

UBS Life UK Cash Fund

Life fund objective¹

The Fund aims to provide a cash-like rate of return in line with UK Government Treasury Bills while maintaining liquidity for investors.

Fund description¹

The UBS Life UK Cash Fund invests predominantly in UK Government issued Treasury Bills and Bonds, varying in duration from overnight to 6 months.*

Review and comment

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.

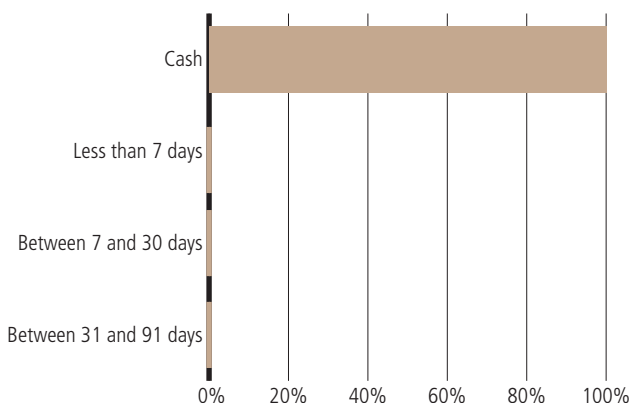
The pace of interest rate increases seems likely to be increasingly gradual as a result.

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.

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.

Interest rate profile

The chart below shows the Fund's interest rate profile breakdown.



Source: UBS Asset Management, as at 30 June 2019

Performance

Percentage growth

	Q2 2018 Q2 2019	Q2 2017 Q2 2018	Q2 2016 Q2 2017	Q2 2015 Q2 2016	Q2 2014 Q2 2015
Fund (%)	0.63	0.27	0.21	0.45	0.41
Benchmark (%) ¹	0.68	0.24	0.27	0.49	0.40

Source: UBS Asset Management

UBS Life UK Cash Fund changed its benchmark to the 1 Month UK T-Bill Index from the CAPS Median on 12 March 2014. To cover the transition from 1 Jan 2014 to 12 March, the 7 Day LIBID has been used as a suitable proxy in the absence of available CAPS Median Data for part quarter periods.

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. 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. Unit price information is updated daily on our website at www.ubs.com/am-uk.

IMPORTANT

UBS Life UK Cash Fund – Change of Investment Objective and Approach

¹ On 12 March 2014, the Fund objective, investment policy and benchmark changed. Prior to this change, the Fund invested in bank deposits, varying in duration from overnight to three months, held with a wide range of approved counterparties. The benchmark was CAPS UK cash pooled funds median.

Fund details

Fund type	Capital Cash Fund (for exempt approved UK pension funds)
Benchmark²	1 month UK T-bill
Status	Unit Linked Insurance Fund
Launch date²	20 April 1998
Fund size	GBP 0.3m
Initial charge	None
Exit charge	None
Pricing basis³	Swinging single price
Dealing	Daily
Sedol codes	0267957 (A Units) 0267968 (B Units)

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.

² From the second quarter 2017 the 1 month UK T-bill benchmark presented on the Fund's factsheet is the 'average of the weekly 1 month UK t-bill auction results' backdated to July 1 2017. Prior to July 1 2017 the benchmark presented was the 'constant maturity UK Treasury bill 1 month' backdated to the 12 March 2014 when the objective of the Fund changed, see grey box overleaf for details.

³ Investing and disinvesting charges reflecting the actual cost of dealing in the assets will be borne by the investor.

The Fund is priced daily as at close of business the previous working day. The underlying assets are valued on a mid-basis, with the Fund price swinging according to net inflows/outflows. The Fund is also priced as at month end for performance and reporting purposes. The price used in this instance, and in this factsheet, is also on a mid-basis.

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