.

	As at 30 June 2019		As at 30 June 2018	
	Increased by 10% by \$'000	Decreased by 10% by \$'000	Increased by 10% by \$'000	Decreased by 10% by \$'000
UBS IQ MSCI Europe Ethical ETF				
Increase/(decrease) in value of financial assets at fair value through profit or loss	<u>1,531</u>	<u>(1,531)</u>	<u>1,103</u>	<u>(1,103)</u>

The Fund tracks on the MSCI Europe ex Tobacco ex Controversial Weapons Index. The Index captures the large and mid-cap representation across 15 developed markets countries in Europe. With approximately 430 constituents, the Index covers approximately 85% of the free float-adjusted market capitalisation across European developed markets equity universe. The Index excludes companies with significant business activities involving tobacco and those engaged in the production of cluster bombs, landmines, chemical and biological weapons and depleted uranium weapons. Constituent selection is based on data from MSCI research.

	As at 30 June 2019		As at 30 June 2018	
	Increased by 10% by \$	Decreased by 10% by \$	Increased by 10% by \$	Decreased by 10% by \$
UBS IQ MSCI Japan Ethical ETF				
Increase/(decrease) in value of financial assets at fair value through profit or loss	<u>566,847</u>	<u>(566,847)</u>	<u>451,739</u>	<u>(451,739)</u>

The Fund tracks on the MSCI Japan ex Tobacco ex Controversial Weapons Index. The Index is designed to measure the performance of the large and mid cap segments of the Japan market. With approximately 320 constituents, the Index covers approximately 85% of the free float-adjusted market capitalisation in Japan. The Index excludes companies with significant business activities involving tobacco and those engaged in the production of cluster bombs, landmines, chemical and biological weapons and depleted uranium weapons. Constituent selection is based on data from MSCI research.

	As at 30 June 2019		As at 30 June 2018	
	Increased by 10% by \$	Decreased by 10% by \$	Increased by 10% by \$	Decreased by 10% by \$
UBS IQ MSCI USA Ethical ETF				
Increase/(decrease) in value of financial assets at fair value through profit or loss	<u>757,057</u>	<u>(757,057)</u>	<u>674,957</u>	<u>(674,957)</u>

The Fund tracks on the MSCI USA ex Tobacco ex Controversial Weapons Index. The Index is designed to measure the performance of the large and mid cap segments of the US market. With approximately 610 constituents, the Index covers approximately 85% of the free float-adjusted market capitalisation in the US. The Index excludes companies with significant business activities involving tobacco and those engaged in the production of cluster bombs, landmines, chemical and biological weapons and depleted uranium weapons. Constituent selection is based on data from MSCI research.

13 Financial risk management (continued)

(a) Market risk (continued)

(i) Price risk (continued)

	As at 30 June 2019		As at 30 June 2018	
	Increased by 10% \$'000	Decreased by 10% \$'000	Increased by 10% \$'000	Decreased by 10% \$'000
UBS IQ MSCI World ex Australia Ethical ETF				
Increase/(decrease) in value of financial assets at fair value through profit or loss	<u>5,333</u>	<u>(5,333)</u>	<u>4,461</u>	<u>(4,461)</u>

The Fund tracks on the MSCI World ex Australia ex Tobacco ex Controversial Weapons Index. The Index captures large and mid-cap representation across 22 of 23 developed markets countries (excluding Australia). With approximately 1,550 constituents, the Index covers approximately 85% of the free float-adjusted market capitalisation in each country. The Index excludes companies with significant business activities involving tobacco and those engaged in the production of cluster bombs, landmines, chemical and biological weapons and depleted uranium weapons. Constituent selection is based on data from MSCI research.

(ii) Foreign exchange risk

Foreign exchange risk arises as the value of monetary assets and liabilities denominated in other currencies will fluctuate due to changes in exchange rates.

The tables below summarise the Funds' assets and liabilities that are denominated in a currency other than the Australian dollar.

UBS IQ MSCI Asia APEX 50 Ethical ETF

	Hong Kong dollar \$'000	South Korean won \$'000	New Taiwan Dollars \$'000	US Dollar \$'000	All other foreign currencies \$'000
As at 30 June 2019					
Cash and cash equivalents	7	-	1	2	-
Receivables	111	32	59	26	19
Financial assets at fair value through profit or loss	5,759	2,031	1,517	2,141	607
Payables	(3)	(2)	(8)	-	(1)
Financial liabilities at fair value through profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>5,874</u>	<u>2,061</u>	<u>1,569</u>	<u>2,169</u>	<u>625</u>
Foreign currency contracts exposure	<u>(81)</u>	<u>-</u>	<u>-</u>	<u>(26)</u>	<u>(19)</u>
Total net exposure	<u>5,793</u>	<u>2,061</u>	<u>1,569</u>	<u>2,143</u>	<u>606</u>

13 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

	Hong Kong dollar \$'000	South Korean won \$'000	New Taiwan Dollars \$'000	US Dollar \$'000	All other foreign currencies \$'000
As at 30 June 2018					
Cash and cash equivalents	6	-	1	(7)	-
Receivables	14	-	30	9	6
Financial assets at fair value through profit or loss	4,182	1,627	1,108	1,548	439
Payables	(1)	-	(6)	-	-
Financial liabilities at fair value through profit or loss	-	-	-	-	-
	<u>4,201</u>	<u>1,627</u>	<u>1,133</u>	<u>1,550</u>	<u>445</u>
Foreign currency contracts exposure	-	-	-	-	-
Total net exposure	<u>4,201</u>	<u>1,627</u>	<u>1,133</u>	<u>1,550</u>	<u>445</u>

UBS IQ MSCI Europe Ethical ETF

	Euro \$'000	British Pounds \$'000	Swiss Franc \$'000	All other foreign currencies \$'000
As at 30 June 2019				
Cash and cash equivalents	46	8	1	32
Receivables	272	131	102	42
Financial assets at fair value through profit or loss	7,829	3,909	2,270	1,298
Payables	(1)	-	-	-
Financial liabilities at fair value through profit or loss	-	-	-	-
	<u>8,146</u>	<u>4,048</u>	<u>2,373</u>	<u>1,372</u>
Foreign currency contracts exposure	<u>(200)</u>	<u>(110)</u>	<u>(70)</u>	<u>(60)</u>
Total net exposure	<u>7,946</u>	<u>3,938</u>	<u>2,303</u>	<u>1,312</u>

13 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

As at 30 June 2018	Euro \$'000	British Pounds \$'000	Swiss Franc \$'000	All other foreign currencies \$'000
Cash and cash equivalents	34	11	5	15
Receivables	25	11	19	3
Financial assets at fair value through profit or loss	5,735	2,985	1,377	932
Payables	(14)	(3)	(1)	(2)
Financial liabilities at fair value through profit or loss	<u>(3)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>5,777</u>	<u>3,004</u>	<u>1,400</u>	<u>948</u>
Foreign currency contracts exposure	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net exposure	<u>5,777</u>	<u>3,004</u>	<u>1400</u>	<u>948</u>

UBS IQ MSCI Japan Ethical ETF

As at 30 June 2019	Japanese Yen \$
Cash and cash equivalents	20,838
Receivables	106,501
Financial assets at fair value through profit or loss	5,668,473
Payables	(839)
Financial liabilities at fair value through profit or loss	<u>-</u>
	<u>5,794,973</u>
Foreign currency contracts exposure	<u>(100,000)</u>
Total net exposure	<u>5,694,973</u>

13 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

	Japanese Yen
As at 30 June 2018	\$
Cash and cash equivalents	19,479
Receivables	118,792
Financial assets at fair value through profit or loss	4,517,394
Payables	(43,572)
Financial liabilities at fair value through profit or loss	-
	<u>4,612,093</u>
Foreign currency contracts exposure	<u>(77,000)</u>
Total net exposure	<u>4,535,093</u>

UBS IQ MSCI USA Ethical ETF

	US Dollars
As at 30 June 2019	\$
Cash and cash equivalents	6,029
Receivables	220,553
Financial assets at fair value through profit or loss	7,570,572
Payables	(1,371)
Financial liabilities at fair value through profit or loss	-
	<u>7,795,783</u>
Foreign currency contracts exposure	<u>(215,000)</u>
Total net exposure	<u>7,580,783</u>

13 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

	US Dollars
As at 30 June 2018	\$
Cash and cash equivalents	3,040
Receivables	30,085
Financial assets at fair value through profit or loss	6,749,566
Payables	(9,274)
Financial liabilities at fair value through profit or loss	-
	<u>6,773,417</u>
Foreign currency contracts exposure	<u>(20,000)</u>
Total net exposure	<u>6,753,417</u>

UBS IQ MSCI World ex Australia Ethical ETF

As at 30 June 2019	US Dollars \$'000	Euro \$'000	Japanese Yen \$'000	British Pounds \$'000	All other foreign currencies \$'000
Cash and cash equivalents	51	14	40	7	16
Receivables	574	139	40	52	107
Financial assets at fair value through profit or loss	34,112	6,071	4,489	3,006	5,649
Payables	(4)	(1)	(1)	-	-
Financial liabilities at fair value through profit or loss	-	-	-	-	-
	<u>34,733</u>	<u>6,223</u>	<u>4,568</u>	<u>3,065</u>	<u>5,772</u>
Foreign currency contracts exposure	<u>(523)</u>	<u>(108)</u>	<u>(62)</u>	<u>(35)</u>	<u>(60)</u>
Total net exposure	<u>34,210</u>	<u>6,115</u>	<u>4,506</u>	<u>3,030</u>	<u>5,712</u>

13 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

	US Dollars \$'000	Euro \$'000	Japanese Yen \$'000	British Pounds \$'000	All other foreign currencies \$'000
As at 30 June 2018					
Cash and cash equivalents	60	11	25	12	48
Receivables	28	22	95	11	29
Financial assets at fair value through profit or loss	27,827	5,411	3,972	2,823	4,581
Payables	(21)	(9)	(30)	(4)	(9)
Financial liabilities at fair value through profit or loss	(4)	-	-	-	-
	<u>27,890</u>	<u>5,435</u>	<u>4,062</u>	<u>2,842</u>	<u>4,649</u>
Foreign currency contracts exposure	-	-	(64)	-	3
Total net exposure	<u>27,890</u>	<u>5,435</u>	<u>3,998</u>	<u>2,842</u>	<u>4,652</u>

The tables below show the sensitivity of the Funds' Profit/(loss) before finance costs attributable to unitholders and net assets attributable to unitholders to foreign exchange risk. The reasonably possible movement in the risk variable has been determined based on management's best estimate, having regard to a number of factors, including the historical levels of changes in foreign exchange rates. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities in which the Funds invest in. As a result, historic variations in risk variables are not a definitive indicator of future variations in the risk variable.

UBS IQ MSCI Asia APEX 50 Ethical ETF

	AUD Weakened	AUD Strengthened
	Increase/(decrease) in net assets attributable to unitholders (and profit/(loss) before finance costs attributable to unitholders)	
	30 June 2019	30 June 2019
	\$'000	\$'000
AUD/HKD 2019 10%	579	(579)
AUD/KRW 2019 10%	206	(206)
AUD/TWD 2019 10%	157	(157)
AUD/USD 2019 10%	197	(197)

13 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

	AUD Weakened	AUD Strengthened
	Increase/(decrease) in net assets attributable to unitholders (and profit/(loss) before finance costs attributable to unitholders)	
	30 June 2018	30 June 2018
	\$'000	\$'000
AUD/HKD 2018 10%	420	(420)
AUD/KRW 2018 10%	163	(163)
AUD/TWD 2018 10%	113	(113)
AUD/USD 2018 10%	155	(155)

UBS IQ MSCI Europe Ethical ETF

	AUD Weakened	AUD Strengthened
	Increase/(decrease) in net assets attributable to unitholders (and profit/(loss) before finance costs attributable to unitholders)	
	30 June 2019	30 June 2019
	\$'000	\$'000
AUD/EUR 2019 10%	795	(795)
AUD/GBP 2019 10%	394	(394)
AUD/CHF 2019 10%	230	(230)

	AUD Weakened	AUD Strengthened
	Increase/(decrease) in net assets attributable to unitholders (and profit/(loss) before finance costs attributable to unitholders)	
	30 June 2018	30 June 2018
	\$'000	\$'000
AUD/EUR 2018 10%	578	(578)
AUD/GBP 2018 10%	300	(300)
AUD/CHF 2018 10%	140	(140)

UBS IQ MSCI Japan Ethical ETF

	AUD Weakened	AUD Strengthened
	Increase/(decrease) in net assets attributable to unitholders (and profit/(loss) before finance costs attributable to unitholders)	
	30 June 2019	30 June 2019
	\$	\$
AUD/JPY 2019 10%	570,300	(570,300)

13 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

	AUD Weakened	AUD Strengthened
	Increase/(decrease) in net assets attributable to unitholders (and profit/(loss) before finance costs attributable to unitholders)	
	30 June 2018	30 June 2018
	\$	\$
AUD/JPY 2018 10%	453,509	(453,509)

UBS IQ MSCI USA Ethical ETF

	AUD Weakened	AUD Strengthened
	Increase/(decrease) in net assets attributable to unitholders (and profit/(loss) before finance costs attributable to unitholders)	
	30 June 2019	30 June 2019
	\$	\$
AUD/USD 2019 10%	758,078	(758,078)

	AUD Weakened	AUD Strengthened
	Increase/(decrease) in net assets attributable to unitholders (and profit/(loss) before finance costs attributable to unitholders)	
	30 June 2018	30 June 2018
	\$	\$
AUD/USD 2018 10%	675,342	(675,342)

UBS IQ MSCI World ex Australia Ethical ETF

	AUD Weakened	AUD Strengthened
	Increase/(decrease) in net assets attributable to unitholders (and profit/(loss) before finance costs attributable to unitholders)	
	30 June 2019	30 June 2019
	\$'000	\$'000
AUD/USD 2019 10%	3,421	(3,421)
AUD/EUR 2019 10%	612	(612)
AUD/JPY 2019 10%	451	(451)
AUD/GBP 2019 10%	303	(303)

13 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

	AUD Weakened	AUD Strengthened
	Increase/(decrease) in net assets attributable to unitholders (and profit/(loss) before finance costs attributable to unitholders)	
	30 June 2018	30 June 2018
	\$'000	\$'000
AUD/USD 2018 10%	2,789	(2,789)
AUD/EUR 2018 10%	544	(544)
AUD/JPY 2018 10%	400	(400)
AUD/GBP 2018 10%	284	(284)

The possible impact against other currencies not disclosed above is considered immaterial individually and therefore has not been included in the above table.

(iii) Interest rate risk

Interest rate risk is the risk that rate movements will have a negative impact on investment value or returns. Interest rate risk is managed in accordance with the underlying investment strategy of the Funds.

The Funds are exposed to cash flow interest rate risk on financial instruments with variable interest rates. Financial instruments with fixed rates expose the Funds to fair value interest rate risk.

The Funds' interest bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The risk is measured using sensitivity analysis.

The Funds have direct exposure to interest rate changes on the valuation and cash flows of its interest bearing assets and liabilities. However, it may also be indirectly affected by the impact of interest rate changes on the earnings of certain entities in which the Funds invests and impact on the valuation of certain assets that use interest rates as an input in their valuation model. Therefore, the sensitivity analysis within this note may not fully indicate the total effect on the Funds' net assets attributable to unitholders of future movements in interest rates.

Compliance with the value of cash investments held is monitored daily and reported to the Board and Compliance Committee on a regular basis.

13 Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

The tables below summarise the Funds' exposure to interest rate risks.

	UBS IQ Morningstar Australia Quality ETF							
	30 June 2019				30 June 2018			
	Floating interest rate	Fixed interest rate	Non - interest bearing	Total	Floating interest rate	Fixed interest rate	Non - interest bearing	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets								
Cash and cash equivalents	143,762	-	-	143,762	261,616	-	-	261,616
Receivables	-	-	158,396	158,396	-	-	68,639	68,639
Financial assets at fair value through profit and loss	-	-	7,708,487	7,708,487	-	-	8,229,681	8,229,681
Total assets	143,762	-	7,866,883	8,010,645	261,616	-	8,298,320	8,559,936
Financial liabilities								
Payables	-	-	(3,277)	(3,277)	-	-	(58,606)	(58,606)
Distributions payable	-	-	(156,820)	(156,820)	-	-	(139,616)	(139,616)
Total liabilities (excluding net assets attributable to unitholders)	-	-	(160,097)	(160,097)	-	-	(198,222)	(198,222)
Net assets attributable to unitholders	143,762	-	7,706,786	7,850,548	261,616	-	8,100,098	8,361,714

13 Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

	UBS IQ Morningstar Australia Dividend Yield ETF							
	30 June 2019				30 June 2018			
	Floating interest rate	Fixed interest rate	Non - interest bearing	Total	Floating interest rate	Fixed interest rate	Non - interest bearing	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets								
Cash and cash equivalents	155,283	-	-	155,283	378,417	-	-	378,417
Receivables	-	-	139,703	139,703	-	-	38,856	38,856
Financial assets at fair value through profit and loss	-	-	9,568,488	9,568,488	-	-	10,998,688	10,998,688
Total assets	155,283	-	9,708,191	9,863,474	378,417	-	11,037,544	11,415,961
Financial liabilities								
Payables	-	-	(3,925)	(3,925)	-	-	(59,492)	(59,492)
Distributions payable	-	-	(155,978)	(155,978)	-	-	(253,569)	(253,569)
Total liabilities (excluding net assets attributable to unitholders)	-	-	(159,903)	(159,903)	-	-	(313,061)	(313,061)
Net assets attributable to unitholders	155,283	-	9,548,288	9,703,571	378,417	-	10,724,483	11,102,900

13 Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

	UBS IQ MSCI Australia Ethical ETF							
	30 June 2019				30 June 2018			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non - interest bearing \$'000	Total \$'000	Floating interest rate \$'000	Fixed interest rate \$'000	Non - interest bearing \$'000	Total \$'000
Financial assets								
Cash and cash equivalents	1,192	-	-	1,192	447	-	-	447
Receivables	-	-	1,236	1,236	-	-	1,885	1,885
Financial assets at fair value through profit and loss	-	-	191,695	191,695	-	-	203,889	203,889
Total assets	1,192	-	192,931	194,123	447	-	205,774	206,221
Financial liabilities								
Payables	-	-	(27)	(27)	-	-	(30)	(30)
Distributions payable	-	-	(5,392)	(5,392)	-	-	(2,783)	(2,783)
Total liabilities (excluding net assets attributable to unitholders)	-	-	(5,419)	(5,419)	-	-	(2,813)	(2,813)
Net assets attributable to unitholders	1,192	-	187,512	188,704	447	-	202,961	203,408

13 Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

	UBS IQ MSCI Asia APEX 50 Ethical ETF							
	30 June 2019				30 June 2018			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non - interest bearing \$'000	Total \$'000	Floating interest rate \$'000	Fixed interest rate \$'000	Non - interest bearing \$'000	Total \$'000
Financial assets								
Cash and cash equivalents	11	-	-	11	73	-	-	73
Receivables	-	-	251	251	-	-	63	63
Financial assets at fair value through profit and loss	-	-	12,055	12,055	-	-	8,905	8,905
Total assets	11	-	12,306	12,317	73	-	8,968	9,041
Financial liabilities								
Payables	-	-	(18)	(18)	-	-	(11)	(11)
Distributions payable	-	-	(211)	(211)	-	-	(92)	(92)
Total liabilities (excluding net assets attributable to unitholders)	-	-	(229)	(229)	-	-	(103)	(103)
Net assets attributable to unitholders	11	-	12,077	12,088	73	-	8,865	8,938

13 Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

	UBS IQ MSCI Europe Ethical ETF							
	30 June 2019				30 June 2018			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non - interest bearing \$'000	Total \$'000	Floating interest rate \$'000	Fixed interest rate \$'000	Non - interest bearing \$'000	Total \$'000
Financial assets								
Cash and cash equivalents	88	-	-	88	360	-	-	360
Receivables	-	-	548	548	-	-	59	59
Financial assets at fair value through profit and loss	-	-	15,306	15,306	-	-	11,029	11,029
Total assets	88	-	15,854	15,942	360	-	11,088	11,448
Financial liabilities								
Payables	-	-	(7)	(7)	-	-	(24)	(24)
Financial liabilities held at fair value through profit and loss	-	-	-	-	-	-	(3)	(3)
Distributions payable	-	-	(469)	(469)	-	-	(300)	(300)
Total liabilities (excluding net assets attributable to unitholders)	-	-	(476)	(476)	-	-	(327)	(327)
Net assets attributable to unitholders	88	-	15,378	15,466	360	-	10,761	11,121

13 Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

	UBS IQ MSCI Japan Ethical ETF							
	30 June 2019				30 June 2018			
	Floating interest rate	Fixed interest rate	Non - interest bearing	Total	Floating interest rate	Fixed interest rate	Non - interest bearing	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets								
Cash and cash equivalents	20,968	-	-	20,968	19,430	-	-	19,430
Receivables	-	-	107,083	107,083	-	-	119,269	119,269
Financial assets at fair value through profit and loss	-	-	5,668,473	5,668,473	-	-	4,517,394	4,517,394
Total assets	20,968	-	5,775,556	5,796,524	19,430	-	4,636,663	4,656,093
Financial liabilities								
Payables	-	-	(22,028)	(22,028)	-	-	(45,436)	(45,436)
Distributions payable	-	-	(106,940)	(106,940)	-	-	(83,757)	(83,757)
Total liabilities (excluding net assets attributable to unitholders)	-	-	(128,968)	(128,968)	-	-	(129,193)	(129,193)
Net assets attributable to unitholders	20,968	-	5,646,588	5,667,556	19,430	-	4,507,470	4,526,900

13 Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

	UBS IQ MSCI USA Ethical ETF							
	30 June 2019			Total	30 June 2018			Total
	Floating interest rate	Fixed interest rate	Non - interest bearing		Floating interest rate	Fixed interest rate	Non - interest bearing	
	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets								
Cash and cash equivalents	6,189	-	-	6,189	108,096	-	-	108,096
Receivables	-	-	220,866	220,866	-	-	30,351	30,351
Financial assets at fair value through profit and loss	-	-	7,570,572	7,570,572	-	-	6,749,566	6,749,566
Total assets	6,189	-	7,791,438	7,797,627	108,096	-	6,779,917	6,888,013
Financial liabilities								
Payables	-	-	(2,634)	(2,634)	-	-	(10,681)	(10,681)
Distributions payable	-	-	(264,177)	(264,177)	-	-	(139,454)	(139,454)
Total liabilities (excluding net assets attributable to unitholders)	-	-	(266,811)	(266,811)	-	-	(150,135)	(150,135)
Net assets attributable to unitholders	6,189	-	7,524,627	7,530,816	108,096	-	6,629,782	6,737,878

13 Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

	UBS IQ MSCI World ex Australia Ethical ETF							
	30 June 2019				30 June 2018			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non - interest bearing \$'000	Total \$'000	Floating interest rate \$'000	Fixed interest rate \$'000	Non - interest bearing \$'000	Total \$'000
Financial assets								
Cash and cash equivalents	176	-	-	176	626	-	-	626
Receivables	-	-	916	916	-	-	189	189
Financial assets at fair value through profit and loss	-	-	53,327	53,327	-	-	44,614	44,614
Total assets	176	-	54,243	54,419	626	-	44,803	45,429
Financial liabilities								
Payables	-	-	(28)	(28)	-	-	(91)	(91)
Financial liabilities held at fair value through profit and loss	-	-	-	-	-	-	(4)	(4)
Distributions payable	-	-	(1,357)	(1,357)	-	-	(916)	(916)
Total liabilities (excluding net assets attributable to unitholders)	-	-	(1,385)	(1,385)	-	-	(1,011)	(1,011)
Net assets attributable to unitholders	176	-	52,858	53,034	626	-	43,792	44,418

13 Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

	UBS IQ Cash ETF							
	30 June 2019				30 June 2018			
	Floating interest rate	Fixed interest rate	Non - interest bearing	Total	Floating interest rate	Fixed interest rate	Non - interest bearing	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets								
Cash and cash equivalents	6,019	-	-	6,019	7,699	-	-	7,699
Receivables	-	-	37	37	-	-	26	26
Financial assets at fair value through profit and loss	697,790	-	-	697,790	993,755	-	-	993,755
Total assets	703,809	-	37	703,846	1,001,454	-	26	1,001,480
Financial liabilities								
Payables	-	-	(234)	(234)	-	-	(199)	(199)
Distributions payable	-	-	(1,502)	(1,502)	-	-	(1,579)	(1,579)
Total liabilities (excluding net assets attributable to unitholders)	-	-	(1,736)	(1,736)	-	-	(1,778)	(1,778)
Net assets attributable to unitholders	703,809	-	(1,699)	702,110	1,001,454	-	(1,752)	999,702

The following table summarises the sensitivity of UBS IQ Cash ETF Fund's Profit/(loss) before finance costs attributable to unitholders and net assets attributable to unitholders to interest rate risk. The reasonably possible movements in the risk variables have been determined based on management's best estimate, having regard to a number of factors, including historical correlation of the Fund's investments with the relevant benchmark and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities in which the Fund invests. As a result, historic variations in risk variables are not a definitive indicator of future variations in the risk variables.

	Interest rate risk	
	Impact on profit/(loss) before finance costs attributable to unitholders'	
	-100bps	+100bps
	\$	\$
30 June 2019	7,038	(7,038)
30 June 2018	10,015	(10,015)

The sensitivity to interest rate risk on Cash and cash equivalents for all Funds other than UBS IQ Cash ETF is not considered to be material. An analysis of financial liabilities by maturities is provided in Note 13 (c).

13 Financial risk management (continued)

(b) Credit risk

Credit risk is the risk that a counterparty will be unable to pay its contractual obligations in full when they fall due, causing a financial loss to the Funds.

The Funds (to the exception of UBS IQ Cash ETF) do not have a significant concentration of credit risk that arises from an exposure to a single counterparty or group of counterparties having similar characteristics. The main concentration of credit risk, to which the Funds are exposed, arises from cash and cash equivalents, deposits with banks and other financial institutions and amounts due from brokers. None of these assets are impaired nor past their due date. The maximum exposure to credit risk at the reporting date is the carrying amount disclosed in the Statement of Financial Position.

The main concentration of credit risk, to which UBS IQ Cash ETF is exposed, arises from the Fund's counterparty credit risk on cash and cash equivalents as shown in the table:

	As at	
	30 June 2019	30 June 2018
	\$	\$
Debt securities		
AA+ to AA-	<u>697,790</u>	<u>993,755</u>
Total	<u>697,790</u>	<u>993,755</u>

(c) Liquidity risk

The Funds' listed securities are considered readily convertible to cash, as they are listed on various stock exchanges.

The Funds may, from time to time, invest in derivative contracts traded over the counter, which are not traded in an organised market and may be illiquid. As a result, the Funds may not be able to liquidate quickly its investments in these instruments at an amount close to their fair value to meet its liquidity requirements or to respond to specific events such as a deterioration in the creditworthiness of any particular issuer or counterparty. No such investments were held at the end of the year (2018: Nil).

13 Financial risk management (continued)

(c) Liquidity risk (continued)

(i) Maturities of non-derivative financial liabilities

The tables below analyse the Funds' non-derivative financial liabilities into relevant maturity groupings based on the remaining period to the earliest possible contractual maturity date at the year end date. The amounts in the table are contractual undiscounted cash flows.

UBS IQ Morningstar Australia Quality ETF

	Less than 1 month	1-6 months	7-12 months	Over 12 months	No stated maturity
	\$	\$	\$	\$	\$
At 30 June 2019					
Distributions payable	156,820	-	-	-	-
Payables	3,277	-	-	-	-
Net assets attributable to unitholders	<u>7,850,548</u>	-	-	-	-
Contractual cash flows (excluding gross settled derivatives)	<u>8,010,645</u>	-	-	-	-
At 30 June 2018					
Distributions payable	139,616	-	-	-	-
Payables	58,606	-	-	-	-
Net assets attributable to unitholders	<u>8,361,714</u>	-	-	-	-
Contractual cash flows (excluding gross settled derivatives)	<u>8,559,936</u>	-	-	-	-

UBS IQ Morningstar Australia Dividend Yield ETF

	Less than 1 month	1-6 months	7-12 months	Over 12 months	No stated maturity
	\$	\$	\$	\$	\$
At 30 June 2019					
Distributions payable	155,978	-	-	-	-
Payables	3,925	-	-	-	-
Net assets attributable to unitholders	<u>9,703,571</u>	-	-	-	-
Contractual cash flows (excluding gross settled derivatives)	<u>9,863,474</u>	-	-	-	-
At 30 June 2018					
Distributions payable	253,569	-	-	-	-
Payables	59,492	-	-	-	-
Net assets attributable to unitholders	<u>11,102,900</u>	-	-	-	-
Contractual cash flows (excluding gross settled derivatives)	<u>11,415,961</u>	-	-	-	-

13 Financial risk management (continued)

(c) Liquidity risk (continued)

(i) Maturities of non-derivative financial liabilities (continued)

UBS IQ MSCI Australia Ethical ETF

	Less than 1 month \$'000	1-6 months \$'000	7-12 months \$'000	Over 12 months \$'000	No stated maturity \$'000
At 30 June 2019					
Distributions payable	5,392	-	-	-	-
Payables	27	-	-	-	-
Net assets attributable to unitholders	<u>188,704</u>	-	-	-	-
Contractual cash flows (excluding gross settled derivatives)	<u>194,123</u>	-	-	-	-
At 30 June 2018					
Distributions payable	2,783	-	-	-	-
Payables	30	-	-	-	-
Net assets attributable to unitholders	<u>203,408</u>	-	-	-	-
Contractual cash flows (excluding gross settled derivatives)	<u>206,221</u>	-	-	-	-

UBS IQ MSCI Asia APEX 50 Ethical ETF

	Less than 1 month \$'000	1-6 months \$'000	7-12 months \$'000	Over 12 months \$'000	No stated maturity \$'000
At 30 June 2019					
Distributions payable	211	-	-	-	-
Payables	18	-	-	-	-
Net assets attributable to unitholders	<u>12,088</u>	-	-	-	-
Contractual cash flows (excluding gross settled derivatives)	<u>12,317</u>	-	-	-	-
At 30 June 2018					
Distributions payable	92	-	-	-	-
Payables	11	-	-	-	-
Net assets attributable to unitholders	<u>8,938</u>	-	-	-	-
Contractual cash flows (excluding gross settled derivatives)	<u>9,041</u>	-	-	-	-

13 Financial risk management (continued)

(c) Liquidity risk (continued)

(i) Maturities of non-derivative financial liabilities (continued)

UBS IQ MSCI Europe Ethical ETF

	Less than 1 month \$'000	1-6 months \$'000	7-12 months \$'000	Over 12 months \$'000	No stated maturity \$'000
At 30 June 2019					
Distributions payable	469	-	-	-	-
Payables	7	-	-	-	-
Net assets attributable to unitholders	<u>15,466</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contractual cash flows (excluding gross settled derivatives)	<u>15,942</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 30 June 2018					
Distributions payable	300	-	-	-	-
Payables	24	-	-	-	-
Net assets attributable to unitholders	<u>11,121</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contractual cash flows (excluding gross settled derivatives)	<u>11,445</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

UBS IQ MSCI Japan Ethical ETF

	Less than 1 month \$	1-6 months \$	7-12 months \$	Over 12 months \$	No stated maturity \$
At 30 June 2019					
Distributions payable	106,940	-	-	-	-
Payables	22,028	-	-	-	-
Net assets attributable to unitholders	<u>5,667,556</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contractual cash flows (excluding gross settled derivatives)	<u>5,796,524</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 30 June 2018					
Distributions payable	83,757	-	-	-	-
Payables	45,436	-	-	-	-
Net assets attributable to unitholders	<u>4,526,900</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contractual cash flows (excluding gross settled derivatives)	<u>4,656,093</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

13 Financial risk management (continued)

(c) Liquidity risk (continued)

(i) Maturities of non-derivative financial liabilities (continued)

UBS IQ MSCI USA Ethical ETF

	Less than 1 month	1-6 months	7-12 months	Over 12 months	No stated maturity
	\$	\$	\$	\$	\$
At 30 June 2019					
Distributions payable	264,177	-	-	-	-
Payables	2,634	-	-	-	-
Net assets attributable to unitholders	<u>7,530,816</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contractual cash flows (excluding gross settled derivatives)	<u>7,797,627</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 30 June 2018					
Distributions payable	139,454	-	-	-	-
Payables	10,681	-	-	-	-
Net assets attributable to unitholders	<u>6,737,878</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contractual cash flows (excluding gross settled derivatives)	<u>6,888,013</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

UBS IQ MSCI World ex Australia Ethical ETF

	Less than 1 month	1-6 months	7-12 months	Over 12 months	No stated maturity
	\$'000	\$'000	\$'000	\$'000	\$'000
At 30 June 2019					
Distributions payable	1,357	-	-	-	-
Payables	28	-	-	-	-
Net assets attributable to unitholders	<u>53,034</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contractual cash flows (excluding gross settled derivatives)	<u>54,419</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 30 June 2018					
Distributions payable	916	-	-	-	-
Payables	91	-	-	-	-
Net assets attributable to unitholders	<u>44,418</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contractual cash flows (excluding gross settled derivatives)	<u>45,425</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

13 Financial risk management (continued)

(c) Liquidity risk (continued)

(i) Maturities of non-derivative financial liabilities (continued)

UBS IQ Cash ETF

	Less than 1 month	1-6 months	7-12 months	Over 12 months	No stated maturity
	\$	\$	\$	\$	\$
At 30 June 2019					
Distributions payable	1,502	-	-	-	-
Payables	234	-	-	-	-
Net assets attributable to unitholders	<u>702,110</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contractual cash flows (excluding gross settled derivatives)	<u>703,846</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 30 June 2018					
Distributions payable	1,579	-	-	-	-
Payables	199	-	-	-	-
Net assets attributable to unitholders	<u>999,702</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contractual cash flows (excluding gross settled derivatives)	<u>1,001,480</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(ii) Maturities of net settled derivative financial instruments

The table below analyses the Funds' net settled derivative financial instruments for which the contractual maturities are considered to be essential to an understanding of the timing of cash flows based on the Funds' investment strategy.

UBS IQ Morningstar Australia Quality ETF

	Less than 1 month	1-6 months	7-12 months	Over 12 months	No stated maturity
	\$	\$	\$	\$	\$
At 30 June 2019					
Australian share price index futures - Inflows/(outflows)	-	1,475	-	-	-
At 30 June 2018					
Australian share price index futures - Inflows/(outflows)	-	2,600	-	-	-

13 Financial risk management (continued)

(c) Liquidity risk (continued)

(ii) *Maturities of net settled derivative financial instruments (continued)*

UBS IQ Morningstar Australia Dividend Yield ETF

	Less than 1 month	1-6 months	7-12 months	Over 12 months	No stated maturity
At 30 June 2019	\$	\$	\$	\$	\$
Australian share price index futures - Inflows/(outflows)	-	1,475	-	-	-
At 30 June 2018					
Australian share price index futures - Inflows/(outflows)	-	2,600	-	-	-

UBS IQ MSCI Australia Ethical ETF

	Less than 1 month	1-6 months	7-12 months	Over 12 months	No stated maturity
At 30 June 2019	\$'000	\$'000	\$'000	\$'000	\$'000
Australian share price index futures - Inflows/(outflows)	-	18	-	-	-
At 30 June 2018					
Australian share price index futures - Inflows/(outflows)	-	28	-	-	-

UBS IQ MSCI Europe Ethical ETF

	Less than 1 month	1-6 months	7-12 months	Over 12 months	No stated maturity
At 30 June 2019	\$'000	\$'000	\$'000	\$'000	\$'000
International share price index futures - Inflows/(outflows)	-	5	-	-	-
At 30 June 2018					
International share price index futures - Inflows/(outflows)	-	(3)	-	-	-

13 Financial risk management (continued)

(c) Liquidity risk (continued)

(ii) *Maturities of net settled derivative financial instruments (continued)*

UBS IQ MSCI Japan Ethical ETF

	Less than 1 month	1-6 months	7-12 months	Over 12 months	No stated maturity
At 30 June 2019	\$	\$	\$	\$	\$
Foreign currency contracts - Inflows/(outflows)	161	-	-	-	-
At 30 June 2018					
Foreign currency contracts - Inflows/(outflows)	273	-	-	-	-

UBS IQ MSCI USA Ethical ETF

	Less than 1 month	1-6 months	7-12 months	Over 12 months	No stated maturity
At 30 June 2019	\$	\$	\$	\$	\$
Foreign currency contracts - Inflows/(outflows)	381	-	-	-	-
At 30 June 2018					
Foreign currency contracts - Inflows/(outflows)	5	-	-	-	-

UBS IQ MSCI World ex Australia Ethical ETF

	Less than 1 month	1-6 months	7-12 months	Over 12 months	No stated maturity
At 30 June 2019	\$'000	\$'000	\$'000	\$'000	\$'000
International share price index futures - Inflows/(outflows)	-	3	-	-	-
Foreign currency contracts - Inflows/(outflows)	1	-	-	-	-
At 30 June 2018					
International share price index futures - Inflows/(outflows)	-	(4)	-	-	-

UBS IQ Cash ETF had nil net settled derivatives as at 30 June 2019.

14 Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The gross and net positions of financial assets and liabilities that have been offset in the Statement of Financial Position are disclosed in the first three columns of the tables below.

UBS IQ Morningstar Australia Quality ETF						
Financial assets	Effects of offsetting on the Statement of Financial Positions			Related amount not offset		
	Gross amounts of financial assets	Gross amounts set off in the Statement of Financial Position	Net amount of financial assets presented in the Statement of Financial Position	Amounts subject to master netting arrangements	Collateral Pledged/Received	Net Amount
	\$	\$	\$	\$	\$	\$
2019						
Australian share price index futures	1,475	-	1,475	-	-	1,475
Total	1,475	-	1,475	-	-	1,475
2018						
Australian share price index futures	2,600	-	2,600	-	-	2,600
Total	2,600	-	2,600	-	-	2,600
Financial liabilities	Effects of offsetting on the Statement of Financial Position			Related amount not offset		
	Gross amounts of financial liabilities	Gross amounts set off in the Statement of Financial Position	Net amount of financial liabilities presented in the Statement of Financial Position	Amounts subject to master netting arrangements	Collateral Pledged/Received	Net Amount
	\$	\$	\$	\$	\$	\$
2019						
Australian share price index futures	-	-	-	-	-	-
Total	-	-	-	-	-	-
2018						
Australian share price index futures	-	-	-	-	-	-
Total	-	-	-	-	-	-

14 Offsetting financial assets and financial liabilities (continued)

UBS IQ Morningstar Australia Dividend Yield ETF						
Financial assets	Effects of offsetting on the Statement of Financial Positions			Related amount not offset		
	Gross amounts of financial assets	Gross amounts set off in the Statement of Financial Position	Net amount of financial assets presented in the Statement of Financial Position	Amounts subject to master netting arrangements	Collateral Pledged/Received	Net Amount
	\$	\$	\$	\$	\$	\$
2019						
Australian share price index futures	1,475	-	1,475	-	-	1,475
Total	1,475	-	1,475	-	-	1,475
2018						
Australian share price index futures	2600	-	2600	-	-	2600
Total	2600	-	2600	-	-	2600
Financial liabilities	Effects of offsetting on the Statement of Financial Position			Related amount not offset		
	Gross amounts of financial liabilities	Gross amounts set off in the Statement of Financial Position	Net amount of financial liabilities presented in the Statement of Financial Position	Amounts subject to master netting arrangements	Collateral Pledged/Received	Net Amount
	\$	\$	\$	\$	\$	\$
2019						
Australian share price index futures	-	-	-	-	-	-
Total	-	-	-	-	-	-
2018						
Australian share price index futures	-	-	-	-	-	-
Total	-	-	-	-	-	-

14 Offsetting financial assets and financial liabilities (continued)

UBS IQ MSCI Australia Ethical ETF						
Financial assets	Effects of offsetting on the Statement of Financial Positions			Related amount not offset		
	Gross amounts of financial assets \$'000	Gross amounts set off in the Statement of Financial Position \$'000	Net amount of financial assets presented in the Statement of Financial Position \$'000	Amounts subject to master netting arrangements \$'000	Collateral Pledged/Received \$'000	Net Amount \$'000
2019						
Australian share price index futures	18	-	18	-	-	18
Total	18	-	18	-	-	18
2018						
Australian share price index futures	28	-	28	-	-	28
Total	28	-	28	-	-	28
Financial liabilities	Effects of offsetting on the Statement of Financial Position			Related amount not offset		
	Gross amounts of financial liabilities \$'000	Gross amounts set off in the Statement of Financial Position \$'000	Net amount of financial liabilities presented in the Statement of Financial Position \$'000	Amounts subject to master netting arrangements \$'000	Collateral Pledged/Received \$'000	Net Amount \$'000
2019						
Australian share price index futures	-	-	-	-	-	-
Total	-	-	-	-	-	-
2018						
Australian share price index futures	-	-	-	-	-	-
Total	-	-	-	-	-	-

14 Offsetting financial assets and financial liabilities (continued)

UBS IQ MSCI Asia APEX 50 Ethical ETF						
Financial assets	Effects of offsetting on the Statement of Financial Positions			Related amount not offset		
	Gross amounts of financial assets \$'000	Gross amounts set off in the Statement of Financial Position \$'000	Net amount of financial assets presented in the Statement of Financial Position \$'000	Amounts subject to master netting arrangements \$'000	Collateral Pledged/Received \$'000	Net Amount \$'000
2019						
Foreign currency contracts	45	(45)	-	-	-	-
Total	45	(45)	-	-	-	-
2018						
Foreign currency contracts	-	-	-	-	-	-
Total	-	-	-	-	-	-
Financial liabilities	Effects of offsetting on the Statement of Financial Position			Related amount not offset		
	Gross amounts of financial liabilities \$'000	Gross amounts set off in the Statement of Financial Position \$'000	Net amount of financial liabilities presented in the Statement of Financial Position \$'000	Amounts subject to master netting arrangements \$'000	Collateral Pledged/Received \$'000	Net Amount \$'000
2019						
Foreign currency contracts	45	(45)	-	-	-	-
Total	45	(45)	-	-	-	-
2018						
Foreign currency contracts	-	-	-	-	-	-
Total	-	-	-	-	-	-

14 Offsetting financial assets and financial liabilities (continued)

UBS IQ MSCI Europe Ethical ETF						
Financial assets	Effects of offsetting on the Statement of Financial Positions			Related amount not offset		
	Gross amounts of financial assets	Gross amounts set off in the Statement of Financial Position	Net amount of financial assets presented in the Statement of Financial Position	Amounts subject to master netting arrangements	Collateral Pledged/Received	Net Amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2019						
International share price index futures	5	-	5	-	-	5
Foreign currency contracts	440	(440)	-	-	-	-
Total	445	(440)	5	-	-	5
2018						
Foreign currency contracts	-	-	-	-	-	-
Total	-	-	-	-	-	-
Financial liabilities	Effects of offsetting on the Statement of Financial Position			Related amount not offset		
	Gross amounts of financial liabilities	Gross amounts set off in the Statement of Financial Position	Net amount of financial liabilities presented in the Statement of Financial Position	Amounts subject to master netting arrangements	Collateral Pledged/Received	Net Amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2019						
Foreign currency contracts	440	(440)	-	-	-	-
Total	440	(440)	-	-	-	-
2018						
International share price index futures	3	-	3	-	-	3
Total	3	-	3	-	-	3

14 Offsetting financial assets and financial liabilities (continued)

UBS IQ MSCI Japan Ethical ETF						
Financial assets	Effects of offsetting on the Statement of Financial Positions			Related amount not offset		
	Gross amounts of financial assets	Gross amounts set off in the Statement of Financial Position	Net amount of financial assets presented in the Statement of Financial Position	Amounts subject to master netting arrangements	Collateral Pledged/Received	Net Amount
	\$	\$	\$	\$	\$	\$
2019						
Foreign currency contracts	100,161	(100,000)	161	-	-	161
Total	100,161	(100,000)	161	-	-	161
2018						
Foreign currency contracts	6,273	(6,000)	273	-	-	273
Total	6,273	(6,000)	273	-	-	273
Financial liabilities	Effects of offsetting on the Statement of Financial Position			Related amount not offset		
	Gross amounts of financial liabilities	Gross amounts set off in the Statement of Financial Position	Net amount of financial liabilities presented in the Statement of Financial Position	Amounts subject to master netting arrangements	Collateral Pledged/Received	Net Amount
	\$	\$	\$	\$	\$	\$
2019						
Derivative financial instruments (i)	100,000	(100,000)	-	-	-	-
Total	100,000	(100,000)	-	-	-	-
2018						
Derivative financial instruments (i)	6,000	(6,000)	-	-	-	-
Total	6,000	(6,000)	-	-	-	-

14 Offsetting financial assets and financial liabilities (continued)

UBS IQ MSCI USA Ethical ETF						
Financial assets	Effects of offsetting on the Statement of Financial Positions			Related amount not offset		
	Gross amounts of financial assets	Gross amounts set off in the Statement of Financial Position	Net amount of financial assets presented in the Statement of Financial Position	Amounts subject to master netting arrangements	Collateral Pledged/Received	Net Amount
	\$	\$	\$	\$	\$	\$
2019						
Foreign currency contracts	215,381	(215,000)	381	-	-	381
Total	215,381	(215,000)	381	-	-	381
2018						
Foreign currency contracts	5	-	5	-	-	5
Total	5	-	5	-	-	5
Financial liabilities	Effects of offsetting on the Statement of Financial Position			Related amount not offset		
	Gross amounts of financial liabilities	Gross amounts set off in the Statement of Financial Position	Net amount of financial liabilities presented in the Statement of Financial Position	Amounts subject to master netting arrangements	Collateral Pledged/Received	Net Amount
	\$	\$	\$	\$	\$	\$
2019						
Foreign currency contracts	215,000	(215,000)	-	-	-	-
Total	215,000	(215,000)	-	-	-	-
2018						
Foreign currency contracts	-	-	-	-	-	-
Total	-	-	-	-	-	-

14 Offsetting financial assets and financial liabilities (continued)

UBS IQ MSCI World ex Australia Ethical ETF						
Financial assets	Effects of offsetting on the Statement of Financial Positions			Related amount not offset		
	Gross amounts of financial assets \$'000	Gross amounts set off in the Statement of Financial Position \$'000	Net amount of financial assets presented in the Statement of Financial Position \$'000	Amounts subject to master netting arrangements \$'000	Collateral Pledged/Received \$'000	Net Amount \$'000
2019						
Foreign currency contracts	697	(696)	1	-	-	1
International share price index futures	3	-	3	-	-	3
Total	700	(696)	4	-	-	4
2018						
Foreign currency contracts	-	-	-	-	-	-
Total	-	-	-	-	-	-
Financial liabilities	Effects of offsetting on the Statement of Financial Position			Related amount not offset		
	Gross amounts of financial liabilities \$'000	Gross amounts set off in the Statement of Financial Position \$'000	Net amount of financial liabilities presented in the Statement of Financial Position \$'000	Amounts subject to master netting arrangements \$'000	Collateral Pledged/Received \$'000	Net Amount \$'000
2019						
Foreign currency contracts	696	(696)	-	-	-	-
Total	696	(696)	-	-	-	-
2018						
Foreign currency contracts	-	-	-	-	-	-
International share price index future	4	-	4	-	(4)	-
Total	4	-	4	-	(4)	-

14 Offsetting financial assets and financial liabilities (continued)

(i) Master netting arrangement – currently enforceable

Agreements with derivative counterparties are based on the ISDA Master Agreement. Under the terms of these arrangements, only where certain credit events occur (such as default, insolvency or bankruptcy), the net position owing/receivable to a single counterparty in the same currency will be taken as owing and all the relevant arrangements terminated. As the Funds presently have a legally enforceable right of set-off, these amounts have been offset in the Statement of Financial Position.

15 Fair value measurement

The Funds measure and recognise the following assets and liabilities at fair value on a recurring basis:

- Financial assets / liabilities at fair value through profit or loss (FVTPL) (see Notes 8 and 9)
- Derivative financial instruments (see Note 12);

The Funds have no assets or liabilities measured at fair value on a non-recurring basis in the current financial year. The Funds are required to classify fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- (a) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (b) Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly; and
- (c) Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes "observable" requires significant judgement by the Funds. The Funds consider observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

All fair value measurement disclosed are recurring fair value measurements.

(i) Fair value in an active market (level 1)

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and equity securities) are based on their quoted market prices at the close of trading at the end of the year without any deduction for estimated future selling costs. For the majority of investments, information provided by independent pricing services are relied upon for the valuation of investments.

Where the Funds do have financial assets and financial liabilities with offsetting positions in market risks or counterparty credit risk, it may elect to use the measurement exception provided in AASB 13 to measure the fair value of its net risk exposure by applying a price within the bid-ask spread to the net open position as appropriate.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

15 Fair value measurement (continued)

(ii) Fair value in an inactive or unquoted market (level 2 and level 3)

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the year applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the year. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed entities adjusted to reflect the specific circumstances of the issuer.

The fair value of derivatives that are not exchange traded is estimated at the amount that the Funds would receive or pay to terminate the contract at the end of the year taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Funds hold. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

If a significant movement in fair value occurs subsequent to the close of trading up to midnight on the reporting date, valuation techniques will be applied to determine the fair value. A significant event is any event that occurs after the last market price for a security, close of market or close of the foreign exchange, but before the Funds' valuation time that materially affects the integrity of the closing prices for any security, instrument, currency or securities affected by that event so that they cannot be considered 'readily available' market quotations. Where the last sale price does not fall within the bid-ask spread, an assessment is performed by the Responsible Entity to determine the appropriate valuation price to use that is most representative of fair value.

Recognised fair value measurement

The table below presents the Funds' financial assets and liabilities (by class) measured and recognised at fair value according to the fair value hierarchy at 30 June 2019 and 30 June 2018.

	UBS IQ Morningstar Australia Quality ETF							
	As at 30 June 2019				As at 30 June 2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets at fair value through profit or loss								
Australian share price index futures	1,475	-	-	1,475	2,600	-	-	2,600
Listed equities	6,481,321	-	-	6,481,321	7,214,509	-	-	7,214,509
Listed unit trusts	1,225,691	-	-	1,225,691	1,012,572	-	-	1,012,572
Total	7,708,487	-	-	7,708,487	8,229,681	-	-	8,229,681

15 Fair value measurement (continued)

Recognised fair value measurement (continued)

	UBS IQ Morningstar Australia Dividend Yield ETF							
	As at 30 June 2019				As at 30 June 2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets at fair value through profit or loss								
Australian share price index futures	1,475	-	-	1,475	2,600	-	-	2,600
Listed equities	9,567,013	-	-	9,567,013	10,996,088	-	-	10,996,088
Total	9,568,488	-	-	9,568,488	10,998,688	-	-	10,998,688

	UBS IQ MSCI Australia Ethical ETF							
	As at 30 June 2019				As at 30 June 2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss								
Australian share price index futures	18	-	-	18	28	-	-	28
Listed equities	177,975	-	-	177,975	191,111	-	-	191,111
Listed unit trusts	13,702	-	-	13,702	12,750	-	-	12,750
Total	191,695	-	-	191,695	203,889	-	-	203,889

	UBS IQ MSCI Asia APEX 50 Ethical ETF							
	As at 30 June 2019				As at 30 June 2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss								
Listed equities	12,055	-	-	12,055	8,905	-	-	8,905
Total	12,055	-	-	12,055	8,905	-	-	8,905

15 Fair value measurement (continued)

Recognised fair value measurement (continued)

	UBS IQ MSCI Europe Ethical ETF							
	As at 30 June 2019				As at 30 June 2018			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value through profit or loss								
International share price index futures	5	-	-	5	-	-	-	-
Listed equities	15,185	-	-	15,185	10,924	-	-	10,924
Listed unit trusts	116	-	-	116	105	-	-	105
Total	15,306	-	-	15,306	11,029	-	-	11,029
Financial liabilities at fair value through profit or loss								
International share price index futures	-	-	-	-	3	-	-	3
Total	-	-	-	-	3	-	-	3

	UBS IQ MSCI Japan Ethical ETF							
	As at 30 June 2019				As at 30 June 2018			
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets at fair value through profit or loss								
Foreign currency contracts	-	161	-	161	-	273	-	273
Listed equities	5,579,907	-	-	5,579,907	4,467,241	-	-	4,467,241
Listed unit trusts	88,405	-	-	88,405	49,880	-	-	49,880
Total	5,668,312	161	-	5,668,473	4,517,121	273	-	4,517,394

15 Fair value measurement (continued)

Recognised fair value measurement (continued)

	UBS IQ MSCI USA Ethical ETF							
	As at 30 June 2019				As at 30 June 2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets at fair value through profit or loss								
Foreign currency contracts	-	381	-	381	-	5	-	5
Listed equities	7,321,369	-	-	7,321,369	6,550,330	-	-	6,550,330
Listed unit trusts	248,822	-	-	248,822	199,231	-	-	199,231
Total	7,570,191	381	-	7,570,572	6,749,561	5	-	6,749,566

	UBS IQ MSCI World ex Australia Ethical ETF							
	As at 30 June 2019				As at 30 June 2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss								
International share price index futures	3	-	-	3	-	-	-	-
Foreign currency contracts	-	1	-	1	-	-	-	-
Listed equities	52,005	-	-	52,005	43,608	-	-	43,608
Listed unit trusts	1,318	-	-	1,318	1,006	-	-	1,006
Total	53,326	1	-	53,327	44,614	-	-	44,614

Financial liabilities at fair value through profit or loss								
International share price index futures	-	-	-	-	4	-	-	4
Total	-	-	-	-	4	-	-	4

15 Fair value measurement (continued)

Recognised fair value measurement (continued)

	As at 30 June 2019				UBS IQ Cash ETF As at 30 June 2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets at fair value through profit or loss								
Debt securities	-	697,790	-	697,790	-	993,755	-	993,755
Total	-	697,790	-	697,790	-	993,755	-	993,755

Management's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the year.

(i) *Transfers between levels*

There have been no transfers between levels for the year ended 30 June 2019 and 30 June 2018. There were also no changes made to any of the valuation techniques applied as at 30 June 2019.

(ii) *Fair value measurements using significant unobservable inputs (level 3)*

The Funds did not hold any financial instruments with fair value measurements using significant unobservable inputs for the year ended 30 June 2019 and 30 June 2018.

(iii) *Fair values of other financial instruments*

Due to their short-term nature, the carrying amounts of receivables and payables are assumed to approximate fair value.

16 Related party transactions

Responsible Entity

The Responsible Entity of the Funds is UBS Asset Management (Australia) Ltd, whose immediate and ultimate holding company is UBS AG, a publicly listed company incorporated in Switzerland.

Key management personnel

(a) Directors

Key management personnel includes persons who were directors of UBS Asset Management (Australia) Ltd at any time during the year and up to the date of this report:

B J Doherty, Chairman
A L Anderson
J D Males (Resigned 12 December 2018)
A L Flockart (Resigned 16 November 2018)
R Buehlmann (Resigned 31 January 2019)
G Rice (Appointed 31 January 2019)

16 Related party transactions (continued)

(b) Other key management personnel

There were no other persons with responsibility for planning, directing and controlling the activities of the Funds, directly or indirectly during the year.

Key management personnel services are provided by the Responsible Entity and included in the Responsible Entity's fees disclosed below. There was no compensation paid directly by the Funds to any of the key management personnel.

Other transactions within the Funds

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Funds during the year and there were no material contracts involving key management personnel's interests existing at the end of the year.

Responsible Entity's fees and other transactions

The Responsible Entity's fees paid and payable for administrating and managing the Funds in accordance with the Funds' Product Disclosure Statements for the year ended 30 June 2019 are as follows:

	UBS IQ Morningstar Australia Quality ETF		UBS IQ Morningstar Australia Dividend Yield ETF	
	Year ended		Year ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$	\$	\$	\$
Responsible Entity's fees paid and payable for the year/period	23,760	42,779	28,642	73,328
Aggregate amounts payable to the Responsible Entity at the end of the year/period	1,965	2,089	2,403	2,857
	UBS IQ MSCI Australia Ethical ETF		UBS IQ MSCI Asia APEX 50 Ethical ETF	
	Year ended		Year ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$	\$	\$	\$
Responsible Entity's fees paid and payable for the year/period	319,066	308,885	49,037	33,879
Aggregate amounts payable to the Responsible Entity at the end of the year/period	26,620	28,154	3,938	3,442

16 Related party transactions (continued)

Responsible Entity's fees and other transactions (continued)

	UBS IQ MSCI Europe Ethical ETF		UBS IQ MSCI Japan Ethical ETF	
	Year ended		Year ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$	\$	\$	\$
Responsible Entity's fees paid and payable for the year/period	50,598	39,834	20,082	16,418
Aggregate amounts payable to the Responsible Entity at the end of the year/period	5,143	3,739	1,890	1,530
	UBS IQ MSCI USA Ethical ETF		UBS IQ MSCI World ex Australia Ethical ETF	
	Year ended		Year ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$	\$	\$	\$
Responsible Entity's fees paid and payable for the year/period	14,362	12,528	172,831	151,918
Aggregate amounts payable to the Responsible Entity at the end of the year/period	1,263	1,125	15,419	13,109
	UBS IQ Cash ETF			
	Year ended		For the reporting period from 27 April 2017 to 30 June 2018	
	30 June 2019		30 June 2018	
	\$		\$	
Responsible Entity's fees paid and payable for the year/period			2,139	1,954
Aggregate amounts payable to the Responsible Entity at the end of the year/period			104	148

Relationship with UBS AG Australia Branch and UBS Securities Australia Limited

On a non-exclusive basis, the Responsible Entity uses the services of UBS AG Australia Branch, a related company, for futures trading, futures clearing and underwriting services. The Responsible Entity also uses the services of UBS Securities Australia Limited, a related company for equity broking services.

The Responsible Entity has appointed the related entities on an arm's length commercial basis. Fees paid to the related companies for their services are on normal commercial terms and conditions.

16 Related party transactions (continued)

Related party unitholdings

Parties related to the Funds (including UBS Asset Management (Australia) Ltd, its related parties and other funds managed by UBS Asset Management (Australia) Ltd), are recorded below.

UBS IQ Morningstar Australia Dividend Yield ETF

30 June 2019

Unitholder	No. of units held opening (Units)	No. of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	No. of units acquired (Units)	No. of units disposed (Units)	Distributions paid/payable by the Funds (\$)
UBS Defensive Investment Fund	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

30 June 2018

Unitholder	No. of units held opening (Units)	No. of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	No. of units acquired (Units)	No. of units disposed (Units)	Distributions paid/payable by the Funds (\$)
UBS Defensive Investment Fund	862,664	-	-	-	34,390	897,054	535,300
Total	862,664	-	-	-	34,390	897,054	535,300

UBS IQ MSCI Australia Ethical ETF

30 June 2019

Unitholder	No. of units held opening (Units)	No. of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	No. of units acquired (Units)	No. of units disposed (Units)	Distributions paid/payable by the Fund (\$)
UBS Tactical Beta Fund - Conservative	976,400	809,000	17,842,777	9.46	42,351	209,751	1,049,260
UBS Tactical Beta Fund - Balanced	2,748,000	2,312,300	50,998,583	27.03	117,886	553,586	2,950,986
UBS Tactical Beta Fund - Growth	2,918,000	2,502,100	55,184,688	29.24	126,369	542,269	3,185,179
UBS Balanced Investment Fund	1,903,952	1,833,613	40,440,974	21.43	82,836	153,175	2,212,107
UBS Defensive Investment Fund	775,000	533,400	11,764,323	6.23	31,449	273,049	723,950
Total	9,321,352	7,990,413	176,231,346		400,891	1,731,830	10,121,482

16 Related party transactions (continued)

Related party unitholdings (continued)

30 June 2018

Unitholder	No. of units held opening (Units)	No. of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	No. of units acquired (Units)	No. of units disposed (Units)	Distributions paid/payable by the Fund (\$)
UBS Tactical Beta Fund - Conservative	1,046,698	976,400	20,365,128	10.01	42,956	113,254	855,307
UBS Tactical Beta Fund - Balanced	2,788,990	2,748,000	57,316,030	28.18	114,459	155,449	2,320,770
UBS Tactical Beta Fund - Growth	2,206,624	2,918,000	60,861,782	29.92	807,137	95,761	2,321,814
UBS Balanced Investment Fund	1,828,895	1,903,952	39,711,416	19.52	75,057	-	1,550,945
UBS Defensive Investment Fund	-	775,000	16,164,455	7.95	775,000	-	221,149
Total	7,871,207	9,321,352	194,418,811		1,814,609	364,464	7,269,985

UBS IQ Cash ETF

30 June 2019

Unitholder	No. of units held opening (Units)	No. of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	No. of units acquired (Units)	No. of units disposed (Units)	Distributions paid/payable by the Fund (\$)
UBS IQ MSCI Australia Ethical ETF	1,251	1,251	25,065	3.57	-	-	466
Total	1,251	1,251	25,065		-	-	466

30 June 2018

Unitholder	No. of units held opening (Units)	No. of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	No. of units acquired (Units)	No. of units disposed (Units)	Distributions paid/payable by the Fund (\$)
UBS IQ MSCI Australia Ethical ETF	-	1,251	25,008	2.50	1,251	-	182
Total	-	1,251	25,008		1,251	-	182

Investments

The Funds did not hold any investments in UBS Asset Management (Australia) Ltd or its related parties or other funds managed by UBS Asset Management (Australia) Ltd during the year (2018: Nil).

16 Related party transactions (continued)

Other transactions within the Funds

From time to time directors of UBS Investment Funds, or their director related entities, may invest in or withdraw from the Funds. These investments or withdrawals are on the same terms and conditions as those entered into by other Funds' investors and are trivial in nature.

17 Segment information

The Funds are organised into one main segment which operates solely in the business of investment management within Australia.

The Funds operate in Australia and hold investments in Australia and globally.

18 Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities

	UBS IQ Morningstar Australia Quality ETF		UBS IQ Morningstar Australia Dividend Yield ETF	
	Year ended		Year ended	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$	\$	\$	\$
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities				
Increase/(decrease) in net assets attributable to unitholders	360,393	(256,547)	430,440	(620,155)
Distributions to unitholders	354,159	589,324	507,017	1,146,164
Proceeds from sale of financial instruments at fair value through profit or loss	4,235,475	7,186,511	5,141,063	9,234,274
Purchase of financial instruments at fair value through profit or loss	(4,395,084)	(7,367,721)	(5,351,927)	(9,819,162)
Dividends/Trust distributions reinvested	(1,796)	-	-	-
Net (gains)/losses on financial instruments at fair value through profit or loss	(385,900)	231,344	(451,626)	542,940
Net change in receivables	(219)	133,641	(15,813)	110,560
Net change in payables	(33)	(5,085)	(1,629)	(3,820)
Net cash inflow/(outflow) from operating activities	166,995	511,467	257,525	590,801
(b) Components of cash and cash equivalents				
Cash at the end of the year/period as shown in the Statement of Cash Flows is reconciled to the Statement of Financial Position as follows:				
Cash and cash equivalents	143,762	261,616	155,283	378,417
(c) Non-cash financing activities				
During the year/period, the following applications were satisfied by in specie asset transfers	-	-	-	1,013,034
During the year/period, the following redemptions were satisfied by in specie asset transfers	-	19,026,399	-	17,653,456
During the year/period, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	52,148	183,992	124,365	812,848

18 Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities (continued)

	UBS IQ MSCI Australia Ethical ETF Year ended		UBS IQ MSCI Asia APEX 50 Ethical ETF Year ended	
	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2018 \$'000
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities				
Increase/(decrease) in net assets attributable to unitholders	10,882	15,453	136	351
Distributions to unitholders	10,791	7,537	211	92
Proceeds from sale of financial instruments at fair value through profit or loss	7,673	4,542	756	3,661
Purchase of financial instruments at fair value through profit or loss	(16,564)	(11,820)	(3,921)	(8,367)
Dividends/Trust distributions reinvested	-	-	(8)	(3)
Net (gains)/losses on financial instruments at fair value through profit or loss	(12,264)	(15,104)	(134)	(355)
Net change in receivables	649	(396)	(31)	(21)
Net change in payables	(3)	4	7	6
Net cash inflow/(outflow) from operating activities	1,164	216	(2,984)	(4,636)
(b) Components of cash and cash equivalents				
Cash at the end of the year/period as shown in the Statement of Cash Flows is reconciled to the Statement of Financial Position as follows:				
Cash and cash equivalents	1,192	447	11	73
(c) Non-cash financing activities				
During the year/period, the following applications were satisfied by in specie asset transfers	-	31,900	-	-
During the year/period, the following redemptions were satisfied by in specie asset transfers	-	10,107	-	-
During the year/period, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	7,798	6,716	10	-

18 Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities (continued)

	UBS IQ MSCI Europe Ethical ETF		UBS IQ MSCI Japan Ethical ETF	
	Year ended		Year ended	
	30 June 2019 \$'000	30 June 2018 \$'000	30 June 2019 \$	30 June 2018 \$
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities				
Increase/(decrease) in net assets attributable to unitholders	811	552	(4,257)	424,779
Distributions to unitholders	469	300	106,940	83,757
Proceeds from sale of financial instruments at fair value through profit or loss	475	745	207,354	92,770
Purchase of financial instruments at fair value through profit or loss	(4,345)	(3,504)	(1,357,225)	(1,035,184)
Net foreign exchange gains/(losses)	-	-	(129)	(105)
Dividends/Trust distributions reinvested	(15)	(21)	-	-
Net (gains)/losses on financial instruments at fair value through profit or loss	(861)	(562)	(11,767)	(435,010)
Net change in receivables	(43)	(19)	(1,338)	(3,514)
Net change in payables	3	1	675	954
Net cash inflow/(outflow) from operating activities	(3,506)	(2,508)	(1,059,747)	(871,553)
(b) Components of cash and cash equivalents				
Cash at the end of the year/period as shown in the Statement of Cash Flows is reconciled to the Statement of Financial Position as follows:				
Cash and cash equivalents	88	360	20,968	19,430
(c) Non-cash financing activities				
During the year/period, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	20	13	6,683	4,472

18 Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities (continued)

	UBS IQ MSCI USA Ethical ETF Year ended		UBS IQ MSCI World ex Australia Ethical ETF Year ended	
	30 June 2019 \$	30 June 2018 \$	30 June 2019 \$'000	30 June 2018 \$'000
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities				
Increase/(decrease) in net assets attributable to unitholders	779,894	941,309	4,345	5,314
Distributions to unitholders	264,177	139,454	1,357	916
Proceeds from sale of financial instruments at fair value through profit or loss	266,325	352,612	1,373	6,835
Purchase of financial instruments at fair value through profit or loss	(346,360)	(226,429)	(5,948)	(8,423)
Net foreign exchange gains/(losses)	61	(61)	(1)	(1)
Dividends/Trust distributions reinvested	-	-	(16)	(26)
Net (gains)/losses on financial instruments at fair value through profit or loss	(940,499)	(990,423)	(4,822)	(5,522)
Net change in receivables	614	(1,700)	(31)	(23)
Net change in payables	352	353	(63)	8
Net cash inflow/(outflow) from operating activities	24,564	215,115	(3,806)	(922)
(b) Components of cash and cash equivalents				
Cash at the end of the year/period as shown in the Statement of Cash Flows is reconciled to the Statement of Financial Position as follows:				
Cash and cash equivalents	6,189	108,096	176	626
(c) Non-cash financing activities				
During the year/period, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan				
	13,044	5,842	381	374

18 Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities (continued)

	UBS IQ Cash ETF	
	Year ended 30 June 2019	For the reporting period from 27 April 2017 to 30 June 2018
	\$	\$
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities		
Increase/(decrease) in net assets attributable to unitholders	1,836	(478)
Distributions to unitholders	21,785	18,390
Proceeds from sale of financial instruments at fair value through profit or loss	321,728	-
Purchase of financial instruments at fair value through profit or loss	-	(973,890)
Net (gains)/losses on financial instruments at fair value through profit or loss	(2,024)	485
Interest bought/sold	(23,739)	(20,350)
Net change in receivables	(11)	(26)
Net change in payables	35	199
Net cash inflow/(outflow) from operating activities	<u>319,610</u>	<u>(975,670)</u>
(b) Components of cash and cash equivalents		
Cash at the end of the year/period as shown in the Statement of Cash Flows is reconciled to the Statement of Financial Position as follows:		
Cash and cash equivalents	<u>6,019</u>	<u>7,699</u>
(c) Non-cash financing activities		
During the year/period, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan		
	<u>1,421</u>	<u>180</u>

19 Events occurring after the reporting date

No significant events have occurred since 30 June 2019 and up to the date of this report that the Funds have not otherwise dealt within the financial report that has significantly affected or may significantly affect the Funds (30 June 2018: Nil).

20 Contingent assets and liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 30 June 2019 (30 June 2018: Nil).

Directors' Declaration

In the opinion of the directors of the Responsible Entity:

- (a) the financial statements and notes set out on pages 11 to 111 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Funds' financial position as at 30 June 2019 and of their performance, as represented by the results of their operations and cash flows, for the year ended on that date.
- (b) there are reasonable grounds to believe that the Funds will be able to pay their debts as and when they become due and payable.
- (c) the financial statements are in accordance with the Funds' Constitutions.
- (d) the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as disclosed in Note 2(a).

This declaration is made in accordance with a resolution of the directors.



B J Doherty
Chairman



G Rice
Director

Sydney
12 September 2019

Independent auditor's report to the unitholders of UBS Exchange Traded Funds

To the following UBS Exchange Traded Funds (the "Funds")

- ▶ UBS IQ Morningstar Australia Quality ETF (ETF)
- ▶ UBS IQ Morningstar Australia Dividend Yield ETF (DIV)
- ▶ UBS IQ MSCI Australia Ethical ETF (UBA)
- ▶ UBS IQ MSCI Asia APEX 50 Ethical ETF (UBP)
- ▶ UBS IQ MSCI Europe Ethical ETF (UBE)
- ▶ UBS IQ MSCI Japan Ethical ETF (UBJ)
- ▶ UBS IQ MSCI USA Ethical ETF (UBU)
- ▶ UBS IQ Cash ETF (MONY)
- ▶ UBS IQ MSCI World ex Australia Ethical ETF (UBW)

Opinion

We have audited the financial report of the above Funds, which comprises the Statement of Financial Position as at 30 June 2019, the Statement of Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and the Directors' Declaration.

In our opinion:

- a. the accompanying financial report of the Funds is in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the Fund's financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.
- b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2(a).

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Funds in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia; and we have fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

1. Investment Existence and Valuation

Why significant

As exchange traded funds, the Funds have significant investment portfolios consisting primarily of listed equities, listed trusts and cash accounts. As at 30 June 2019, the value of these financial assets, as set out in Note 7 and 8 to the financial statements was as follows:

Fund	Value of investments and cash (\$'000)	Investments and cash as a % of Total Assets held by Fund
ETF	7,852	98%
DIV	9,724	99%
UBA	192,887	99%
UBP	12,066	98%
UBE	15,394	97%
UBJ	5,689	98%
UBU	7,577	97%
MONY	704	99%
UBW	53,503	98%

As detailed in the Fund's accounting policy, as described in Note 2 (a) to the financial statements, these financial assets are recognised at fair value through profit or loss in accordance with Australian Accounting Standards.

How our audit addressed the key audit matter

We assessed the effectiveness of the key controls in place in relation to the recognition and valuation of investments, through consideration of the assurance report on the controls of the Fund's administrator and custodian in relation to Fund Administration Services for the year ended 30 June 2019. We considered the auditor's qualifications and objectivity and results of their procedures

We agreed investment holdings, including cash accounts, to third party confirmations at 30 June 2019.

We determined whether the valuation of positions in the portfolios held at 30 June 2019 reflected fair value by agreeing the listed securities values to independent pricing sources and for unlisted funds, we agreed the investment valuations to statements from external fund administrators.

We assessed the adequacy of the disclosures in Note 7, Note 8 and Note 15 to the financial statements.

Volatility and other market drivers can have a significant impact on the value of these financial assets and the financial statements, therefore valuation of the investment portfolio is considered a key area of focus.

2. Responsible Entity's Fees

Why significant

Responsible Entity's Fees are the most significant expense for the Funds.

As at 30 June 2019, Responsible Entity's Fees for the Funds were as follows:

Fund	Responsible Entity's Fees	Responsible Entity's Fees as a % of Total Expenses incurred
ETF	\$23,760	96%
DIV	\$28,642	96%
UBA	\$319,066	99%
UBP	\$49,037	54%
UBE	\$50,598	46%
UBJ	\$20,082	61%
UBU	\$14,362	37%
MONY	\$2,139	99%
UBW	\$172,831	50%

How our audit addressed the key audit matter

We assessed the design and operating effectiveness of the key controls in place in relation to the calculation of the Responsible Entity's fees, through consideration of the assurance report of the administrator and custodian referred to in the key audit matter above.

We recalculated the Responsible Entity's fees, by reference to the contractual arrangements.

We assessed the adequacy of the disclosures in Note 16 to the financial statements.

The Funds' accounting policy for Responsible Entity's Fees is described in Note 2 to the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The directors of UBS Asset Management (Australia) Ltd as Responsible Entity of the Funds are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Funds' abilities to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Funds or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

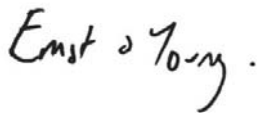
As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting in the preparation of the financial report. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events and conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the disclosures in the financial report about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial report. However, future events or conditions may cause an entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Ernst & Young



Graeme McKenzie
Partner
Sydney
12 September 2019

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