

UBS Life World Ex-UK Equity Tracker GBP Hedged Fund

Fund Type

Passive World ex-UK equities for exempt approved UK pension funds.

Fund objective

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

Fund description

The Fund invests in a range of international equities.

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.

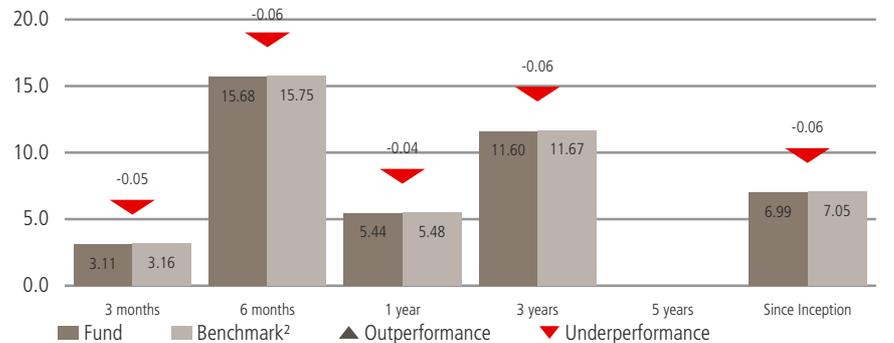
Performance is based upon the underlying net asset value (NAV) price of 'A' Units. 'A' Units do not incur any fees or charges levied by the manager. The Fund is priced as at month end for performance and reporting purposes.

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	30 April 2015
Fund size	GBP 1712.8m
Predicted tracking accuracy	± 0.50% 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	B3QVDY5 (A Units) B45QQ68 (B Units)

Performance (%)


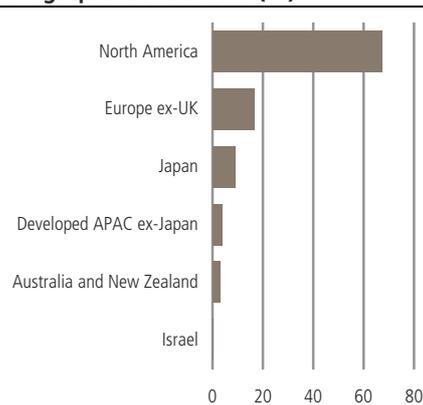
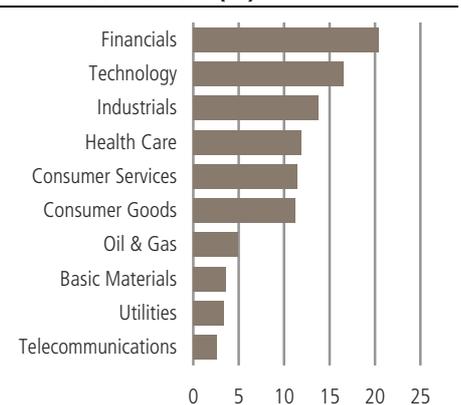
For periods greater than 1 year, annualised returns are shown. Rounding may occur.

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	5.44	10.21	19.61	-3.48	-
Benchmark ²	5.48	10.34	19.63	-3.43	-

Calendar year performance (%)

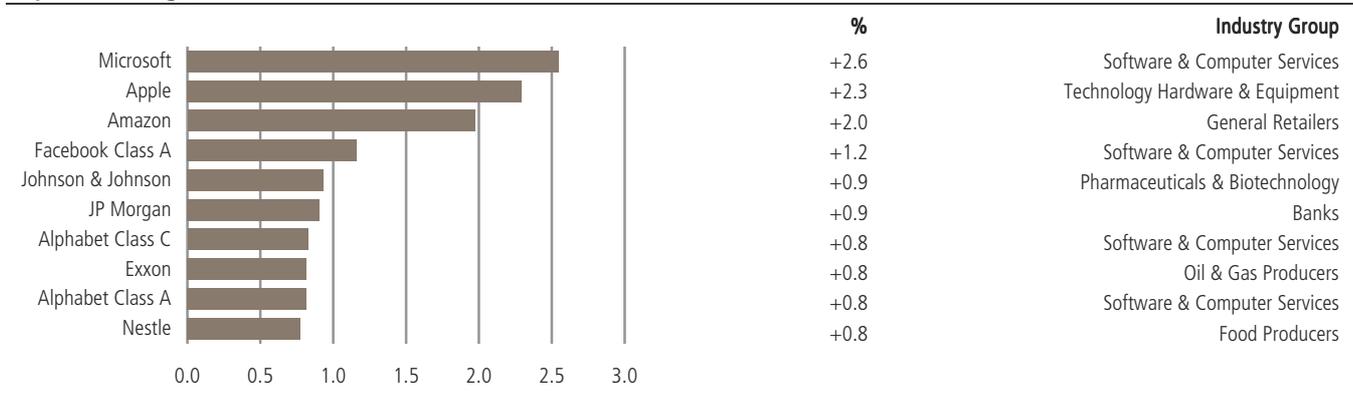
	2018	2017	2016	2015	2014
Fund	-8.26	19.23	8.05	-	-
Benchmark ²	-8.20	19.34	8.11	-	-

Geographic breakdown (%)³

Sector breakdown (%)³

Fund risk analysis

	1 year	3 years	5 years
Annualised Standard Deviation of Fund ⁵	17.65	11.16	-
Annualised Standard Deviation of Index ⁵	17.66	11.17	-
Tracking Error ⁶	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.

Top ten holdings (%)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 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.

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

Global economic growth has continued to decelerate amid the uncertainty associated with trade and technology conflicts. The presence of ongoing geopolitical risks suggests the world economy is more likely to stabilize below trend in the second half of 2019 than above it. While we still expect the global economy to ultimately steady without a hard landing, it now looks to be slipping below trend over coming quarters.

Our view that a soft landing is achievable is built on resilience of developed economy labour markets and consumption, along with policy responses from the US Federal Reserve (Fed) and China to protect their economies.

There was a high degree of anticipation amongst investors for much of the quarter, ahead of the G20 meeting of major government leaders. In the end, the burgeoning optimism could be seen as well founded as there was agreement to resume the stalled trade talks between the US and China.

Fund manager comment

Following the FTSE quarterly review in June, two stocks were added to the index and two stocks were deleted from the index, along with various changes in the shares in issue of the index constituents. Two-way turnover totalled 1.31%.

Also during the quarter, but outside of the review Dow was added to the index following a spin-off from DowDuPont. Uber Technologies was added to the index following an IPO.

Activity in the Fund reflected these changes.

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