

UBS Life Japan Equity Tracker Fund

Fund Type

Passive Japanese equity for exempt approved UK pension funds.

Fund objective

The Fund aims to match the performance of the FTSE Japan Index measured in Sterling.

Fund description

The Fund invests in the shares of a wide range of Japanese 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.

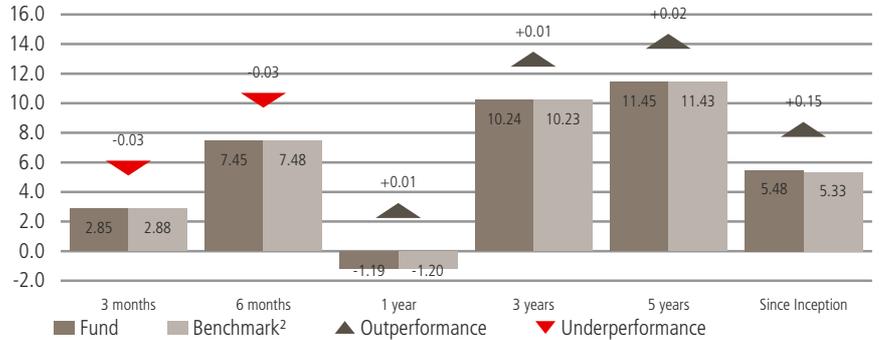
Changes in rates of exchange may cause the value of this investment to fluctuate.

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 errors⁴. 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 762.5m |
| Predicted tracking accuracy | ± 0.25% p.a. |
| Indexation method | Full replication |
| Initial charge | None |
| Exit charge | None |
| Pricing basis ¹ | Swinging single price. Mid-pricing basis, based on close of business previous working day |
| Dealing | Daily |
| Sedol codes | 0268154 (A Units) 0268165 (B Units) |

Performance (%)



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

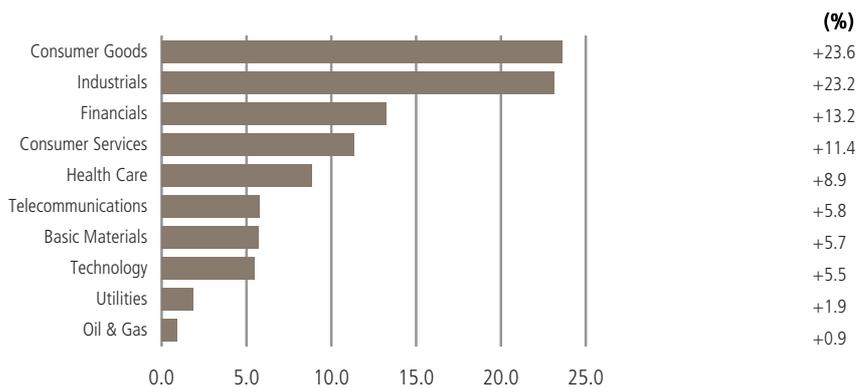
Rolling 12 Months (%)

| | 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 | -1.19 | 9.35 | 23.98 | 7.83 | 19.01 |
| Benchmark ² | -1.20 | 9.34 | 23.97 | 7.74 | 19.03 |

Calendar year performance (%)

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|------------------------|-------|-------|-------|-------|------|
| Fund | -7.54 | 14.45 | 22.72 | 17.65 | 2.70 |
| Benchmark ² | -7.58 | 14.44 | 22.68 | 17.58 | 2.73 |

Sector weighting (%)³

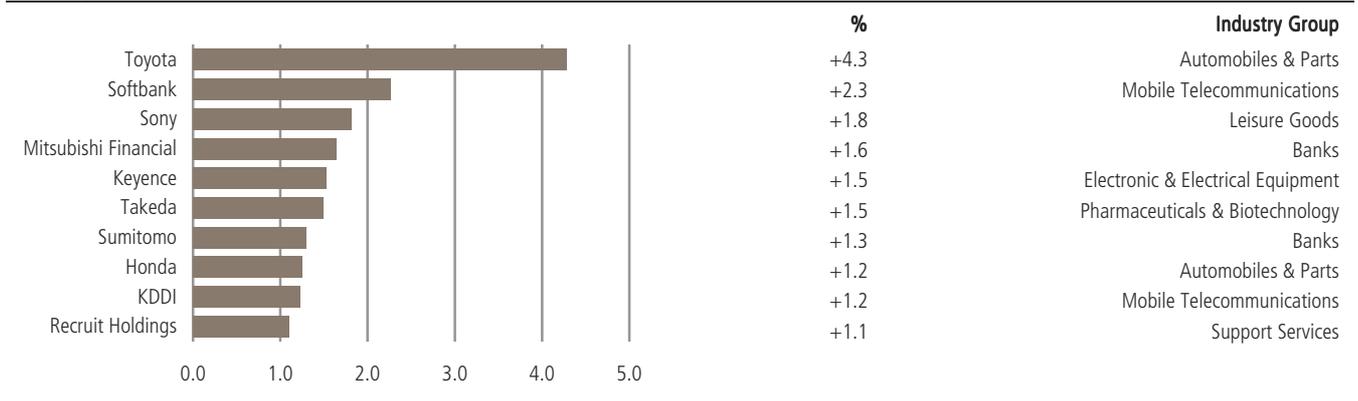


Fund risk analysis

| | 1 year | 3 years | 5 years |
|---|--------|---------|---------|
| Annualised Standard Deviation of Fund ⁵ | 12.04 | 11.04 | 11.37 |
| Annualised Standard Deviation of Index ⁵ | 12.08 | 11.08 | 11.40 |
| Tracking Error ⁶ | 0.07 | 0.10 | 0.09 |

⁵For periods greater than 1 year, the annualised standard deviation is based on monthly logarithmic returns. ⁶Tracking 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. ⁴Ex-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 (%)³



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

² 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.

³ 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

Japan's economy delivered a positive surprise in the first quarter, growing by 2.1% which was well ahead of expectations. A sharp rise in public investment in particular boosted growth, but this was not matched by similar investment from the private sector.

These cautious outlooks came amidst further signs of slippage in global growth. Japanese manufacturing companies saw new orders fall by their fastest rate in more than three years and both exports and imports declined sharply in Q1.

Fund manager comment

Following the FTSE quarterly review in June, no stocks were added or deleted from the index, along with various changes in the shares in issue of the index constituents. Two-way turnover totalled 0.49%.

Also during the quarter, but outside of the review, Japan Post Insurance's weighting in the index increased following secondary offer.

Activity in the Fund reflected these changes.

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