

# UBS Security Equity Fund USD Q-acc


## Fund Fact Sheet

UBS Thematic Funds

### Fund description

- The fund assets are invested worldwide in companies that are primarily active in Technology, Healthcare and Industrials, and that offer products and services related to health prevention/protection and environmental safety, IT security, transportation safety, and crime prevention.
- The portfolio manager is not tied to the benchmark in terms of investment selection or weight.

For further information, please see the Key Information Document (KID) available at: [www.ubs.com/espanafondos](http://www.ubs.com/espanafondos).

|  |   |
|--|---|
| Name of fund                               | <b>UBS (Lux) Security Equity Fund</b>   |
| Share class                                | UBS (Lux) Security Equity Fund Q-acc  |
| ISIN                                       | LU1144416432  |
| Bloomberg ticker                           | CGSEUBU LX  |
| Currency of fund / share class             | USD/USD   |
| Launch date                                | 27.02.2015  |
| Issue/redemption                           | daily   |
| Swing pricing                              | yes   |
| Accounting year end                        | 31 May  |
| Benchmark                                  | MSCI AC World (NR) in USD   |
| Distribution                               | Reinvestment  |
| Management fee p.a.                        | 0.73%   |
| Ongoing costs p.a. <sup>1</sup>            | 0.93%   |
| Name of the Management Company             | UBS Asset Management (Europe) S.A., Luxembourg                                      |
| Fund domicile                              | Luxembourg  |
| SFDR Alignment                             | Art.8   |
| Overall Morningstar Rating                 | ★★★★  |
| Morningstar ESG Risk Rating <sup>2,3</sup> |  |

<sup>1</sup> As at 13.11.2025, without transaction costs

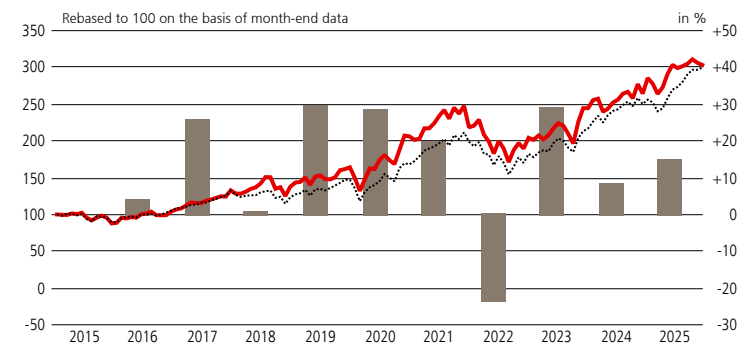
<sup>2</sup> As of 31.10.2025

<sup>3</sup> The Morningstar ESG Risk Rating is published for transparency regardless of whether the fund is managed according to sustainability criteria or not.



A category 1 rating should not be construed as indicating that the investment is free of any risk.

### Performance (basis USD, net of fees)<sup>1</sup>



— Fund performance net of fees (left-hand scale)

■ Fund performance per year in % net of fees (right-hand scale)

..... Index (benchmark) performance (left-hand scale)

**Past performance is not a reliable indicator of future results. If the currency of a financial product, financial service or its costs is different from your reference currency, the return and/or costs can increase or decrease as a result of currency fluctuations.**

| in %                   | 1 year | 3 years | 5 years | Ø p.a. 3 years | Ø p.a. 5 years |
|------------------------|--------|---------|---------|----------------|----------------|
| Fund (USD)             | 14.71  | 59.97   | 46.38   | 16.95          | 7.92           |
| Benchmark <sup>2</sup> | 19.84  | 76.26   | 76.78   | 20.80          | 12.07          |

The performance shown does not take account of any commissions, entry or exit charges.

<sup>1</sup> These figures refer to the past. Source for all data and chart (if not indicated otherwise): UBS Asset Management.

<sup>2</sup> Index (benchmark) in currency of share class (without costs)

Originally the fund was launched as of 19 October 2006 as a FCP fund (FCP: fonds commun de placement). The fund has been transferred into a Luxembourg SICAV structure effective 2 May 2013. Fund management and investment policy remained unchanged.

### Fund statistics

|                                   |          |
|-----------------------------------|----------|
| Net asset value (USD, 31.12.2025) | 30.33    |
| Last 12 months (USD) – high       | 31.27    |
| – low                             | 23.76    |
| Total fund assets (USD m)         | 2 275.13 |
| Share class assets (USD m)        | 112.73   |

|                         | 3 years | 5 years |
|-------------------------|---------|---------|
| Beta                    | 1.20    | 1.12    |
| Volatility <sup>1</sup> |         |         |
| – Fund                  | 15.80%  | 18.25%  |
| – Benchmark             | 11.75%  | 14.80%  |
| Sharpe ratio            | 0.76    | 0.25    |
| Risk free rate          | 4.90%   | 3.34%   |

<sup>1</sup> Annualised standard deviation

### For more information

Phone: +34-917-457 000

Internet: [www.ubs.com/espanafondos](http://www.ubs.com/espanafondos)

Contact your client advisor

### Portfolio management representatives

Patrick Kolb

Renzo Hunziker

Andrea Mancosu

Before making any investment decisions, we recommend that you read the Key Information Document (KID) and Prospectus, which are available at: [www.ubs.com/espanafondos](http://www.ubs.com/espanafondos).

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## Sub-theme exposure

|                        | Fund |
|------------------------|------|
| IT Security            | 22.4 |
| Environmental Security | 22.0 |
| Health Protection      | 21.9 |
| Crime Prevention       | 17.3 |
| Transportation Safety  | 15.9 |
| Cash                   | 0.5  |

## Market exposure (%)

|                | Fund |
|----------------|------|
| United States  | 70.2 |
| United Kingdom | 10.9 |
| Israel         | 4.4  |
| Luxembourg     | 2.9  |
| Australia      | 2.8  |
| Switzerland    | 2.6  |
| Germany        | 2.5  |
| Sweden         | 2.4  |
| Spain          | 1.4  |

## 10 largest equity positions (%)<sup>1</sup>

|                              | Fund |
|------------------------------|------|
| Thermo Fisher Scientific Inc | 3.1  |
| CrowdStrike Holdings Inc     | 3.0  |
| Intuitive Surgical Inc       | 3.0  |
| Huron Consulting Group Inc   | 3.0  |
| CLOUDFLARE INC               | 2.9  |

<sup>1</sup> This is not a recommendation to buy or sell any security

|                        | Fund |
|------------------------|------|
| Halma PLC              | 2.9  |
| STERIS PLC             | 2.9  |
| Diploma PLC            | 2.9  |
| Eurofins Scientific SE | 2.8  |
| IDEXX Laboratories Inc | 2.8  |

## Benefits

Easy access to the global security theme.

Offers investors broad diversification within the security theme.

The fund taps into the knowledge of proven investment specialists.

Investors benefit from a global investment platform of UBS Asset Management.

## Risks

UBS Thematic Funds invest in equities and may therefore be subject to high fluctuations in value. As these UBS Funds pursue an active to very active management style, each Fund's performance can deviate substantially from that of its reference index. Focusing intentionally on specific themes and trends may entail additional risks. All investments are subject to market fluctuations. Every Fund has specific risks, which can significantly increase under unusual market conditions. The fund can use derivatives, which may result in additional risks (particularly counterparty risk). This Fund may not be appropriate for investors who plan to withdraw their money before the recommended holding period disclosed in the PRIIPs KID, if available for this share class. Sustainability risks are environmental, social or governance events or conditions that can have a material negative effect on the return, depending on the relevant sector, industry and company exposure. Sustainability risk: the risk arising from any environmental, social or governance events or conditions that, were they to occur, could cause a material negative impact on the value of the investment.

# UBS Security Equity Fund USD Q-acc

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**Your capital is at risk. The value of an investment may fall as well as rise and you may not get back the original amount. Please note that additional fees (e.g. entry or exit fees) may be charged. Please refer to your financial adviser for more details. Investors should read the Key Information Document, Prospectus and any applicable local offering document prior to investing and to get complete information of the risks. Investors are acquiring units or shares in a fund, and not in a given underlying asset such as building or shares of a company. For a definition of financial terms refer to the glossary available at [www.ubs.com/am-glossary](http://www.ubs.com/am-glossary).**

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# UBS Security Equity Fund USD

## ESG Report

**Terms used within this document do not refer to or relate to any regulatory definitions or provisions. Where applicable, a country-specific notice is provided in this document and must be read in conjunction with the factsheet.**

**ESG** is an abbreviation for Environmental, Social and Governance (factors). These factors are used to evaluate companies and countries on how advanced they are with respect to sustainability. Once sufficient data on these factors are available, they can be used to assess and compare assets and also to inform the investment process when deciding what assets to buy, hold or sell.

### ESG Criteria & Performance

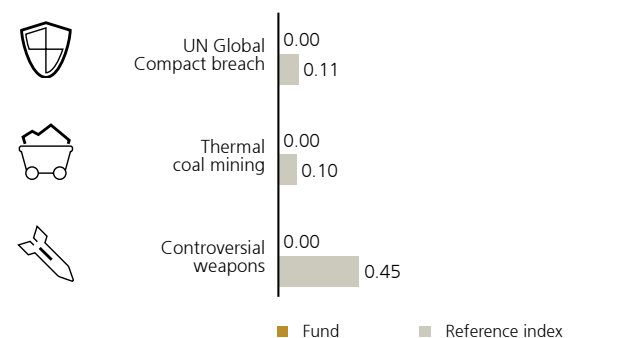
The following illustrations show the fund's performance against ESG criteria that are either explicitly part of the fund's ESG characteristics and/or objectives or are included in the investment process. In addition to the specific ESG characteristics and/or objectives, the details of which can be viewed in the fund's legal documents, the following approaches are applied:

- Exclusion
- ESG Integration
- Voting
- Engagement program

For more information refer to the glossary. Source: UBS Asset Management

### Controversy check

(in % of fund AuM)<sup>1,2</sup>

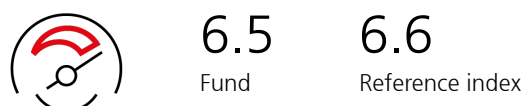


<sup>1</sup> The fund excludes issuers identified as violating the UN Global Compact principles without credible corrective action.  
<sup>2</sup> AuM = Assets under Management

Source: MSCI ESG Research  
 Reference Index: MSCI AC World (NR)

### UBS Blended ESG Score, scaled

(holding-weighted average 0-10)<sup>1</sup>



Fund actual data coverage: 99.5%  
 Reference index actual data coverage: 99.9%

<sup>1</sup> The fund will maintain a sustainability profile that is higher than the benchmark or has a sustainability profile expressed as a minimum absolute score.  
 Source: UBS AG  
 Reference Index: MSCI AC World (NR)

### ESG details of the top 10 equity positions

(in % of fund AuM)<sup>1,2</sup>

| Holding (equities)           | Weight | ESG Score |
|------------------------------|--------|-----------|
| Thermo Fisher Scientific Inc | 3.1    | 5.9       |
| Crowdstrike Holdings Inc     | 3.0    | 6.1       |
| Intuitive Surgical Inc       | 3.0    | 5.7       |
| Huron Consulting Group Inc   | 3.0    | 4.7       |
| CLOUDFLARE INC               | 2.9    | 5.2       |
| Halma PLC                    | 2.9    | 7.4       |
| STERIS PLC                   | 2.9    | 6.7       |
| Diploma PLC                  | 2.9    | 7.2       |
| Eurofins Scientific SE       | 2.8    | 7.1       |
| IDEXX Laboratories Inc       | 2.8    | 7.3       |

<sup>1</sup> This is not a recommendation to buy or sell any security  
<sup>2</sup> AuM = Assets under Management  
 Source: UBS AG

# UBS Security Equity Fund USD

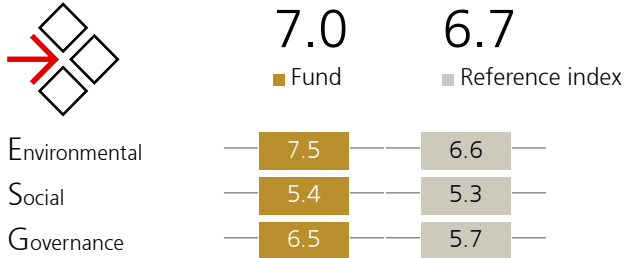
## ESG Report

### ESG Transparency

This page provides transparency on key sustainability metrics that may be of interest to investors but are not part of the fund's investment process. The following metrics inform investors more broadly on their exposure to selected ESG topics.

#### MSCI ESG scores, scaled

(holding-weighted average 0-10)



Fund actual data coverage: 99.3%

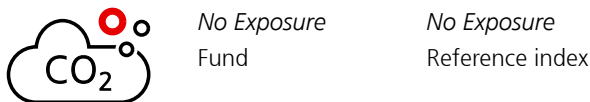
Reference index actual data coverage: 99.8%

Source: MSCI ESG Research

Reference Index: MSCI AC World (NR)

#### Carbon intensity, scaled - Sovereign issuers

(tCO<sub>2</sub> equivalent per USD million in GDP)<sup>1</sup>



Fund actual data coverage: No Exposure

Reference index actual data coverage: No Exposure

<sup>1</sup> The fund maintains a lower carbon intensity than the reference index and/or a low absolute profile.

Source: MSCI ESG Research

Reference Index: MSCI AC World (NR)

#### External fund ratings <sup>1</sup>



<sup>1</sup> As of 31.12.2025

Source: MSCI ESG Research

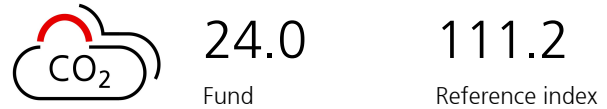
#### Morningstar ESG Risk Rating™



As of 31.10.2025

#### Weighted average carbon intensity, scaled - Corporate issuers

(tCO<sub>2</sub> equivalent per USD million sales)<sup>1</sup>



Fund actual data coverage: 100.0%

Reference index actual data coverage: 99.8%

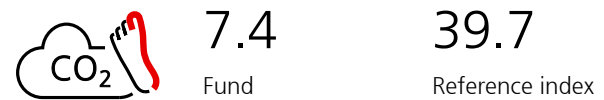
<sup>1</sup> The fund maintains a lower weighted average carbon intensity (WACI) profile than the reference index and/or a low absolute profile

Source: MSCI ESG Research

Reference Index: MSCI AC World (NR)

#### Carbon footprint, scaled - Corporate issuers

(tCO<sub>2</sub> equivalent per USD million invested)



Fund actual data coverage: 100.0%

Reference index actual data coverage: 99.8%

Source: MSCI ESG Research

Reference Index: MSCI AC World (NR)

# UBS Security Equity Fund USD

## ESG Report

### Country-specific notice:

**UK:** If this product is distributed in the UK, please note: This product is based overseas and is not subject to the UK sustainable investment labelling and disclosure requirements (SDR). This product does not make any claims under the UK SDR.

### Glossary

#### UBS AM sustainability approaches applied:

**Exclusion:** Strategies that exclude securities from funds where they are not aligned to an investor's values. Includes customized screening criteria.

**ESG Integration:** Strategies that integrate environmental, social and governance (ESG) factors into fundamental financial analysis to improve the risk/return profile.

**Voting:** UBS Asset Management will actively exercise voting rights based on the principles outlined in the UBS Asset Management Proxy Voting policy and our stewardship approach, with two fundamental objectives: 1. To act in the best financial interests of our clients to enhance the long-term value of their investments. 2. To promote best practice in the boardroom and ensure that investee companies are successful. This is not an indication that voting on sustainability-related topics has taken place with respect to companies in this portfolio during any given time period. For information about voting activities with specific companies please refer to the UBS Asset Management Stewardship Annual Report.

**Engagement program:** We regard engagement to be a two-way mutually beneficial dialogue with an issuer / company, with the objective to share information, enhance understanding and help to improve business practices and performance. The issuers / companies we engage with are selected from across the universe in which UBS Asset Management invests using a top-down approach in accordance with our principles, as outlined in our stewardship approach. This is not an indication that sustainability-related engagement has taken place with respect to issuers / companies in this portfolio during any given time period or that issuers / companies in this portfolio were chosen with the goal to actively engage. Information on UBS Asset Management's selection of issuers / companies, engagement activities, prioritization process and understanding of concerns can be found in the UBS Asset Management Stewardship Annual Report and in our stewardship approach.

**ESG score (UBS Blended ESG Score\*):** The UBS Blended ESG Score is based on UBS-internal and independent external ESG data sources. The UBS Blended ESG Score is industry-adjusted and measured on a scale from 0 (lowest/worst score) to 10 (highest/best score). The metric is scaled up to 100% if actual data coverage is above the defined thresholds – fixed income: 50%, equities: 67%, multi-asset: 50%. Otherwise, the metric is reported as "-". Classification system to separate corporate and sovereign issuers: Bloomberg Barclays Methodology. Securitised bonds are excluded from the calculation. "No exposure" if the fund is not invested in the respective issuers for the month.

\*more details available at this [link](#)

**Controversy check:** Controversial Business Involvement exposure is the exposure to companies with a revenue share exceeding a certain threshold of the respective field (production). Link to our exclusion policy for more details: -> [www.ubs.com/si-exclusion-policy](http://www.ubs.com/si-exclusion-policy)

**MSCI ESG scores** are provided by MSCI ESG Research and are measured on a scale from 0 (lowest/worst score) to 10 (highest/best score). The individual MSCI E-, S-, and G-score indicates the resilience of issuers to environmental, social or governance related risks that are most material to an industry. The aggregated MSCI ESG score is based on these MSCI E-, S-, and G-scores but normalizes them relative to industry peers. This leads to a weighted average industry-adjusted MSCI ESG score which is comparable across industries. The metric is scaled up to 100% if actual data coverage is above the defined thresholds – fixed income: 50%, equities: 67%, multi-asset: 50%. Otherwise, the metric is reported as "-".

**Weighted average carbon intensity – corporate issuers/ carbon-intensive sovereign issuers:** These metrics measure a fund's exposure to carbon-intensive companies and governments. These metrics provide an insight into potential risks related to the transition to a lower-carbon economy, because companies with higher carbon intensity are likely to face more exposure to carbon related market and regulatory risks. These metrics are applicable across asset classes. It is the sumproduct of the fund weights and individual carbon intensities (carbon emissions scope 1+2 / USDm sales or GDP). The metric is scaled up to 100% if actual data coverage is above the defined thresholds – fixed income, 50%; equities: 67%, multi-asset: 50%. Otherwise, the metric is reported as "-". Classification system to separate corporate and sovereign issuers: Bloomberg Barclays Methodology. Securitised bonds are excluded from the calculation. "No exposure" if the fund is not invested in the respective issuers for the month.

**MSCI ESG Fund Ratings** are designed to measure the environmental, social and governance (ESG) characteristics of a fund's underlying holdings, making it possible to rank or screen mutual funds and ETFs on a AAA to CCC ratings scale.

**Carbon footprint:** Expresses the greenhouse gas footprint of an investment sum. The carbon emissions scope 1 and 2 are allocated to investors based on an enterprise value (including cash) ownership approach and are normalized by the current fund value. The carbon footprint is a normalized measure of a fund's contribution to climate change that enables comparison with a benchmark, between funds and between individual investments. The metric is total carbon emissions expressed as per currency invested.

The metric is scaled up to 100%, if actual data coverage is above the defined thresholds – fixed income: 50%, equities: 67%, multi-asset: 50%. Otherwise, the metric is reported as "-".

Classification system to separate corporate and sovereign issuers: Bloomberg Barclays Methodology. Securitised bonds are excluded from the calculation. "No exposure" if the fund is not invested in the respective issuers for the month.

**Aggregation of ESG/carbon data:** ESG scores of holdings in the portfolio and the reference index are aggregated based

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## ESG Report

on their respective individual weights and ESG scores (sumproduct).

### **Fund of funds investments, derivatives and cash:**

Derivatives and fund of funds investments used in the portfolio are treated on a lookthrough basis, whereby the economic exposures to the underlying basket of securities is treated as an actual investment in the individual securities that make up this basket. Broad market derivatives or fund of funds investments may lead to minimal exposures to securities that are excluded from direct investments. Derivatives have an effect on all metric calculations. Given that many of the reporting frameworks available to investors today do not cover the intricacies of derivatives, metrics are provided on a reasonable efforts basis. Portfolios for which we report the sustainability metrics may include cash. The information disclosed in this report, in particular the treatment of derivatives and cash, may or may not correspond with the investment characteristics of the fund and how the fund is managed. The sustainability metrics in this report may

therefore differ from other UBS reports produced on the same date.

**Active ESG:** Benchmark selection is driven by portfolio implementation considerations, in particular to closely reflect the financial objectives of the fund. For actively managed strategies, a traditional benchmark is generally selected to provide a broad investment universe to which active management is applied. This enables an assessment of the magnitude of ESG improvements against the traditional benchmark and allows the costs and benefits of investing sustainably to be assessed.

The **Morningstar ESG Risk Rating** helps investors see how mutual funds and ETFs are meeting environmental, social, and corporate governance (ESG) challenges. The rating is given as 1 to 5 "globes," with more globes indicating lower ESG risk. Notably, the number of globes a fund receives is determined relative to other funds in the same Morningstar Global Category.

### **Important information about sustainable investing strategies**

Sustainable investing strategies aim to consider and incorporate environmental, social and governance (ESG) factors into investment process and fund construction. Strategies across geographies and styles approach ESG analysis and incorporate the findings in a variety of ways. Incorporating ESG factors or sustainable investing considerations may inhibit UBS's ability to participate in or to advise on certain investment opportunities that otherwise would be consistent with the Client's investment objectives. The returns on a fund consisting primarily of sustainable investments may be lower or higher than funds where ESG factors, exclusions, or other sustainability issues are not considered by UBS, and the investment instruments available to such funds may differ. Companies, product issuers and/or manufacturers may not necessarily meet high performance standards on all aspects of ESG or sustainable investing issues.

### **Reconciliation of Assets under Management (AuM)**

This report does not contain reconciled AuM positions, it only takes in consideration positions with settlement date as of report date. This means that traded but not settled positions are not included. Therefore, AuM figures in this report may differ from other UBS reports produced on the same date.

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# UBS Security Equity Fund USD Q-acc

UBS AM standard glossary. For additional investment terms, please refer to the online glossary [here](#).

**Accumulation:** Reinvestment of income generated by the investment fund into the fund's assets.

**Active management:** Here the fund manager uses their expertise to pick investments to achieve the fund's objectives.

**Alpha:** A fund's alpha is its outperformance relative to a benchmark. If a fund has a consistently high alpha this can indicate skillful management. If the benchmark returns 12% and the portfolio returns 14%, the outperformance (alpha) is equal to  $14\% - 12\% = 2\%$ . Compare with beta.

**Benchmark:** Index against which an investment fund's performance is measured. Also called a reference index.

**Beta:** A measure of risk that indicates an investment's sensitivity to fluctuations in the market, as represented by the relevant benchmark. For example, a beta of 1.2 tells us that the value of an investment fund can be expected to change by 12% if the market is forecast to move by 10%.

**Bonds:** Debt instruments with a fixed or variable rate of interest and generally with a fixed maturity and redemption date. The most common issuers are major companies, government bodies such as the federal government and the cantons, public institutions, and international organizations such as the World Bank or the International Monetary Fund.

**Commodities:** A tradeable item that can be further processed and sold. Industrial (metals), agricultural (wool, wheat, sugar) and bulk commodities (coal, iron ore) are examples. It is possible to invest in physical commodities or in derivatives based on commodity prices.

**Convertible bonds:** Bonds that feature a conversion right entitling the holder to convert the bond into shares of the company in question at a certain point in time and at a pre-defined conversion ratio.

**Corporate bonds:** Strictly speaking, corporate bonds are those issued by companies. Generally, however, the term is used to cover all bonds other than those issued by governments in their own currencies. Therefore the "credit" sector, as it is often known, includes issues by companies, supranational organizations and government agencies. The key feature that distinguishes corporate bonds from government bonds is the risk of default – see credit risk.

**Correlation:** A measure of the degree to which the price trends of various investment categories or instruments move in the same direction.

**Derivatives:** Investments whose value is linked to another investment, to the performance of a stock exchange or to some other variable factor, such as interest rates.

**Distribution:** Payment by an investment fund to distribute the income generated to its unit holders.

**Diversification:** Holding a variety of investments that typically perform differently from one another.

**Duration:** The duration represents the length of time for which capital is "tied up" in a bond investment. The concept of duration takes account of the time structure of returning cash flows (such as coupon repayments). The average duration of the portfolio is derived from the weighted average duration of the individual securities. The "modified duration" is derived from the duration and provides a measure of the sensitivity of bonds or bond portfolios to interest rate changes.

**Emerging economy or market:** Emerging markets or developing markets – mainly in Asia, Eastern Europe, and Latin America – that are growing quickly, but whose economies and stock markets have not yet reached Western standards.

**Equities:** Securities that represent an equity interest in a company. As a joint owner, the shareholder has rights of participation (voting right, right to information) and rights to assets (right to a share of profits, subscription rights).

**Exchange traded fund (ETF):** An investment fund that is traded like stocks on an exchange. Most ETFs are index funds: they hold the same securities in the same proportions as a certain index.

**Feeder fund:** An investment fund that invests the majority of its assets into a master fund.

**Flat fee:** UBS applies a so-called flat fee to most securities and money market funds. This fee is charged to the fund's assets and covers all expenses incurred in the management, administration and safekeeping of the fund's assets as well as costs incurred in the distribution of the fund (printing prospectuses, annual and semi-annual reports, costs for auditing and publication of prices, fees charged by the supervisory authority etc.). The only costs not covered are transaction costs incurred in the administration of the fund's assets (brokerage fees in line with the market, fees, duties etc. as well as any applicable taxes). UBS's flat fee is comprehensive and very client-friendly. It cannot be compared with similarly named fees from other fund providers, because these often only cover part of the investor's effective costs. Also refer to "management fee". The flat fee is not charged to the investor, but directly to the fund's assets. For example, UBS Funds domiciled in Luxembourg, Switzerland or Germany with the exception of UBS Real Estate Funds, charge a "Flat fee".

**Hedging:** Protecting investments against losses. UBS asset allocation funds and hedged UBS ETFs specifically hedge against exchange rate risks.

**High watermark:** The high watermark is used in connection with the performance fee. The fund manager calculates his or her share of the profits on the basis of the value increment over and above the last peak in the NAV. As a result, the performance fee does not become payable until all losses incurred have been completely recovered.

**High yield bonds:** Bonds issued by borrowers with lower credit ratings. Such bonds offer higher rates of interest, but at the same time there is also a higher risk of default, i.e. that interest payments will not be paid or that the face value will not be repaid.

**Illiquid:** Illiquid assets are those assets that cannot be easily bought, sold, or converted into cash. It may often be impossible to convert the asset to cash until the end of the life of the asset.

**Index:** Indicator of performance on one or more markets. The oldest and best-known stock market index is the Dow Jones. Indexes make it possible to compare the performance of a fund invested in a specific market with the development of that market.

**Index fund:** An investment fund that replicates a chosen stock market index in its stock selection and weightings as exactly as possible.

**Inflation-linked bonds:** An inflation-linked bond provides investors with protection from inflation by linking its principal amount or interest payments to a specific inflation index.

**Investment grade:** Term used to denote securities with ratings of between BBB and AAA, indicating that their credit quality is satisfactory or good.

**Leverage:** With derivative instruments, greater returns can be earned with a comparatively lower capital investment than

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with an investment in the actual underlying instrument. This effect is called leverage.

**Management fee:** The charge levied by the management company for the administration of an investment fund. The amount of the fee is expressed in percentage or tenth of a percentage of the fund assets or in basis points. Less comprehensive than UBS's all-in fee and covers only part of the costs due.

**Management style:** Manner in which investment decisions are made to achieve the investment objective (see also active management and passive management).

**Master fund:** Funds invested in respective feeder funds that are then invested into the master fund. The master fund holds the portfolio investments and conducts all trading activity.

**Maturity:** Period from the issue of a bond to its due date or to the premature repayment of the bond. Not to be confused with duration.

**Net asset value (NAV):** Used to describe the value of a company's assets less the value of their liabilities.

Ø – Average.

**Over the counter (OTC):** An over-the-counter financial contract is one that is not traded on an exchange but is "tailor-made" for a client by a financial institution.

**Passive management:** Passive management seeks to attain performance equal to market or index returns.

**Performance fee:** For non-classical investment funds such as hedge funds, the investor must often pay, in addition to the conventional management fee, a supplementary performance fee in the form of a percentage (e.g. 20%) of the fund's annual increase in value.

**Physical replication:** In physical replication, an ETF invests directly in securities held in the benchmark it is tracking. To do so, the ETF can buy some or all of the securities that make up the replicated index – this method is called full replication and is suitable for liquid indexes.

**Rating:** The measure of a borrower's creditworthiness by special rating agencies such as Standard & Poor's or Moody's. As a rule, UBS bond funds principally invest in bonds issued by prime borrowers.

**Reinvestment:** The possibility of reinvesting the distribution in the same fund. Certain funds offer investors a special reinvestment discount on the issuing price if the annual distribution is reinvested.

**Risk-free rate:** An investment with no chance of default and a known or certain rate of return.

**Share class:** An investment fund can issue several types of share certificates with different criteria. The share certificate classes may differ in the amount of fees, the appropriation of income or the currency of the share certificate class.

**Sharpe ratio:** A measure that expresses how much higher (or lower) a return an investor can expect compared to the risk-free rate of interest (e.g., interest rates on savings accounts) per unit of risk (volatility). The risk-free rate of interest varies from currency to currency.

**Standard deviation:** Statistical measure of the degree to which an individual value in a probability distribution tends to vary from the mean of the distribution. The greater the degree of dispersion the greater the risk.

**Swing pricing:** Method used to calculate the net asset values of investment funds. This method allows transaction costs arising from subscriptions made by incoming investors and redemptions made by outgoing investors to be borne by the incoming and outgoing investors, rather than existing investors.

**Switching costs:** The costs of buying and selling investments in order to implement a change in investment strategy.

**Synthetic replication:** In contrast to physical replication, synthetic replication means that an ETF does not invest directly in the securities held in the benchmark. Instead, it enters into a swap agreement with a counterparty that promises to pay the return on the replicated index to the ETF.

**Total expense ratio (TER):** The ratio of total expense to a fund's average size over an annualized accounting period. Expenses are considered to include all expenses shown in the income account, including management, administration, custody, audit, legal and professional fees. For ETFs, the term TER may be used interchangeably for the flat fee (current).

**Tracking error:** Measure of the deviation of a fund's return compared to the return of a benchmark over a fixed period, expressed as a percentage. The more passively the investment fund is managed, the smaller the tracking error.

**UCITS:** Undertakings for Collective Investment in Transferable Securities. A UCITS fund is an authorized fund that may be sold across all EU countries.

**Volatility:** A measure of the size of short-term changes in the value of an investment.

**Yield to maturity:** Weighted average rate earned by an investor who buys the bond portfolio today at the market price and holds the bond portfolio until maturity, also assuming that all coupon and principal payments will be made on schedule.