UBS Life Pacific Ex-Japan Equity Tracker Fund

**Fund Type**  
Passive Pacific ex-Japan equities for exempt approved UK pension funds.

**Fund objective**  
The Fund aims to match the performance of the FTSE Developed Asia Pacific ex-Japan Index measured in Sterling.

**Fund description**  
The Fund invests in a range of Asian 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. 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**

<table>
<thead>
<tr>
<th>Status</th>
<th>Fund Linked Insurance Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Launch date</td>
<td>08 June 1998</td>
</tr>
<tr>
<td>Fund size</td>
<td>GBP 668.6m</td>
</tr>
<tr>
<td>Predicted tracking accuracy</td>
<td>± 0.50% p.a.</td>
</tr>
<tr>
<td>Indexation method</td>
<td>Full replication</td>
</tr>
<tr>
<td>Initial charge</td>
<td>None</td>
</tr>
<tr>
<td>Exit charge</td>
<td>None</td>
</tr>
<tr>
<td>Pricing basis</td>
<td>Swinging single price, Mid-pricing basis, based on close of business previous working day</td>
</tr>
<tr>
<td>Dealing</td>
<td>Daily</td>
</tr>
<tr>
<td>Sedol codes</td>
<td>0268080 (A Units)</td>
</tr>
<tr>
<td></td>
<td>0268091 (B Units)</td>
</tr>
</tbody>
</table>

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

**Rolling 12 Months (%)**

- **Q2 2018**
  - Fund: 6.21
  - Benchmark: 6.23

- **Q2 2017**
  - Fund: 5.91
  - Benchmark: 5.89

- **Q2 2016**
  - Fund: 27.70
  - Benchmark: 27.68

- **Q2 2015**
  - Fund: 11.20
  - Benchmark: 11.15

- **Q2 2014**
  - Fund: -0.73
  - Benchmark: -0.71

**Calendar year performance (%)**

- **2018**
  - Fund: -8.70
  - Benchmark: -8.78

- **2017**
  - Fund: 21.01
  - Benchmark: 21.09

- **2016**
  - Fund: 29.81
  - Benchmark: 29.73

- **2015**
  - Fund: -2.80
  - Benchmark: -2.75

- **2014**
  - Fund: 2.54
  - Benchmark: 2.69

**Geographic breakdown (%)**

- **Australia**: 50%
- **Korea**: 25%
- **Hong Kong**: 10%
- **Singapore**: 10%
- **New Zealand**: 5%

**Sector breakdown (%)**

- **Financials**: 25%
- **Technology**: 20%
- **Industrials**: 15%
- **Basic Materials**: 10%
- **Consumer Services**: 10%
- **Consumer Goods**: 10%
- **Health Care**: 5%
- **Utilities**: 5%
- **Oil & Gas**: 5%
- **Telecommunications**: 5%

**Fund risk analysis**

<table>
<thead>
<tr>
<th></th>
<th>1 year</th>
<th>3 years</th>
<th>5 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annualised Standard Deviation of Fund</td>
<td>13.12</td>
<td>11.28</td>
<td>13.49</td>
</tr>
<tr>
<td>Annualised Standard Deviation of Index</td>
<td>13.17</td>
<td>11.32</td>
<td>13.53</td>
</tr>
<tr>
<td>Tracking Error</td>
<td>0.09</td>
<td>0.09</td>
<td>0.09</td>
</tr>
</tbody>
</table>

For periods greater than 1 year, the annualised standard deviation is based on monthly logarithmic returns. 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. 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 (%)³

<table>
<thead>
<tr>
<th>Company</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Samsung</td>
<td>+7.3</td>
</tr>
<tr>
<td>AIA</td>
<td>+5.0</td>
</tr>
<tr>
<td>CBA</td>
<td>+3.9</td>
</tr>
<tr>
<td>BHP Group</td>
<td>+3.3</td>
</tr>
<tr>
<td>Westpac Banking</td>
<td>+2.6</td>
</tr>
<tr>
<td>CSL</td>
<td>+2.6</td>
</tr>
<tr>
<td>ANZ</td>
<td>+2.1</td>
</tr>
<tr>
<td>NAB</td>
<td>+2.0</td>
</tr>
<tr>
<td>HKEx</td>
<td>+1.7</td>
</tr>
<tr>
<td>DBS Group</td>
<td>+1.3</td>
</tr>
</tbody>
</table>

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. The fund invests in developing overseas markets where the arrangements in relation to regulations, dealing, liquidity and custody may be less secure than in the UK. These funds may therefore be higher risk.

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Economic overview
India’s equity markets swept to new highs over the quarter as Prime Minister Modi’s BJP looked to have comprehensively retained power in a general election. Meanwhile Thailand and Singapore posted positive returns, with strong momentum in June, as these markets were seen as relative safe havens amid the volatility. The Reserve Bank of Australia (RBA) cut rates in June.

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 0.71%.

Also during the quarter, Amcor’s weighting in the index increased following acquisition of small cap. Healthscope was acquired for cash. Hopewell Holdings was deleted from the index following privatisation.

Activity in the Fund reflected these changes.

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