

Corporate Bond UK Plus Fund

Fund objective

The investment objective of the Fund is to seek to generate a return greater than the return provided by UK investment grade corporate bonds derived from investment in UK and global securities.

Performance

UBS Corporate Bond UK Plus Fund versus benchmark and sector

	Fund Performance %	Benchmark Performance %	Sector Average %
3 months	2.9	2.3	2.5
6 months	4.2	3.5	3.3
1 year	3.6	3.6	3.2
3 years	15.4	14.2	13.5
5 years	24.3	28.6	23.5

Source: Lipper. Data as at 30 April 2019. For periods up to and including 31 January 2017, performance is based on NAV prices with income reinvested net of basic rate tax. For periods after this date, performance figures represent income reinvested gross of basic rate tax. The gross share class is therefore reflected from 1 February 2017 onwards. Performance figures shown represent the C Acc share class over periods up to and including three years. For details on Fund charges, please refer to the panel on the right. Sector is IA £ Corporate Bond Benchmark is Markit iBoxx Non-Gilt Index. Sector average as at 5 March 2019.

Percentage growth (%)

	Q1 2018	Q1 2017	Q1 2016	Q1 2015	Q1 2014
	Q1 2019	Q1 2018	Q1 2017	Q1 2016	Q1 2015
UBS Corporate Bond UK Plus Fund	3.2	1.5	11.5	-2.0	9.8

Source: Lipper. Figures are shown to the most recent calendar quarter end 31 March 2019. Performance figures are represented by the C share class for full discrete annual periods. As mentioned above, the gross share class is reflected from 1 February 2017 onwards. Therefore, for full discrete annual periods from Q1 2016, the figures shown represent simulated performance as they are a combination of the net and gross share classes.

Past performance is not a guide to future performance. The value of investments and the income from them may go down as well as up and are not guaranteed. Investors may not get back the amount originally invested. Changes in rates of exchange may cause the value of this investment to fluctuate.

Fund and market commentary

- The Fund delivered a return of 0.35%, in Sterling terms, during the month of April, on a net of fees basis.
- UK credit spreads tightened on the month by 8 bps from 129 to 121 bps, with corporate bonds outperforming government bonds.
- Brexit developments continued to be in spotlight during much of the month. While the Parliament were not able to reach a majority on the way forward with Brexit a number of new developments have occurred. The "no deal" outcome has been avoided, as the EU granted UK extension until the end of October, with the option to leave earlier if the parliament approves a decision. At the same time UK is expected to participate in the EU elections, unless the option is exercised beforehand.
- The Bank of England Monetary Policy Committee did not hold a meeting in April. During the month activity data came in stronger than expected. The UK manufacturing PMI came in at 55.1, strongly beating expectations of 51.2. Additionally, Retail Sales (ex Auto Fuel) came in 6.20% growth YoY versus 4.0% expectations. Meanwhile, the latest inflation data saw headline inflation at 1.8%, and core inflation at 1.8%, which are levels within the range of the BoE's predictions in February.
- At overall portfolio level we are underweight duration relative to the benchmark. From a currency allocation point of view, the fund is underweight USD, EUR, NZD and GBP and overweight NOK, AUD, SEK and JPY.

Investment details

Fund charges 'C' shares

Initial charge: 0.0%
 Ongoing charges: 0.69%
 Dealing closing time: 12 noon

The fund charges relate to OEIC and ISA investments.

Institutional share classes are available, please contact us for further information.

Minimum investment

GBP 1,000 when purchased through specific platforms. Please contact us for further information.

ISA

Yes, up to the current limit for this tax year
 Unlimited ISA Transfer

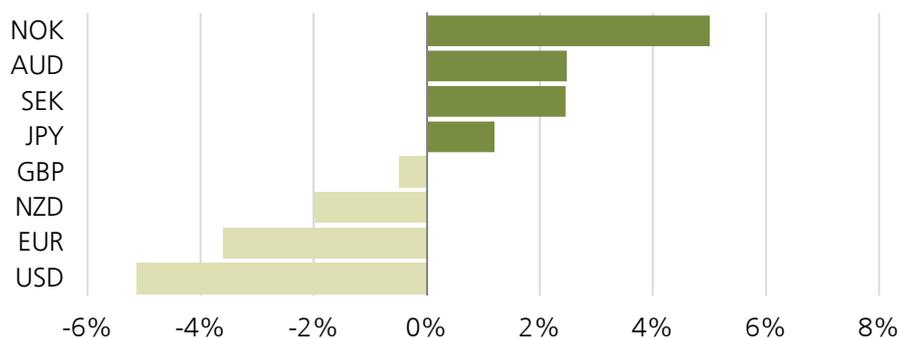
Important information

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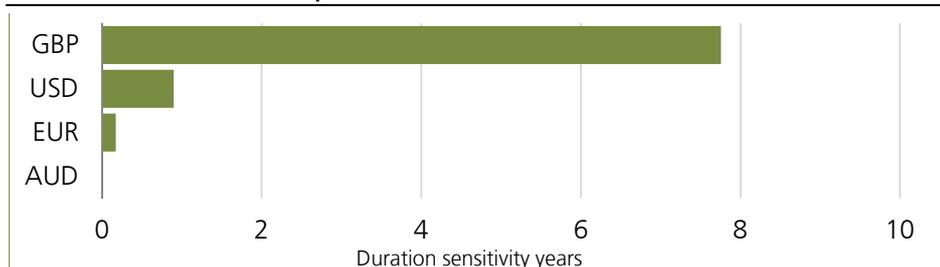
Top 10 issuers

Issuer	% of Fund
UK Treasury Bill	4.2
AT&T	1.9
EDF	1.8
Citigroup	1.5
RBS	1.5
Prudential	1.4
Aviva	1.4
Rabobank	1.3
HSBC	1.3
Goldman Sachs	1.3

Active currency allocation (%)



Interest rate risk – duration exposure



Risk warnings

As the annual management fee of the Fund is charged to capital, the potential capital growth of the Fund will be reduced.

Bonds carry varying levels of underlying risk, including default risk, dependent upon their type. These range from gilts, which carry limited levels, to speculative/non-investment grade corporate bonds that carry higher levels of risk but with the potential for greater capital growth.

The Fund has the ability to invest over 35% of its value in public securities issued/guaranteed by, or on behalf of, the UK Government (which include the Scottish Administration, the Executive Committee of the Northern Ireland Assembly and the National Assembly of Wales)

The Fund will use derivatives as part of its investment capabilities. This allows it to take 'short positions' in some investments and we can sell a holding we do not own, on the anticipation that its value will fall. These instruments carry a material level of risk and the Fund could potentially experience higher levels of volatility should the market move against them.

In order to trade in derivative instruments we enter into agreements with various counterparties. Whilst we assess the credit worthiness of each counterparty we enter into an agreement with, the Fund is at risk if that counterparty does not fulfil its obligations under the agreement.

Investments in less developed markets may be more volatile than investments in more established markets. Less developed markets may have additional risks due to less established market practises. Poor liquidity may result in a holding being sold at a less favourable price, or another holding having to be sold instead.

Fund details

Conversion date¹

01 October 2009

Fund size

£528.2m

Distribution yield²

3.2%

Underlying yield²

2.5%

Benchmark

Markit iBoxx Non-Gilt Index. Sector average as at 5 March 2019.

Sector

IA £ Corporate Bond

ISIN code 'C' shares

C Inc - GB00B752N665

C Acc - GB00B892TQ16

Sedol number 'C' shares

C Inc - B752N66

C Acc - B892TQ1

XD dates

1 April

1 July

1 October

1 January

Pay dates

31 May

31 August

30 November

28 February

Source: UBS Asset Management

¹The Fund became compliant with the IA £ Corporate Bond Sector in October 2009. As a consequence, the Fund subsequently transferred to this sector, from the IA £ Strategic Bond sector, in April 2010.

²The distribution yield reflects the amount that may be expected to be distributed over the next twelve months as a percentage of the current share price. The underlying yield reflects the annualised income, net of expenses of the Fund, as a percentage of the current share price. Both calculations do not include any preliminary charges and investors may be subject to tax on distributions. The yields represent the C Acc share class.

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