

# UBS Life Japan Equity Tracker GBP Currency Hedged 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 (GBP Currency Hedged) Index measured in Sterling.

### Fund description

The Fund invests in the shares of a wide range of Japanese companies, with currency exposure hedged back to Sterling.

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.

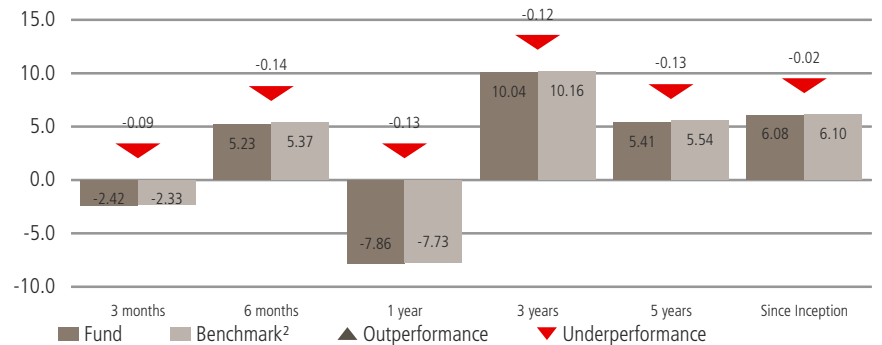
Changes in rates of exchange may cause the value of this investment to fluctuate.

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	15 June 2009
Fund size	GBP 262.1m
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	B65PDB3 (A Units)

### Performance (%)



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

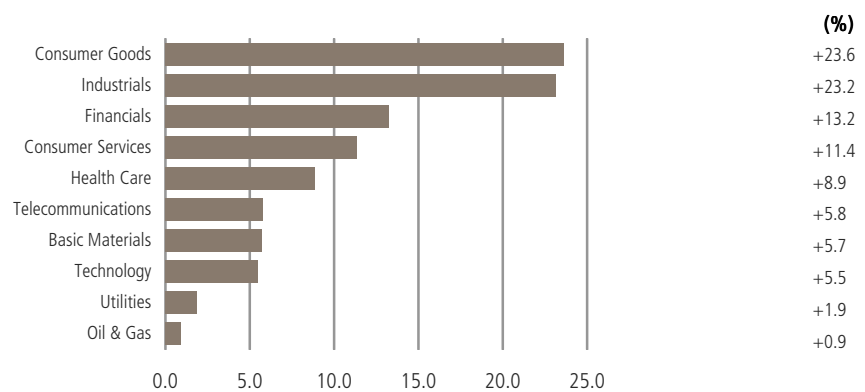
### Rolling 12 Months (%)

	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	-7.86	9.48	32.09	-25.88	31.77
Benchmark <sup>2</sup>	-7.73	9.57	32.21	-25.83	32.07

### Calendar year performance (%)

	2018	2017	2016	2015	2014
Fund	-15.53	21.15	-3.30	10.79	9.97
Benchmark <sup>2</sup>	-15.48	21.24	-3.19	10.85	10.21

### Sector weighting (%)<sup>3</sup>



### Fund risk analysis

	1 year	3 years	5 years
Annualised Standard Deviation of Fund <sup>5</sup>	19.23	13.54	16.39
Annualised Standard Deviation of Index <sup>5</sup>	19.27	13.55	16.41
Tracking Error <sup>6</sup>	0.10	0.10	0.11

<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>

	%	Industry Group
Toyota	+4.3	Automobiles & Parts
Softbank	+2.3	Mobile Telecommunications
Sony	+1.8	Leisure Goods
Mitsubishi Financial	+1.6	Banks
Keyence	+1.5	Electronic & Electrical Equipment
Takeda	+1.5	Pharmaceuticals & Biotechnology
Sumitomo	+1.3	Banks
Honda	+1.2	Automobiles & Parts
KDDI	+1.2	Mobile Telecommunications
Recruit Holdings	+1.1	Support Services

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 2016 the official FTSE Russell gross index is shown, for periods prior to that date the benchmark was internally calculated net of appropriate withholding tax where applicable. From January 2016, the fund return is expected to be below the benchmark return, predominantly driven by non-recoverable withholding taxes and the cost implications of hedging.

<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

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.

#### Rachel Perini, CFA

Business Development Director

rachel.perini@ubs.com

020 7901 5776

[www.ubs.com/am-uk](http://www.ubs.com/am-uk)

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