This is a financial promotion
UK edition
Data as at end-October 2026, unless otherwise indicated

UBS J.P. Morgan Global Gov ESG Liquid Bond UCITS ETF hUSD acc
Fund Fact Sheet

UBS Exchange Traded Funds > UBS (Lux) Fund Solutions

Fund description

- UBS (Lux) Fund Solutions – J.P. Morgan Global Government ESG Liquid Bond UCITS ETF sub-fund aims to track, before expenses, the price and income performance of the J.P. Morgan Global Government ESG Liquid Bond Index (Total Return) (this sub-fund's "Index").

Please see additional information on the following page.

Name of fund	**UBS J.P. Morgan Global Gov ESG Liquid Bond UCITS ETF**
Share class	UBS J.P. Morgan Global Gov ESG Liquid Bond UCITS ETF hUSD acc
ISIN	LU1974694041
UCITS V	yes
Launch date	14.10.2020
Currency of fund / share class	USD/USD
TER (flat fee)	0.18%
Please note that additional fees (e.g. entry or exit fees) may be charged. Please refer to your financial adviser for more details.	
Yield to maturity[1]	4.15
Modified duration	6.43
Name of the Management Company	UBS Asset Management (Europe) S.A., Luxembourg
Accounting year end	31 December
Distribution	Reinvestment
Replication methodology	Physical + Optimized (equities) / sampled (bonds)
Portfolio management representatives	UBS Asset Management Switzerland AG, Zurich
Fund domicile	Luxembourg

1 **This does not constitute a guarantee by UBS Asset Management.**

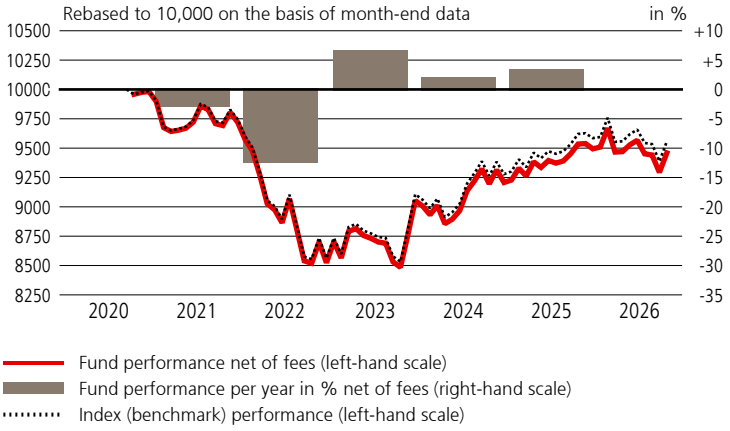
Fund statistics

Net asset value (USD, 30.10.2026)	12.88
Last 12 months (USD) – high	13.16
– low	12.65
Total fund assets (USD m)	954.93
Share class assets (USD m)	76.03

	2 years	3 years	5 years
Volatility[1]			
– Fund	3.48%	4.32%	5.08%
– Benchmark	3.48%	4.32%	5.07%
Tracking error (ex post)	0.07%	0.07%	0.07%

1 Annualised standard deviation

Performance (basis USD, net of fees)[1]



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.

Performance in % (net of fees)

Percentage growth (%)	1 year	3 years	5 years	Ø p.a. 3 years	Ø p.a. 5 years
Fund (USD)	-0.79	11.49	-2.41	3.69	-0.49
Benchmark[2]	-0.66	12.01	-1.63	3.85	-0.33

Percentage growth (%)	Q3 2025 to Q3 2026	Q3 2024 to Q3 2025	Q3 2023 to Q3 2024	Q3 2022 to Q3 2023	Q3 2021 to Q3 2022
Fund (USD)	-1.67	1.38	9.28	-0.10	-12.04
Benchmark[2]	-1.54	1.56	9.43	0.03	-11.86

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

1 These figures refer to the past. Source for all data and chart (if not indicated otherwise): UBS Asset Management.
2 Index (benchmark) in currency of share class (without costs)

Index description

The J.P. Morgan Global Government ESG Liquid Bond Index (Total Return) is designed to track the performance of liquid global government bonds. The index is based on a market capitalization weighting. The index further applies an environmental, social and governance (ESG) screening of issuer countries.Countries are categorzied into 10 bands based on their ESG score and the countries in the lowest 5 ESG bands will be removed from the index.

Index name	J.P. Morgan Global Government ESG Liquid Bond hedged to USD Index (Total Return)
Index type	Total Return Net
Number of index constituents	1482
Bloomberg ticker	JPMGHDUS
Reuters	n.a.

For more information
Phone: 0800-587 2111
Internet: www.ubs.com
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12 years' experience in sustainable ETFs

UBS J.P. Morgan Global Gov ESG Liquid Bond UCITS ETF hUSD acc

Market exposure (%)

	Index
United States	36.3
Japan	13.7
United Kingdom	8.9
Germany	7.2
France	5.7
Italy	5.2
Spain	5.2
Canada	3.1
Australia	2.1
Others	12.7

10 largest positions (%)

	Fund
United States Treasury Note/Bond	36.2
United Kingdom Gilt	8.9
French Republic Government Bond OAT	5.7
Bundesrepublik Deutschland Bundesanleihe	5.2
Italy Buoni Poliennali Del Tesoro	5.2
Spain Government Bond	5.1
Japan Government Ten Year Bond	4.6
Japan Government Twenty Year Bond	3.7
Canadian Government Bond	3.1
Japan Government Five Year Bond	2.2

Credit quality (%)

	Fund
AAA	15.4
AA+	39.1
AA	12.1
AA-	1.8

	Fund
A+	23.9
A	1.3
BBB+	5.2
Others	1.2

Benefits

Clients benefit from the flexibility of an exchange-traded investment.
Provides access to this segment of the market with a single transaction.
Optimised risk/return profile thanks to a broad diversification across a range of countries and sectors.
The fund offers a high degree of transparency and cost efficiency.
UCITS compliant fund.

Additional information

- The J.P. Morgan Global Government ESG Liquid Bond Index (Total Return) is designed to track the performance of liquid global government bonds.
- The UBS (Lux) Fund Solutions – J.P. Morgan Global Government ESG Liquid Bond UCITS ETF sub-fund will take an exposure on the components of its Index.
- Additionally currency hedged share classes aim to reduce the impact of currency fluctuations between their reference currency and the index currency.
- The fund is passively managed

Risks

This UBS Exchange Traded Fund invests in treasuries and may therefore be subject to high fluctuations in value. 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 characteristics and risks are considered as part of the Index selection process. Sustainability characteristics and risks are considered as part of the Index selection process. 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. Every fund has specific risks, which can significantly increase under unusual market conditions. As a result, the net asset value of the fund's assets is directly dependent on the performance of the underlying index. Losses that could be avoided via active management will not be offset.

Listing and trading information

Exchange	Trading currency	Trading hours (local time)	Bloomberg Ticker	Reuters RIC	iNAV Bloomberg
SIX Swiss Exchange	USD	09:00am - 05:30pm CET	ESGGBD SW	ESGGBD.S	ESGGBDIV

Important information

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. 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. 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. UBS funds make use of the Temporary Permissions Regime allowing EEA-domiciled funds to be distributed in the UK for a limited period until full authorisation is obtained. For reporting fund status, please visit the HMRC's website. The protections offered by the UK's regulatory system, and compensation under the Financial Services Compensation Scheme, will not be available. If you are in any doubt on the features of this product, or its appropriateness for your needs, please seek financial advice. Please refer to your financial adviser for more details. Investors should read the Key Information Document (KIID), 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.

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 andany 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/amglossary.

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UBS J.P. Morgan Global Gov ESG Liquid Bond UCITS ETF

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.

Effective from Q2 2026, UBS Asset Management has updated its methodology to scaling carbon emissions metrics by applying a portfolio-level approach instead of an asset-level, excluding derivative exposures and considering long-only portfolio exposure.

In addition to the fund's specific ESG characteristics and/or objectives, the details of which can be viewed in the fund's legal documents, the following approaches are applied:

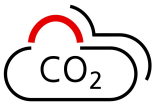
☑ Exclusion ☑ ESG Integration ☐ Voting ☐ Engagement program

For more information refer to the glossary. For details on specific ESG characteristics and/or objectives including exclusion thresholds or any other binding criteria, refer to fund's legal documents. Source: UBS Asset Management

The following illustrations provide transparency on key sustainability metrics that may be of interest to investors but may not be part of the fund's investment process. This information is provided to enable comparison with other financial products and to help investors assess their exposure to ESG topics.

Weighted average carbon intensity, scaled - Corporate issuers

(tCO_2 equivalent per USD million sales)



No Exposure	*No Exposure*
Fund	Reference index

Fund actual data coverage: No Exposure
Reference index actual data coverage: No Exposure

Source: MSCI ESG Research
Reference Index: J.P. Morgan GBI Aggregate Index

ESG details of the top 10 fixed income positions

(in % of fund AuM)[1,2]

Holding (fixed income)	Weight	ESG Score
United States Treasury Note/Bond	36.2	5.7
United Kingdom Gilt	8.9	6.3
French Republic Government Bond OAT	5.7	6.1
Bundesrepublik Deutschland Bundesanleihe	5.2	7.5
Italy Buoni Poliennali Del Tesoro	5.2	5.5
Spain Government Bond	5.1	5.6
Japan Government Ten Year Bond	4.6	6.6
Japan Government Twenty Year Bond	3.7	6.6
Canadian Government Bond	3.1	6.6
Japan Government Five Year Bond	2.2	6.6

1 This is not a recommendation to buy or sell any security
2 AuM = Assets under Management
Source: MSCI ESG Research

External fund ratings [1]



1 As of 30.10.2026
Source: MSCI ESG Research

MSCI ESG scores, scaled

(holding-weighted average 0-10)



	6.2	6.1
	Fund	Reference index
Environmental	5.6	5.5
Social	7.5	7.5
Governance	6.4	6.2

Fund actual data coverage: 99.6%
Reference index actual data coverage: 99.8%

Source: MSCI ESG Research
Reference Index: J.P. Morgan GBI Aggregate Index

The reference index used on this page is the parent index which does not seek to include certain environmental or social characteristics promoted by the financial product in its construction and is different form the designated reference benchmark.

UBS J.P. Morgan Global Gov ESG Liquid Bond UCITS ETF

ESG Report

Carbon intensity, scaled - Sovereign issuers

(tCO_2 equivalent per USD million in GDP)

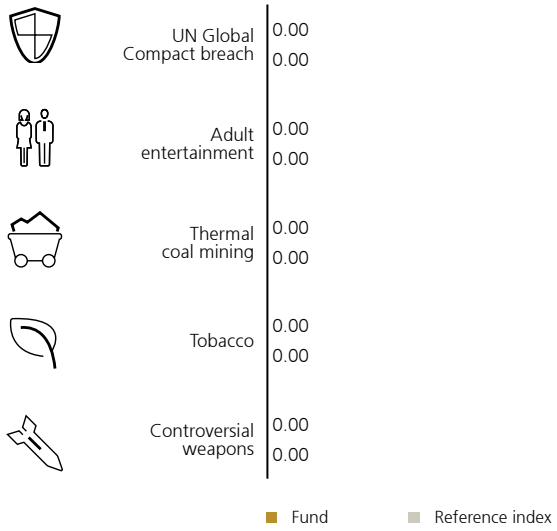
Fund	Reference index
198.8	197.9

Fund actual data coverage: 100.0%
Reference index actual data coverage: 99.8%

Source: MSCI ESG Research
Reference Index: J.P. Morgan GBI Aggregate Index

Business activities and norms check

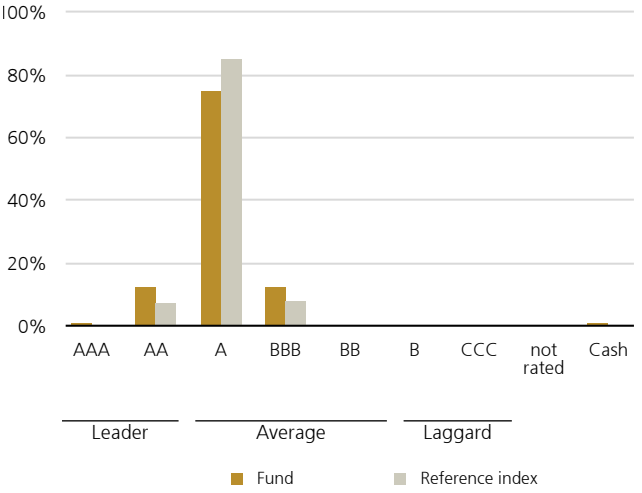
(in % of fund AuM)[1]



1 Assets under Management

Source: MSCI ESG Research
Reference Index: J.P. Morgan GBI Aggregate Index

MSCI ESG rating breakdown



The final industry-adjusted ESG scores are mapped to letter MSCI ESG rating with AAA/AA leaders; A/BBB/BB average; B/CCC laggards.

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Reference Index: J.P. Morgan GBI Aggregate Index

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ESG Report

Country-specific notice:

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Glossary

Business activities and norms 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 Approach to Exclusion for more details: -> link

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 "-". More details available at this link.

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. Subject to certain activities and threshold limitations. For details please refer to fund's legal documents.
ESG Integration: Strategies that integrate environmental, social, and governance (ESG) factors into fundamental financial analysis to improve the risk/return profile. This approach may have limited or no impact on portfolio composition. However, where fund-specific exclusions exist in relation to ESG integration or sustainability profile risks, as set out in the fund's legal documents, these may lead to divestment and/or a reduced position size within a portfolio.
Voting: Voting refers to how UBS Asset Management exercises proxy voting rights to act in the best financial interests of clients and support long term value creation. We promote strong corporate governance and responsible business practices in the companies in which we invest on behalf of our clients. Our approach is guided by our internal standards as outlined in the latest UBS Asset Management Corporate Governance & Proxy Voting Policy. 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.
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.

Aggregation of ESG/carbon data: ESG scores of holdings in the portfolio and the reference index are aggregated based on their respective individual weights and ESG scores (sumproduct).

Fund of funds investments, derivatives and cash: Fund of funds investments used in the portfolio are treated on a lookthrough basis, whereby the economic exposures is allocated to the underlying securities held by these funds, and is treated as if it were a direct investment in those individual securities. These may lead to minimal exposures to securities that are excluded from direct investments. Derivative instruments within the portfolio, whether held directly or via fund of funds investments, are excluded from carbon metrics and other calculations. As a result, derivatives have no effect on the reported metrics. Portfolios for which we report the sustainability metrics may include cash positions, these are however excluded from any calculations. Exclusively long-only portfolio exposure is considered. 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.

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. More details available at this link.

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. Securitized 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.

MSCI ESG rating breakdown: The final sector-adjusted ESG score of the portfolio is broken down into three rating categories with AAA/AA leaders, A/BBB/BB average and

The reference index used on this page is the parent index which does not seek to include certain environmental or social characteristics promoted by the financial product in its construction and is different form the designated reference benchmark.

B/CCC laggards, and compared to the rating breakdown of the reference index.

Passive ESG: Benchmark selection is driven by portfolio implementation considerations, in particular to closely reflect the financial and ESG objectives of the fund. For passively managed strategies, an ESG benchmark would be selected for the purpose of balancing between reasonable tracking error and high ESG alignment. In order to assess the magnitude of ESG improvements, the fund's ESG performance is also shown against a selected broad market index which closely represents the parent investment universe on which the ESG benchmark is based.

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 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

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.