

# UBS Life Europe Ex-UK Equity Tracker Fund

**Fund Type**

Passive European equities for exempt approved UK pension funds.

**Fund objective**

The Fund aims to match the performance of the FTSE Developed Europe ex-UK Index measured in Sterling.

**Fund description**

The Fund invests in the shares of a wide range of Continental European companies.

Past performance is not a guide to future performance. The value of investments and the income from them can go down as well as up and are not guaranteed. You may not get back the amount originally invested.

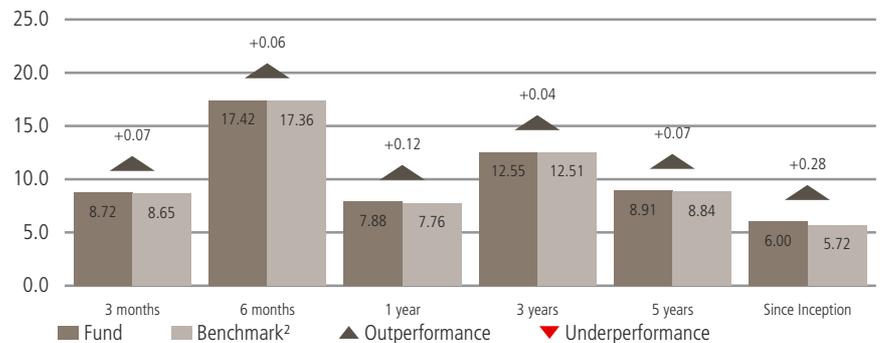
Performance is based upon the underlying net asset value (NAV) price of 'A' Units. 'A' Units do not incur any fees or charges levied by the manager. The Fund is priced as at month end for performance and reporting purposes.

Changes in rates of exchange may cause the value of this investment to fluctuate.

As at 1 July 2015 companies involved in controversial weapons were banned from the passive market capitalisation weighted life funds. The stocks are identified by Ethix SRI Advisors. Given their relatively low number and index weightings, the ban has a minimal impact on expected tracking errors<sup>4</sup>. However, for the affected funds, at an individual stock level there may be a few larger weight deviations relative to the index than observed previously.

**Quick facts**

Status	Unit Linked Insurance Fund
Launch date	08 June 1998
Fund size	GBP 2113.5m
Predicted tracking accuracy	± 0.50% p.a.
Indexation method	Full replication
Initial charge	None
Exit charge	None
Pricing basis <sup>1</sup>	Swinging single price. Mid-pricing basis, based on close of business previous working day
Dealing	Daily
Sedol codes	0268132 (A Units) 0268143 (B Units)

**Performance (%)**


For periods greater than 1 year, annualised returns are shown. Rounding may occur.

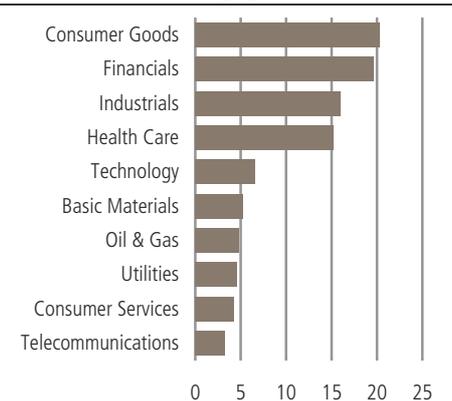
**Rolling 12 Months (%)**

	Q2 2018 to Q2 2019	Q2 2017 to Q2 2018	Q2 2016 to Q2 2017	Q2 2015 to Q2 2016	Q2 2014 to Q2 2015
Fund	7.88	2.68	28.71	6.05	1.34
Benchmark <sup>2</sup>	7.76	2.70	28.69	5.97	1.20

**Calendar year performance (%)**

	2018	2017	2016	2015	2014
Fund	-9.25	16.93	19.50	5.89	-0.02
Benchmark <sup>2</sup>	-9.28	16.98	19.40	5.80	-0.13

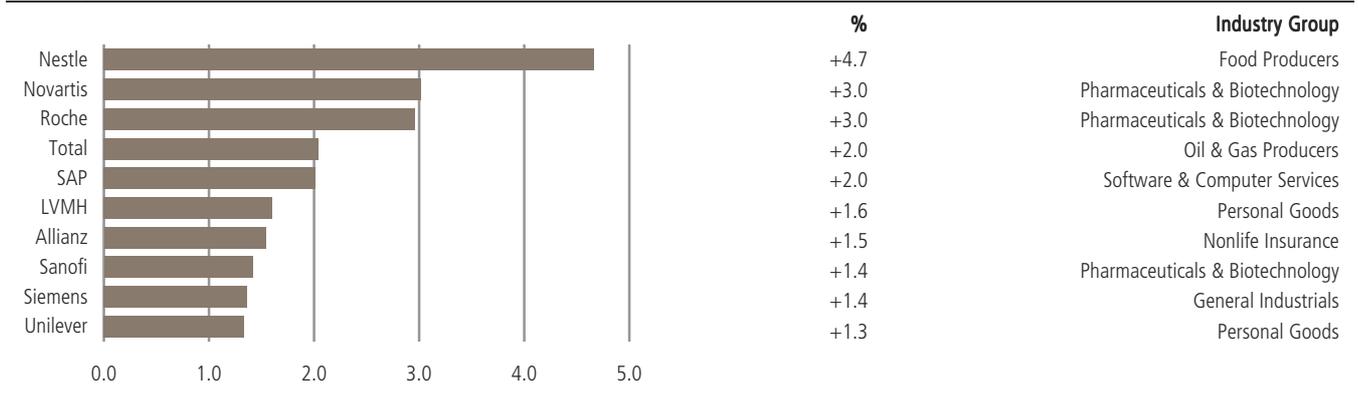
**Geographic breakdown (%)<sup>3</sup>**

**Sector breakdown (%)<sup>3</sup>**

**Fund risk analysis**

	1 year	3 years	5 years
Annualised Standard Deviation of Fund <sup>5</sup>	13.34	11.17	11.45
Annualised Standard Deviation of Index <sup>5</sup>	13.36	11.18	11.45
Tracking Error <sup>6</sup>	0.07	0.06	0.06

<sup>5</sup>For periods greater than 1 year, the annualised standard deviation is based on monthly logarithmic returns. <sup>6</sup>Tracking error is the standard deviation of the difference between the monthly portfolio and benchmark returns, based on logarithmic returns and is annualised for periods greater than 1 year. Please note that historical tracking error is not a guide to the future. Tracking error levels will vary according to market conditions. For periods greater than 1 year, annualised returns are used to calculate the value added and the tracking error. <sup>4</sup>Ex-ante tracking error is calculated using an appropriate risk system and risk model. The ex-ante tracking error is an indicative forecast only and may not reflect the realised (ex-post) tracking error experienced by the Portfolio.

### Ten largest stocks in the benchmark (%)<sup>3</sup>



Source for all data UBS Asset Management unless otherwise specified.

Details of fees and charges for institutional investors are available on request. Scheme members should consult their scheme administrator if they require details of how charges affect their plan or how to invest in the Fund.

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<sup>1</sup> Investing and disinvesting charges reflecting the actual cost of dealing in the assets will be borne by the investor.

<sup>2</sup> As of January 2015, the official FTSE Russell net GBP index is shown, for periods prior to that date the benchmark was internally calculated net of appropriate withholding tax where applicable.

<sup>3</sup> Information shown is that of the index. The Fund seeks to track the index using full replication, rebalancing where required. For practical reasons, on a day to day basis, Fund weights may be marginally different from the index. Source: RIMES.

#### Economic overview

The euro climbed as elections to the EU's parliament in May resulted in smaller gains for populist parties than had been feared. However, as the quarter ended there were difficult discussions around key senior appointments to major European Union and ECB postings, which are to be filled later this year.

ECB president Draghi also adopted a more dovish tone, pointing to signs of economic softness and pledging additional stimulus if inflation expectations continued to lag.

While the Eurozone economy picked up more than expected in the first quarter of the year, after suffering a sharp slowdown in the second half of 2018, measures such as manufacturing activity continued to look weak. Services have held up better in 2019 however.

#### Fund manager comment

Following the FTSE quarterly review in June, no stocks were added or deleted from the index, but there were various changes in the shares in issue of the index constituents. Two-way turnover totalled 0.79%.

Also during the quarter, but outside of the review, Gemalto's weighting in the index decreased, then it was deleted as a result of a tender offer. Wordline's weighting increase following the spin-off of its holdings by Atos, an index constituent.

Activity in the Fund reflected these changes.

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