UBS (Lux) Equity Fund – Global Innovators B

Investing in companies involved in demography, climate change and water, with an emphasis on environmental and social criteria

Data as of the end of May 2008

Fund portrait

- The Fund invests primarily in innovative companies involved with demography, climate change and water.
- Innovators are usually young, small-scale companies whose products and services offer clear environmental benefits and a high degree of resource efficiency.
- Socially responsible investments (SRI) are selected on the basis of financial-analysis as well as social and environmental criteria.
- The SRI portfolio management team carries out active stock selection, focusing in particular on companies with promising growth potential.
- UBS SRI Global Innovators invests in equities and may therefore be subject to high fluctuations in value. For this reason, an investment horizon of at least five years and corresponding risk tolerance and capacity are required.

Fund features

Fund type: open-end
Domicile of fund: Luxembourg
Portfolio management: UBS Global Asset Management Company: UBS Equity Fund Management Company S.A.
Custodian bank: UBS (Luxembourg) S.A.
Day of inception: 29.6.2001
Currency of account: EUR
Close of financial year: November 30
Swing pricing: yes
Distribution: none, reinvestment
Flat fee: 2.04% p.a.
EU savings tax: not affected
Benchmark: No representative benchmark is available.

Current data

Net asset value: 30.5.2008 EUR 76.10
- High – last 12 months EUR 92.44
- Low – last 12 months EUR 65.92
Fund’s assets in mn EUR: 774.61

Statistical data

Beta: n.a.
Correlation: n.a.
Total risk
- Funds: 19.4% 17.1%
- Benchmark: n.a.
Sharpe Ratio (Risk Free Rate = 3.1%): 0.96

Fund merger on 8 July 2005: UBS (Lux) Equity Fund – Megatrends B (securities no. 1132747) and UBS (Lux) Equity Fund – Future Energy (securities no. 1248700) merged to become UBS (Lux) Equity Fund – Global Innovators (securities no. 1248700).

Performance (EUR-based)

Indexed performance (left-hand scale)
Performance per year in % (right-hand scale)

Performance (information on risk is only indicative).

<table>
<thead>
<tr>
<th>in %</th>
<th>5 years</th>
<th>3 years</th>
<th>1 year</th>
<th>Ø 5 years</th>
<th>Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR</td>
<td>144.6</td>
<td>57.2</td>
<td>-7.6</td>
<td>19.6</td>
<td>74.7</td>
</tr>
</tbody>
</table>

These figures refer to the past. Past performance is not a reliable indicator of future results. The performance shown does not take account of any commissions and costs charged when subscribing to and redeeming units.

Portfolio structure (in %)

By theme

1 climate change (energy 65.9%/mobility 8.8%)
2 demographics (nutrition/healthcare)
3 Water
4 Germany
5 USA
6 Switzerland
7 Austria
8 Canada
9 Spain
10 Others

By countries

1 Germany 22.4
2 USA 22.2
3 Switzerland 8.9
4 Austria 8.4
5 Canada 7.3
6 Spain 5.5
7 Others 25.3

The 10 largest equity positions

Verbund – Österreichele Elektrizitätswirtschaft 3.3
Vestas Wind Systems A/S 3.3
Gamesa Corp Tecnologica SA 3.1
Solarworld AG 2.5
Renewable Energy Corp AS 2.5
Johnson Controls 2.4
Southern Cross Healthcare Ltd 2.1
Q-Cells AG 2.0
Algenia SA 2.0
ItronInc. 1.9

Source for all data and charts (if not indicated otherwise): UBS Global Asset Management
UBS (Lux) Equity Fund – Global Innovators B

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

BETA
A measure of risk which indicates the sensitivity of an investment, such as an investment fund, 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%. The relation is based on historical data and is only an approximation. However, the closer the correlation between the benchmark and the investment fund, the better this approximation.

CORRELATION
A measure of the degree to which the price trends of various investment categories or instruments move in the same direction. The correlation quantifies the strength of the relationship as a figure between -1 and +1. The closer the coefficient is to 1, the stronger the correlation. If the coefficient is -1, the investments and the benchmark move in opposite directions. If the value is 0, there is no correlation.

DURATION
The duration represents the length of time for which capital is “tied up” in a bond investment. In contrast to residual maturity calculations, 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 risk with which the sensitivity of bonds or bond portfolios to interest-rate changes can be estimated.

A 1% increase (decrease) in the interest level accordingly produces a percentage fall (rise) in the price in proportion to the modified duration. For example: the modified duration of a bond fund is 4.5 years, the theoretical yield to maturity is 5.3%. If the theoretical yield to maturity drops in the example by 1% to 4.3% due to the decline in interest rates, the fund price increases by around 4.5%. For bond and asset allocation funds, the duration is given for all fixed-income instruments. In specialist literature, modified duration can be found both as a factor and in years.

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 fees charged by the supervisory authority etc. are not taken into account. The flat fee is charged to the investor, but directly to the fund’s assets. As regards all UBS Funds domiciled in Luxembourg, Switzerland or Germany, except UBS Real Estate Funds, “Flat fee” is just the translation of “Pauschale Verwaltungskommission”.

FLOOR
Lower limit below which the invested capital may not fall on a set date.

INVESTMENT GRADE
Term used to denote securities with ratings of between BBB and AAA, indicating that their credit quality is satisfactory or good.

SECURITY PURCHASE FEE/SECURITY SALE FEE
With some of our funds, a special fee may be charged for the purchase of securities in addition to the issuing commission. This fee is credited to the fund and is used to cover the costs arising from the purchase of securities. The fee is charged for capital preservation funds.

SHARPE RATIO
The Sharpe ratio 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.

SWING PRICING
Swinging single pricing (SSP) is an innovative method used to calculate the net asset values of investment funds. SSP allows an investment fund to settle the daily transaction costs arising from subscriptions made by incoming investors and redemptions made by outgoing investors. Existing investors will no longer have to indirectly bear these transaction costs because with SSP the charge of the transaction costs is directly integrated into the calculation of the net asset value, with these costs borne by incoming and outgoing investors. Under SSP, the net asset value (NAV) is adjusted daily to take account of net transaction costs; the direction of the swing is determined by the daily net capital flows. Where there are net capital inflows, the swing factor is added to the NAV to take account of subscriptions of fund units; where there are net outflows, the swing factor is deducted from the net asset value to take account of unit redemptions. In both cases, the same NAV applies to all incoming and outgoing investors on a particular date. The swing factors by which the NAV is adjusted are based on external brokerage fees, taxes and duties as well as estimated bid/offer spreads of the transactions which a fund carries out in accordance with the subscriptions or redemptions made on a particular day. Performance figures and portfolio statistics are calculated based on the adjusted NAV.

TER
The ratio of total expense to a fund’s average size over an annualised accounting period. Expenses are taken to include all expenses shown in the income account, including management, administration, custody, audit, legal and professional fees.

TRACKING ERROR
Measure of the deviation of the return of a fund compared to the return of a benchmark over a fixed period of time. Expressed as a percentage. The more passively the investment fund is managed, the smaller the tracking error.

VOLATILITY
In portfolio theory the risk of an investment is measured by the amount of volatility. Risk and return are directly related: Markowitz's portfolio theory posits that a higher return can only be obtained with a higher risk.