

UBS Life UK (World) Equity Tracker Fund

Fund Type

Passive UK (World) equities for exempt approved UK pension funds.

Fund objective

The Fund aims to match the performance of the FTSE All World UK Index.

Fund description

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

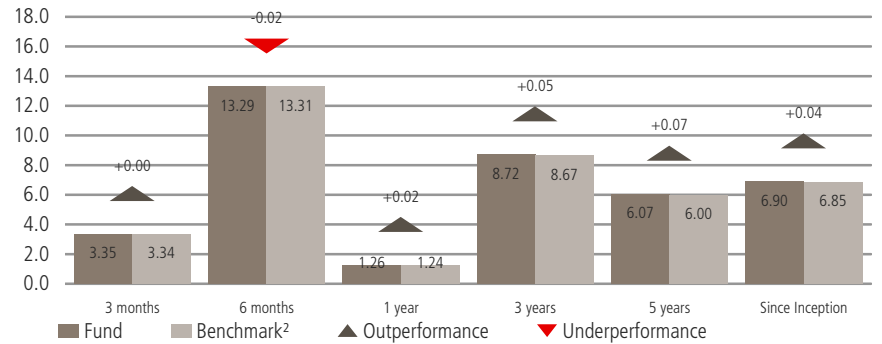
Past performance is not a guide to future performance. The value of investments and the income from them can go down as well as up and are not guaranteed. You may not get back the amount originally invested.

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.

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	28 March 2011
Fund size	GBP 189.8m
Predicted tracking accuracy	± 0.20% 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	B3ZNN49 (A Units) B3X34F9 (B Units)

Performance (%)


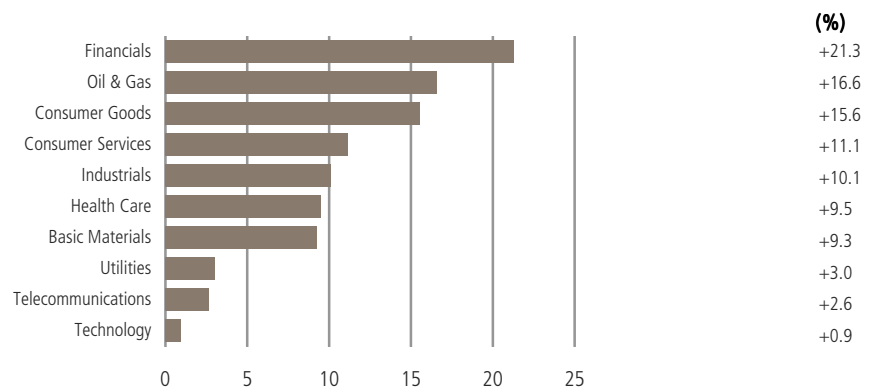
For periods greater than 1 year, annualised returns are shown. Rounding may occur.

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	1.26	8.48	16.99	3.70	0.73
Benchmark ²	1.24	8.43	16.89	3.60	0.67

Calendar year performance (%)

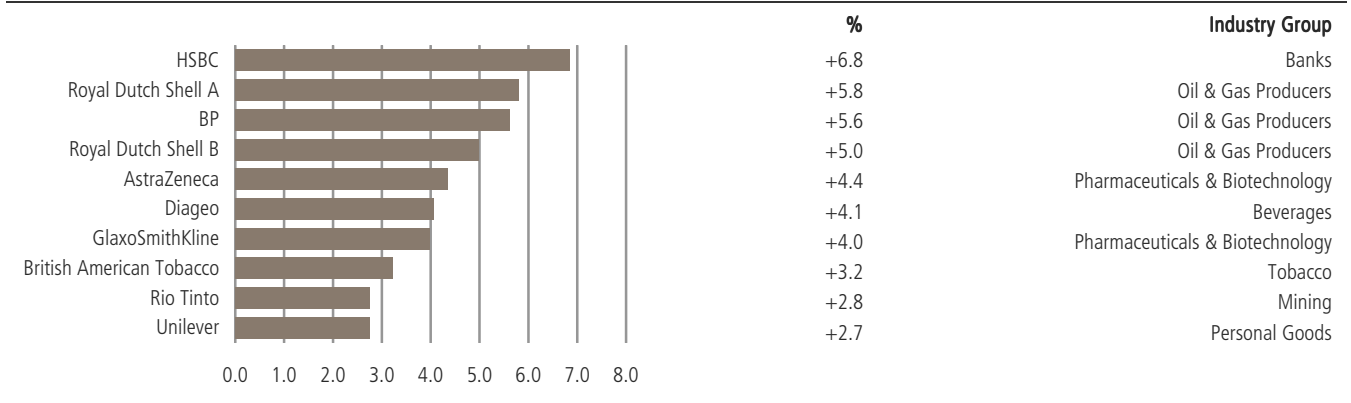
	2018	2017	2016	2015	2014
Fund	-9.18	11.78	18.96	-0.75	0.59
Benchmark ²	-9.27	11.73	18.88	-0.84	0.56

Sector weighting (%)³

Fund risk analysis

	1 year	3 years	5 years
Annualised Standard Deviation of Fund ⁵	11.22	9.96	10.13
Annualised Standard Deviation of Index ⁵	11.27	10.00	10.16
Tracking Error ⁶	0.06	0.06	0.06

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 The benchmark is a net benchmark officially sourced from RIMES.

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

Prime Minister Theresa May's time at 10 Downing Street came to a close as she announced her intention to resign after talks with the opposition Labour party broke down. This meant no viable path remained for her Brexit deal with the EU to be approved by parliament, and paves the way for a new Conservative party leader to be elected over the summer months. Sterling fell as these events made a no-deal Brexit appear more likely.

While the Bank of England kept interest rates steady at 0.75% over the quarter, policymakers reduced expectations for economic growth for the remainder of 2019 and into 2020 amid Brexit uncertainty.

The pace of interest rate increases seems likely to be increasingly gradual as a result.

GDP growth of 0.5% over the first quarter was a positive surprise, driven by strong manufacturing activity. Inflation remained subdued with core inflation for May dropping to the lowest level since early 2017.

Fund manager comment

Following the FTSE quarterly review in June, no stocks were added to or deleted from the index, along with various changes in the shares in issue of the index constituents. Two-way turnover totalled 0.64%.

Also during the quarter, but outside of the review, Jardine Lloyd Thompson Group was acquired for cash. AstraZeneca's weighting in the index increased following equity offering.

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