

Global Allocation Fund (UK)

Fund objective

This Fund aims to achieve long-term capital growth through active management of a diversified portfolio invested primarily in domestic and international equities and bonds and in units in UK and overseas regulated collective investment schemes.

Performance

UBS Global Allocation Fund (UK) versus sector

	Fund Performance %	Sector Average %
3 months	4.0	3.4
6 months	9.8	9.2
1 year	22.5	19.5
3 years	27.0	27.0
5 years	64.8	62.3

Source: Lipper. Performance is based on NAV prices with income reinvested net of basic rate tax and in Sterling terms to 31 May 2017. For details on Fund charges, please refer to the panel on the right. Sector is IA Mixed Investment 40-85% Shares. Performance figures shown represent the C share class over periods up to and including three years. For periods longer than three years, the figures represent simulated past performance as they are a combination of the A and C share classes. A is reflected up to and including 31 December 2012 and C is reflected from its launch of 1 January 2013 onwards.

Percentage growth (%)

	Q1 2016 Q1 2017	Q1 2015 Q1 2016	Q1 2014 Q1 2015	Q1 2013 Q1 2014	Q1 2012 Q1 2013
UBS Global Allocation Fund (UK)	21.0	-7.1	12.7	5.9	13.7

Source: Lipper. Figures are shown to the most recent calendar quarter end 31 March 2017. Performance figures are represented by the C share class for full discrete annual periods from Q1 2013. For periods prior to this date, performance shown is reflected exclusively by the A share class.

Past performance is not a guide to future performance. The value of investments and the income from them may go down as well as up and are not guaranteed. Investors may not get back the amount originally invested. Changes in rates of exchange may cause the value of this investment to fluctuate.

Fund and market commentary

- Investor attention this month was focused on the second round of the French presidential election, which took place on 7 May, in which the centrist Emmanuel Macron emerged as the clear victor. As the campaigning period for the UK general election gradually unfolded, the British pound came under increasing pressure, particularly in the wake of a YouGov poll, which suggested the risk of the UK suffering a hung parliament had grown. Moody's downgraded China's sovereign credit rating for the first time in nearly three decades, with the rating moving from Aa3 to A1.
- Global equity markets continued to rise in May, with emerging markets outperforming developed economies for the fourth month in five this year. Volatility in US equities (as measured by the VIX®) posted the lowest levels seen in two decades during the month. In Europe, financial markets reacted positively to the result of the French presidential election. In turn, the Euro reached a six month high against the US Dollar.
- The Fund continued to extend its strong start to 2017. UK equity holdings were notably positive, with the FTSE All Share up 4% on the month. Contributions from holdings in European equities also continued to drive performance as a result of the rise in positive sentiment following the French presidential election. Fixed income holdings were generally additive, with the Fund's position in emerging market debt rewarded in particular during the month. Meanwhile, currency positioning detracted from performance, driven by the long US Dollar position against the New Zealand Dollar.

Investment details

Fund charges 'C' shares

Initial charge: 0.0%
Ongoing charges: 0.81%
Dealing closing time: 12 noon

The fund charges relate to OEIC and ISA investments.

Institutional share classes are available, please contact us for further information.

Minimum investment

GBP 1,000 when purchased through specific platforms. Please contact us for further information.

ISA

Yes, up to the current limit for this tax year
Unlimited ISA Transfer

Ways to access our funds

Cofunds
www.cofunds.co.uk
FundsNetwork
www.fundsnetwork.co.uk
Old Mutual Wealth
www.oldmutualwealth.co.uk
Transact
www.transact-online.co.uk
Raymond James
www.rjis.co.uk

Important information

This document is a marketing communication. Any market or investment views expressed are not intended to be investment research. **The document has not been prepared in line with the Financial Conduct Authority requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research.** The information contained in this document should not be considered a recommendation to purchase or sell any particular security and the opinions expressed are those of UBS Asset Management and are subject to change without notice.

Current strategy

Asset class	% of Fund
Equities	61.6%
UK	25.3%
Europe (ex-UK)	11.8%
North American	10.3%
Japanese	5.1%
Emerging Markets	8.3%
APAC (ex-Japan)	0.9%
Bonds	31.8%
International	4.0%
Global Corporates	10.3%
Emerging Market	7.5%
High Yield	7.5%
UK Index Linked	0.0%
UK Gilts	2.5%
UK Property	0.0%
Hedge funds	0.0%
Commodities	0.0%
UK Cash (GBP)	6.7%
Total	100.0%

Source: UBS Asset Management. Data as at 31 May 2017.

Important information

Bonds carry varying levels of underlying risk, including default risk, dependent upon their type. These range from gilts, which carry limited levels, to speculative/non-investment grade corporate bonds that carry higher levels of risk but with the potential for greater capital growth.

The Fund has the ability to invest over 35% of its value in public securities issued/guaranteed by, or on behalf of, the UK Government (which includes the Scottish Administration, the Executive Committee of the Northern Ireland Assembly and the National Assembly of Wales) or Australia, Austria, Belgium, Brazil, Canada, Chile, China, Denmark, Egypt, Finland, France, Germany, Greece, Hong Kong, Indonesia, India, Ireland, Israel, Italy, Japan, Malaysia, Mexico, Netherlands, New Zealand, Norway, Peru, Philippines, Poland, Portugal, Russia, Singapore, South Korea, South Africa, Spain, Sweden, Switzerland, Thailand, Taiwan, Turkey, United States, and by the following public international bodies: US Federal Government (Treasuries and TIPs) and Government National Mortgage Association (GNMA).

The Fund will use derivatives as part of its investment capabilities. This allows it to take 'short positions' in some investments and we can sell a holding we do not own, on the anticipation that its value will fall. These instruments carry a material level of risk and the Fund could potentially experience higher levels of volatility should the market move against them.

In order to trade in derivative instruments we enter into agreements with various counterparties. Whilst we assess the credit worthiness of each counterparty we enter into an agreement with, the Fund is at risk if that counterparty does not fulfil its obligations under the agreement.

Investments in less developed markets may be more volatile than investments in more established markets. Less developed markets may have additional risks due to less established market practises. Poor liquidity may result in a holding being sold at a less favourable price, or another holding having to be sold instead.

Fund details

Launch date

23 November 2007

Fund size

£567.4m

Historic yield¹

1.6%

Sector

IA Mixed Investment 40-85% Shares

ISIN code 'C' shares

GB00B4MGDQ07

Sedol number 'C' shares

B4MGDQ0

XD dates

1 April

1 October

Pay dates

31 May

30 November

Source: UBS Asset Management

¹Historic yield is based on distributions declared over the last year as a percentage of the share price. It does not include the effect on any initial charge paid. The historic yield represents the C share class.

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