

# UBS Euro Core

Unaudited Financial Statements 1Q20

UBS (Lux) Real Estate – Euro Core Feeder Fund (CHF) (in liquidation)





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# Senior Portfolio Manager's Report

Mark Gifford

### **Fund update**

UBS (Lux) Real Estate – Euro Core Feeder Fund (CHF) (in liquidation), (the CHF Fund) is a Luxembourg SICAV – SIF. The Fund was incorporated as an open-ended investment company incorporated under the laws of Jersey on 3 October 2005 authorized to issue an unlimited number of shares denominated in Swiss Francs. In December 2008, the CHF Fund was re-domiciled from Jersey to Luxembourg and changed its legal status to a SICAV regulated by the Luxembourg law of 13 February 2007 on specialized investment funds (SIF). As a result of this, the CHF Fund was required to have new articles of association and a prospectus which complies with Luxembourg law; both of these have been approved by the Luxembourg regulator, the CSSF.

The CHF Fund is a feeder vehicle and has been formed solely to provide institutional investors with the opportunity to invest, through a Swiss Franc denominated feeder structure, in the Euro Zone sub fund of UBS (Lux) Real Estate – Euro Core Fund (in liquidation) (the Master Fund).

On 13 May 2015, the CHF Fund held both its Annual General Meeting (AGM) and an Extraordinary General Meeting (EGM) during which it was agreed that the CHF Fund will enter into liquidation on 30 June 2015, due to the liquidation of the Master Fund.

The CHF Fund invests in units in the Master Fund and, as appropriate, liquid assets and derivatives for the purpose of hedging a significant portion of its foreign currency exposure. As at 31 March 2020, approximately 63% of assets were invested in the Master Fund (31 December 2019: 75%), with the majority of the balance being cash.

### **CHF Fund performance<sup>1</sup>**

The CHF Fund had a positive return for 1Q20 of 10.45% which comprised a capital return of 10.45% and an income return of 0.00%. No distributions have been made this quarter due to the CHF Fund being in liquidation; hence the income return is 0.00%. The positive return has been driven by sale of the last two assets in the Master Fund above valuation and the lower NAV of both the Master and Feeder Fund due to payment of liquidation proceeds.

As at 31 March 2020, the CHF Fund had total net assets of CHF 5.3 million (31 December 2019: CHF 11.3 million). As at 31 March 2020, the CHF Fund had hedged 75% of its EUR foreign currency exposure.

### **Master Fund performance**

The performance of the Master Fund can be found on the following page. Further analysis of the performance of the Master Fund can be found in the separate report attached to this CHF Fund report.

On 31 March 2015, the Master Fund entered into liquidation following the expiry of the notice of termination issued to Unitholders on 19 December 2014. This was as a result of the redemption queue reaching circa 53% of the Fund's NAV, with indications that further redemptions were to follow. The Master Fund has now sold its remaining assets and full liquidation is expected to be completed during 3Q20. Liquidation accounting policies have been implemented.

### **Fund activity**

No further subscriptions or redemptions have been made by the CHF Fund in 1Q20. Following the AGM and EGM held on 13 May 2015 (see above), it was agreed that the CHF Fund would enter into liquidation on 30 June 2015. Appropriate liquidation provisions have been made and no distributions have been possible this quarter. Following the start of liquidation, the redemption queue has ceased to exist and all payments made to Unitholders are in the form of liquidation proceeds. A fifth payment of liquidation proceeds for CHF 6.5 million was made on 30 March 2020 with the corresponding shares cancelled.

# Senior Portfolio Manager's Report (continued)

## As at 31 March 2020

UBS (Lux) Real Estate – Euro Core Feeder Fund (CHF) (in liquidation) (the CHF Fund)	NAV price as at 31 Mar 2020 CHF per share	NAV price as at 31 Dec 2019 CHF per share	Total return on 1Q20 %	Total return on year to 31 Dec 2019 %
Class A – accumulation shares	8.9446	8.0978	10.45	5.86
Class B – distribution shares	6.3975	5.7917	10.45 <sup>1</sup>	5.86 <sup>1</sup>
	Distribution for 1Q20 CHF per share	Distribution for 2019 CHF per share	Income return on 1Q20 %	Income return on year to 31 Dec 2019 %
Class B – distribution shares	0.0000	0.0000	0.00 <sup>2</sup>	0.00 <sup>2</sup>

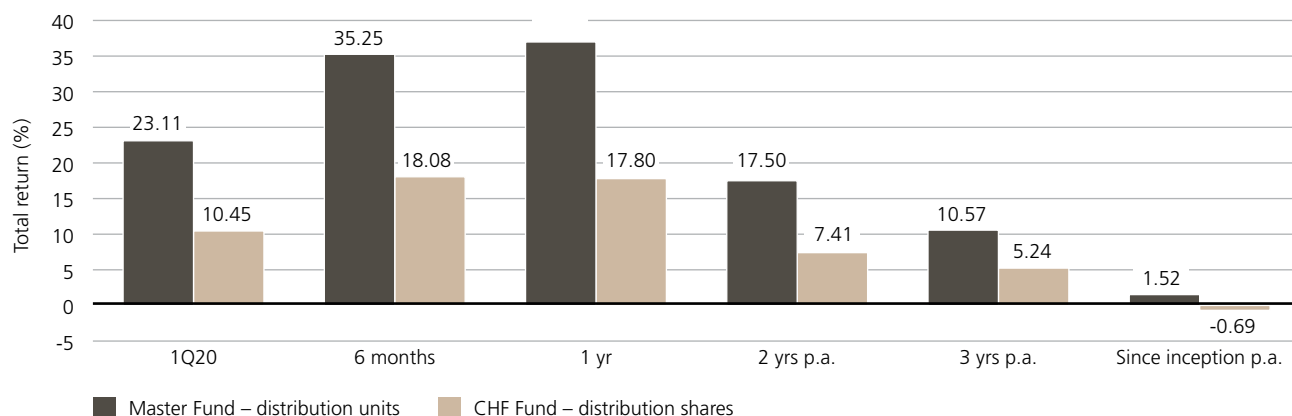
UBS (Lux) Real Estate – Euro Core Fund – Euro Zone (in liquidation) (the Master Fund)	NAV price as at 31 Mar 2020 EUR per unit	NAV price as at 31 Dec 2019 EUR per unit	Total return on YTD20 %	Total return on year to 31 Dec 2019 %
Class A – distribution units	8.368	6.797	23.11 <sup>1</sup>	11.30
Class B – accumulation units	12.473	10.132	23.11	11.30
	Distribution for 1Q20 EUR per unit	Distribution for 2019 EUR per unit	Income return on YTD20 %	Income return on year to 31 Dec 2019 %
Class A – distribution units	0.000	0.000	0.00 <sup>2</sup>	0.00 <sup>2</sup>

**Note: Past performance is not a guide to future returns.**

<sup>1</sup> Calculated on the basis that distributions are immediately re-invested into the Funds without deductions.

<sup>2</sup> Included in the total return disclosed above for Class A – distribution units.

## Total return for the CHF Fund compared with the Master Fund



Source: UBS Asset Management, Real Estate & Private Markets (REPM)

**Past performance is not a guide to future returns.**

UBS (Lux) Real Estate –  
Euro Core Feeder Fund (CHF)  
Société Anonyme SICAV-SIF (in liquidation)

Unaudited Financial Statements  
For the period ended 31 March 2020

# Unaudited Financial Statements

For the period ended 31 March 2020

UBS (Lux) Real Estate – Euro Core Feeder Fund (CHF) (in liquidation)

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# Management and Administration of the Fund

For the period ended 31 March 2020

UBS (Lux) Real Estate – Euro Core Feeder Fund (CHF) (in liquidation)

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Claude Stoltz  
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# Unaudited Statement of Net Assets

As at 31 March 2020

UBS (Lux) Real Estate – Euro Core Feeder Fund (CHF) (in liquidation)

	As at 31 Mar 2020 CHF '000	As at 31 Dec 2019 CHF '000
<b>Assets</b>		
<b>Non current assets</b>		
Investment	3,312	8,501
<b>Current assets</b>		
Cash and cash equivalents	1,986	2,782
Unrealised gain on forward foreign exchange contracts	–	24
Accounts receivable and prepayment	2	–
<b>Total assets</b>	<b>5,300</b>	<b>11,307</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses	35	44
Unrealized loss on forward foreign exchange contracts	4	–
<b>Total liabilities</b>	<b>39</b>	<b>44</b>
<b>Total net assets</b>	<b>5,261</b>	<b>11,263</b>
<b>Shareholders' equity</b>		
Called up share capital	38,174	44,674
Loss brought forward	(33,411)	(34,021)
Profit for the period	498	610
<b>Total shareholders' equity</b>	<b>5,261</b>	<b>11,263</b>
Shares in issue:		
Class A shares – accumulation shares	472,138	1,116,347
Net asset per value per share	CHF 8.9446	CHF 8.0978
Class B shares – distribution shares	162,396	383,976
Net asset per value per share	CHF 6.3975	CHF 5.7917

# Unaudited Statement of Operations

For the period ended 31 March 2020

UBS (Lux) Real Estate – Euro Core Feeder Fund (CHF) (in liquidation)

	Notes	Period end 31 Mar 2020 CHF '000	Year end 31 Dec 2019 CHF '000
<b>Expenses</b>			
Professional fees		5	6
Interest expenses		12	52
General administrative expenses		2	83
<b>Total expenses</b>		<b>19</b>	<b>141</b>
<b>Net operating (loss)</b>			
Net unrealised gain on investment in the Master Fund		420	501
Net unrealized gain/(loss) on forward foreign exchange contract		(29)	60
Net realized gain on forward foreign exchange contract		152	194
Net unrealized (loss) on foreign exchange		(26)	(5)
Net realized gain on foreign exchange		–	1
<b>Total realized and unrealized gain for the period</b>		<b>517</b>	<b>751</b>
<b>Net profit for the period</b>		<b>498</b>	<b>610</b>

# Unaudited Statement of Changes in Net Assets

For the period ended 31 March 2020

UBS (Lux) Real Estate – Euro Core Feeder Fund (CHF) (in liquidation)

	Period end 31 Mar 2020 CHF '000	Year end 31 Dec 2019 CHF '000
<b>Net assets at beginning of the period</b>	<b>11,263</b>	<b>17,153</b>
<b>Net increase in net assets resulting from operations</b>		
Net operating (loss) for the period	(19)	(141)
Total realized and unrealized profit for the period	517	751
<b>Total increase in net assets resulting from operations</b>	<b>498</b>	<b>610</b>
<b>Net decrease in net assets resulting from capital transactions</b>		
Advance in liquidation proceeds		
Class A shares – accumulation shares	(5,217)	(5,217)
Class B shares – distribution shares	(1,283)	(1,283)
<b>Total decrease in net assets resulting from capital transactions</b>	<b>(6,500)</b>	<b>(6,500)</b>
<b>Net assets at the end of the period</b>	<b>5,261</b>	<b>11,263</b>

# Unaudited Statement of Changes in Shares in Issue

For the period ended 31 March 2020  
UBS (Lux) Real Estate – Euro Core Feeder Fund (CHF) (in liquidation)

	Number of shares at the beginning of the period	Number of shares subscribed during the period	Number of shares redeemed during the period	Total number of shares at the end of the period
Class A shares – accumulation shares	1,116,347	–	(644,209)	472,138
Class B shares – distribution shares	383,976	–	(221,580)	162,396
<b>Total</b>	<b>1,500,323</b>	<b>–</b>	<b>(865,789)</b>	<b>634,534</b>

## Statistical Information

For the period ended 31 March 2020

	Total net asset value at the end of the period CHF '000	Total shares in issue	Net asset value per share at the end of the period CHF	Distribution payable per share at the end of the period CHF
Class A shares – accumulation shares	4,222	472,138	8.9446	n/a
Class B shares – distribution shares	1,039	162,396	6.3975	0.0000
<b>Total</b>	<b>5,261</b>	<b>634,534</b>		

## Unaudited Statement of Investments

For the period ended 31 March 2020

	As at 31 Mar 2020 CHF '000	As at 31 Dec 2019 CHF '000
Cost of investments	54,068	59,676
Net unrealized loss on investment	(50,756)	(51,175)
<b>Total</b>	<b>3,312</b>	<b>8,501</b>
% of NAV of the CHF Fund	63%	75%

The investment is in the Euro Zone Sub Fund of UBS (Lux) Real Estate – Euro Core Fund (in liquidation) which invests in real estate investments in the euro currency zone.

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