

UBS Euro Core

Unaudited Financial Statements 2Q20

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 specialised 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 30 June 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 performance¹

The CHF Fund had a negative return for 2Q20 of -0.56% which comprised a capital return of -0.56% 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 negative return is due to the sale of the remaining assets in the Master Fund in 1Q20 and the final costs on the liquidation of the Fund structure.

As at 30 June 2020, the CHF Fund had total net assets of CHF 5.2 million (31 December 2019: CHF 11.3 million). As at 30 June 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 in the table 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 a final board meeting has been scheduled for the beginning of September to complete the liquidation of the Fund. Remaining cash from the Master Fund will be repaid by the end of September 2020. Liquidation accounting policies have been implemented.

Fund activity

No further subscriptions or redemptions were made by the CHF Fund during 2020. As detailed above, following the AGM and EGM held on 13 May 2015, 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. Full liquidation of the CHF Fund is expected to take place during 4Q20.

Senior Portfolio Manager's Report (continued)

As at 30 June 2020

UBS (Lux) Real Estate – Euro Core Feeder Fund (CHF) (in liquidation) (the CHF Fund)	NAV price as at 30 Jun 2020 CHF per share	NAV price as at 31 Dec 2019 CHF per share	Total return on 1H20 %	Total return on year to 31 Dec 2019 %
Class A – accumulation shares	8.8941	8.0978	9.83	5.86
Class B – distribution shares	6.3614	5.7917	9.84 ¹	5.86 ¹
	Distribution for 2Q20 CHF per share	Distribution for 2019 CHF per share	Income return on 1H20 %	Income return on year to 31 Dec 2019 %
Class B – distribution shares	0.0000	0.0000	0.00 ²	0.00 ²

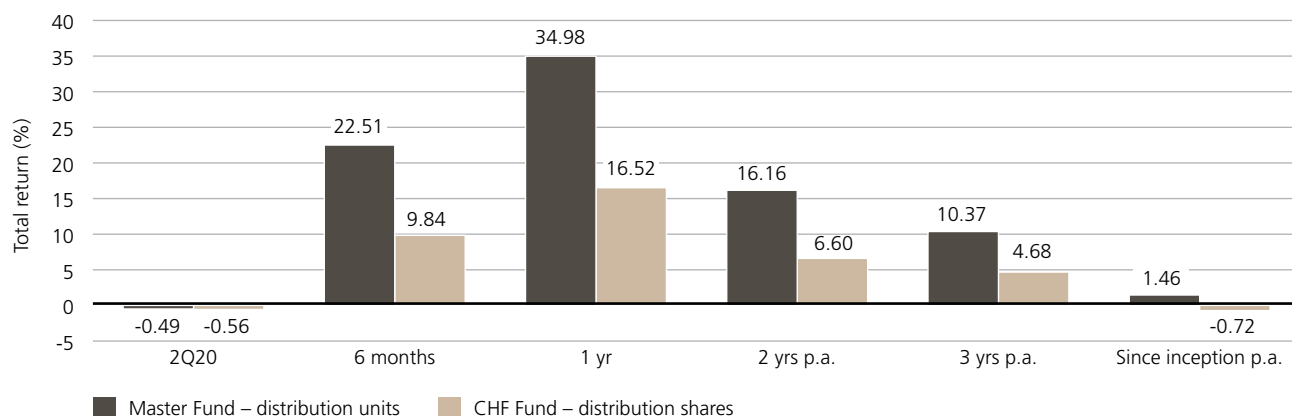
UBS (Lux) Real Estate – Euro Core Fund – Euro Zone (in liquidation) (the Master Fund)	NAV price as at 30 Jun 2020 EUR per unit	NAV price as at 31 Dec 2019 EUR per unit	Total return on 1H20 %	Total return on year to 31 Dec 2019 %
Class A – distribution units	8.327	6.797	22.51 ¹	11.30
Class B – accumulation units	12.412	10.132	22.50	11.30
	Distribution for 2Q20 EUR per unit	Distribution for 2019 EUR per unit	Income return on 1H20 %	Income return on year to 31 Dec 2019 %
Class A – distribution units	0.000	0.000	0.00 ²	0.00 ²

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

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

² 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 30 June 2020

Unaudited Financial Statements

For the period ended 30 June 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 30 June 2020

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

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Unaudited Statement of Net Assets

As at 30 June 2020

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

	As at 30 Jun 2020 CHF '000	As at 31 Dec 2019 CHF '000
Assets		
Non current assets		
Investment	3,307	8,501
Current assets		
Cash and cash equivalents	1,938	2,782
Unrealised gain on forward foreign exchange contracts	20	24
Accounts receivable and prepayment	2	–
Total assets	5,267	11,307
Liabilities		
Current liabilities		
Accounts payable and accrued expenses	35	44
Total liabilities	35	44
Total net assets	5,232	11,263
Shareholders' equity		
Called up share capital	38,174	44,674
Loss brought forward	(33,411)	(34,021)
Profit for the period	469	610
Total shareholders' equity	5,232	11,263
Shares in issue:		
Class A shares – accumulation shares	472,138	1,116,347
Net asset per value per share	CHF 8.8941	CHF 8.0978
Class B shares – distribution shares	162,396	383,976
Net asset per value per share	CHF 6.3614	CHF 5.7917

Unaudited Statement of Operations

For the period ended 30 June 2020

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

	Notes	Period end 30 Jun 2020 CHF '000	Year end 31 Dec 2019 CHF '000
Expenses			
Professional fees		5	6
Interest expenses		20	52
General administrative expenses		18	83
Total expenses		43	141
Net operating (loss)			
Net unrealised gain on investment in the Master Fund		414	501
Net unrealized gain/(loss) on forward foreign exchange contract		(4)	60
Net realized gain on forward foreign exchange contract		127	194
Net unrealized (loss) on foreign exchange		(26)	(5)
Net realized gain on foreign exchange		1	1
Total realized and unrealized gain for the period		512	751
Net profit for the period		469	610

Unaudited Statement of Changes in Net Assets

For the period ended 30 June 2020

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

	Period end 30 Jun 2020 CHF '000	Year end 31 Dec 2019 CHF '000
Net assets at beginning of the period	11,263	17,153
Net increase in net assets resulting from operations		
Net operating (loss) for the period	(43)	(141)
Total realized and unrealized profit for the period	512	751
Total increase in net assets resulting from operations	469	610
Net decrease in net assets resulting from capital transactions		
Advance in liquidation proceeds		
Class A shares – accumulation shares	(5,217)	(5,217)
Class B shares – distribution shares	(1,283)	(1,283)
Total decrease in net assets resulting from capital transactions	(6,500)	(6,500)
Net assets at the end of the period	5,232	11,263

Unaudited Statement of Changes in Shares in Issue

For the period ended 30 June 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
Total	1,500,323	–	(865,789)	634,534

Statistical Information

For the period ended 30 June 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	4,199	472,138	8.8941	n/a
Class B shares – distribution shares	1,033	162,396	6.3614	0.0000
Total	5,232	634,534		

Unaudited Statement of Investments

For the period ended 30 June 2020

	As at 30 Jun 2020 CHF '000	As at 31 Dec 2019 CHF '000
Cost of investments	54,068	59,676
Net unrealized loss on investment	(50,761)	(51,175)
Total	3,307	8,501
% 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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