

UBS Exchange Traded Funds

Interim Financial Report

For the half-year ended 31 December 2019

This financial report covers the following UBS Exchange Traded Funds:

UBS IQ Morningstar Australia Quality ETF (ASX code: ETF)

ARSN 159 571 534

UBS IQ Morningstar Australia Dividend Yield ETF (ASX code: DIV)

ARSN 161 570 574

UBS IQ MSCI Australia Ethical ETF (ASX code: UBA)

ARSN 166 219 601

UBS IQ MSCI Asia APEX 50 Ethical ETF (ASX code: UBP)

ARSN 603 812 826

UBS IQ MSCI Europe Ethical ETF (ASX code: UBE)

ARSN 603 813 949

UBS IQ MSCI Japan Ethical ETF (ASX Code: UBJ)

ARSN 603 812 451

UBS IQ MSCI USA Ethical ETF (ASX Code: UBU)

ARSN 603 812 246

UBS IQ MSCI World ex Australia Ethical ETF (ASX code: UBW)

ARSN 603 812 040



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ARSN 603 812 451

UBS IQ MSCI USA Ethical ETF (ASX Code: UBU)

ARSN 603 812 246

UBS IQ MSCI World ex Australia Ethical ETF (ASX code: UBW)

ARSN 603 812 040

The Responsible Entity of the Funds is UBS Asset Management (Australia) Ltd (ABN 31 003 146 290) (AFSL 222 605).
The Responsible Entity's registered office is located at Level 16 Chifley Tower, 2 Chifley Square, Sydney NSW 2000.

UBS Exchange Traded Funds

Interim Financial Report

For the half-year ended 31 December 2019

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The Interim financial report covers the UBS IQ Morningstar Australia Quality ETF, UBS IQ Morningstar Australia Dividend Yield ETF, UBS IQ MSCI Australia Ethical ETF, UBS IQ MSCI Asia APEX 50 Ethical ETF, UBS IQ MSCI Europe Ethical ETF, UBS IQ MSCI Japan Ethical ETF, UBS IQ MSCI USA Ethical ETF and UBS IQ MSCI World ex Australia Ethical ETF as individual entities.

Directors' Report

The directors of UBS Asset Management (Australia) Ltd (ABN 31 003 146 290) (AFS Licence No. 222 605), the Responsible Entity of the UBS IQ Morningstar Australia Quality ETF, UBS IQ Morningstar Australia Dividend Yield ETF, UBS IQ MSCI Australia Ethical ETF, UBS IQ MSCI Asia APEX 50 Ethical ETF, UBS IQ MSCI Europe Ethical ETF, UBS IQ MSCI Japan Ethical ETF, UBS IQ MSCI USA Ethical ETF and UBS IQ MSCI World ex Australia Ethical ETF ("the Funds"), present their report together with the interim financial report of the Funds for the half-year ended 31 December 2019.

Funds' information

The Funds are Australian Registered Schemes. UBS Asset Management (Australia) Ltd, the Responsible Entity of the Funds, is incorporated and domiciled in Australia. The registered office of the Responsible Entity is located at Level 16 Chifley Tower, 2 Chifley Square, Sydney, NSW 2000.

Directors

The following persons held office as directors of UBS Asset Management (Australia) Ltd during the half-year and up to the date of this report:

B J Doherty, Chairman
A L Anderson
G Rice

Principal Activities

During the half-year, the Funds continued to invest in accordance with their current Product Disclosure Statements and the provisions of the Funds' Constitutions.

The Funds did not have any employees during the half-year.

On 10 February 2020, the Responsible Entity applied to the ASX for formal approval to revoke from the admission to trading status under the AQUA rules of the ASX Operating Rules (Revocation). Subject to receipt of formal approval from the ASX, the Responsible Entity intends to proceed with the Revocation from ASX trading status and terminate certain funds (refer to Terminating funds – Schedule 1) or convert certain funds to unquoted class (refer to Continuing funds – Schedule 2).

- i) Termination of certain UBS exchange traded funds (Terminating funds – Schedule 1)
 - (a) UBS IQ Cash ETF ARSN 618 551 125 (ASX code MONY) (MONY);
 - (b) UBS IQ Morningstar Australia Dividend Yield ETF ARSN 161 570 574 (ASX code DIV) (DIV);
 - (c) UBS IQ Morningstar Australia Quality ETF ARSN 159 571 534 (ASX code ETF) (ETF);
 - (d) UBS IQ MSCI Europe Ethical ETF ARSN 603 813 949 (ASX code UBE) (UBE);
 - (e) UBS IQ MSCI Japan Ethical ETF ARSN 603 812 451 (ASX code UBJ) (UBJ); and
 - (f) UBS IQ MSCI USA Ethical ETF ARSN 603 812 246 (ASX code UBU) (UBU).

UBS considers that the Schedule 1 funds above are not, and are not likely to become, viable as ASX quoted exchange traded funds. This is primarily due to insufficient scale, leading to costs that are disproportionately high as a percentage of the net asset value of each Fund. On this basis, UBS has determined for each Fund that it is in the best interests of members as a whole to terminate the Fund.

Directors' Report (continued)

Principal Activities (continued)

- ii) Termination of ASX quotation and election to convert to unquoted class of certain UBS exchange traded funds (Continuing Funds – Schedule 2)

The following funds will also proceed with the Revocation, however, UBS considers that each Fund below would be viable as an unquoted wholesale fund (subject to the Acceptance Threshold being met).

- (a) UBS IQ MSCI Asia APEX 50 Ethical ETF ARSN 603 812 826 (ASX code UBP) (UBP);
- (b) UBS IQ MSCI Australia Ethical ETF ARSN 166 219 601 (ASX code UBA) (UBA); and
- (c) UBS IQ MSCI World ex Australia Ethical ETF ARSN 603 812 040 (ASX code UBW) (UBW).

Review and results of operations

The Funds continued to invest in accordance with target asset allocations as set out in the governing documents of the Funds and in accordance with the provisions of the Funds' Constitutions. With the proposed termination (Schedule 1 Funds) or conversion to unquoted class (Schedule 2 Funds), there will be no change to the target asset allocations until termination or conversion and there have been no significant changes to the operations of the Funds since the previous financial year.

Directors' Report (continued)

Review and results of operations (continued)

The performance of the Funds, as represented by the results of their operations, was as follows:

	UBS IQ Morningstar Australia Quality ETF		UBS IQ Morningstar Australia Dividend Yield ETF	
	Half-year ended		Half-year ended	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	\$	\$	\$'000	\$'000
Profit/(loss) before finance costs attributable to unitholders	<u>314,598</u>	<u>(597,413)</u>	<u>880</u>	<u>(968)</u>
<i>Distributions - quoted class</i>				
Total distribution paid	<u>-</u>	<u>-</u>	<u>138</u>	<u>125</u>
Total distribution payable	<u>153,129</u>	<u>197,339</u>	<u>84</u>	<u>84</u>
Total distribution (cents per unit)	<u>42.00</u>	<u>47.93</u>	<u>36.52</u>	<u>43.54</u>
<i>Distributions - unquoted class</i>				
Total distribution paid	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total distribution payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total distribution (cents per unit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	UBS IQ MSCI Australia Ethical ETF		UBS IQ MSCI Asia APEX 50 Ethical ETF	
	Half-year ended		Half-year ended	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	\$'000	\$'000	\$'000	\$'000
Profit/(loss) before finance costs attributable to unitholders	<u>4,725</u>	<u>(12,730)</u>	<u>1,362</u>	<u>(981)</u>
<i>Distributions - quoted class</i>				
Total distribution paid	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total distribution payable	<u>4,554</u>	<u>5,399</u>	<u>-</u>	<u>-</u>
Total distribution (cents per unit)	<u>55.64</u>	<u>59.46</u>	<u>-</u>	<u>-</u>
<i>Distributions - unquoted class</i>				
Total distribution paid	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total distribution payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total distribution (cents per unit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Directors' Report (continued)

Review and results of operations (continued)

	UBS IQ MSCI Europe Ethical ETF Half-year ended		UBS IQ MSCI Japan Ethical ETF Half-year ended	
	31 December 2019 \$'000	31 December 2018 \$'000	31 December 2019 \$	31 December 2018 \$
Profit/(loss) before finance costs attributable to unitholders	<u>1,001</u>	<u>(835)</u>	<u>618,317</u>	<u>(295,415)</u>
<i>Distributions - quoted class</i>				
Total distribution paid	-	-	-	-
Total distribution payable	-	-	-	-
Total distribution (cents per unit)	-	-	-	-
<i>Distributions - unquoted class</i>				
Total distribution paid	-	-	-	-
Total distribution payable	-	-	-	-
Total distribution (cents per unit)	-	-	-	-

	UBS IQ MSCI USA Ethical ETF Half-year ended		UBS IQ MSCI World ex Australia Ethical ETF Half-year ended	
	31 December 2019 \$	31 December 2018 \$	31 December 2019 \$'000	31 December 2018 \$'000
Profit/(loss) before finance costs attributable to unitholders	<u>796,782</u>	<u>(187,004)</u>	<u>11,181</u>	<u>(2,283)</u>
<i>Distributions - quoted class</i>				
Total distribution paid	-	-	-	-
Total distribution payable	-	-	-	-
Total distribution (cents per unit)	-	-	-	-
<i>Distributions - unquoted class</i>				
Total distribution paid	-	-	-	-
Total distribution payable	-	-	-	-
Total distribution (cents per unit)	-	-	-	-

Significant changes in the state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Funds that occurred during the reporting period, other than those changes identified in the financial statements for the half-year ended 31 December 2019.

Directors' Report (continued)

Likely developments and expected results of operations

The Funds will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Funds and in accordance with the provisions of the Funds' Constitutions. Apart from the proposed revocation and termination or conversion of the Funds which are subject to formal approval from the ASX, there are no developments of which the Responsible Entity are aware which could be expected to affect the results of the Funds operations in subsequent financial years.

Events occurring after reporting period

On 17 February 2020, the Responsible Entity applied to the ASX for formal approval to revoke the admission to trading status under the AQUA rules of the ASX Operating Rules (Revocation). Subject to receipt of formal approval from the ASX, the Responsible Entity intends to proceed with the Revocation from ASX trading status and terminate certain funds (refer to Terminating funds – Schedule 1) or convert certain funds to unquoted class (refer to Continuing funds – Schedule 2).

Termination of certain UBS exchange traded funds (Terminating funds – Schedule 1)

- (a) UBS IQ Cash ETF ARSN 618 551 125 (ASX code MONY) (MONY);
- (b) UBS IQ Morningstar Australia Dividend Yield ETF ARSN 161 570 574 (ASX code DIV) (DIV);
- (c) UBS IQ Morningstar Australia Quality ETF ARSN 159 571 534 (ASX code ETF) (ETF);
- (d) UBS IQ MSCI Europe Ethical ETF ARSN 603 813 949 (ASX code UBE) (UBE);
- (e) UBS IQ MSCI Japan Ethical ETF ARSN 603 812 451 (ASX code UBJ) (UBJ); and
- (f) UBS IQ MSCI USA Ethical ETF ARSN 603 812 246 (ASX code UBU) (UBU).

UBS considers that the Schedule 1 funds above are not, and are not likely to become, viable as ASX quoted exchange traded funds. This is primarily due to insufficient scale, leading to costs that are disproportionately high as a percentage of the net asset value of each Fund. On this basis, UBS has determined for each Fund that it is in the best interests of members as a whole to terminate the Fund.

Termination of ASX quotation and election to convert to unquoted class of certain UBS exchange traded funds (Continuing Funds – Schedule 2)

The following funds will also proceed with the Revocation, however, UBS considers that each Fund below would be viable as an unquoted wholesale fund (subject to the Acceptance Threshold being met).

- (a) UBS IQ MSCI Asia APEX 50 Ethical ETF ARSN 603 812 826 (ASX code UBP) (UBP);
- (b) UBS IQ MSCI Australia Ethical ETF ARSN 166 219 601 (ASX code UBA) (UBA); and
- (c) UBS IQ MSCI World ex Australia Ethical ETF ARSN 603 812 040 (ASX code UBW) (UBW).

Directors' Report (continued)

It should be noted, however, that, following the Last Trading Date:

- i) Terminating Funds – Schedule 1: The assets of these Funds will be sold and the Funds will be wound up.
- ii) Continuing Funds – Schedule 2: If the Acceptance Threshold is met for a Continuing Fund:
 - (1) all unit redesignations for the Fund will take effect on the Redesignation Date;
 - (2) each member of the Fund who has not accepted the Offer to remain a unitholder by close of trading on the Record Date will have their units in the existing class of the Fund compulsorily redeemed and refunds of those amounts made to unitholders pursuant to clause 8.5 of the Constitution for the Fund following cessation of quotation.

For further details on the cessation of quotation or conversion to unquoted class, last trading date, termination date, redesignation date and the acceptance threshold for the unquoted class, please refer to the upcoming ASX announcement which can be accessed from the website at www.asx.com.au/asx/statistics/announcements.do and searching the relevant ASX code.

Except as disclosed above, no other matter or circumstance has arisen since 31 December 2019 that has significantly affected, or may significantly affect:

- (i) the operations of the Funds in future financial periods, or
- (ii) the results of those operations in future financial periods, or
- (iii) the state of affairs of the Funds in future financial periods.

Indemnification and insurance of officers and auditors

No insurance premiums are paid for out of the assets of the Funds in regards to insurance cover provided to either the officers of UBS Asset Management (Australia) Ltd or the auditors of the Funds. So long as the officers of UBS Asset Management (Australia) Ltd act in accordance with the Funds' Constitutions and the *Corporations Act 2001*, the officers remain indemnified out of the assets of the Funds against losses incurred while acting on behalf of the Funds.

The auditors of the Funds are in no way indemnified out of the assets of the Funds.

Environmental regulation

The operations of the Funds are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

Single set of financial reports

The Funds are entities of the kind referred to in ASIC Corporations (Related Scheme Reports) Instrument 2015/839 issued by the Australian Securities and Investments Commission ("ASIC") and in accordance with that Instrument, Funds with a common Responsible Entity (or related Responsible Entities) can include their financial reports in adjacent columns in a single set of financial reports.

Proceeds from redeeming units in a Fund can be applied to acquire units in other Funds included in these financial statements. All the Funds are open-ended.

Directors' Report (continued)

Rounding of amounts

The Funds are entities of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission ("ASIC") relating to the "rounding off" of amounts in the Directors' report. For UBS IQ Morningstar Australia Dividend Yield ETF, UBS IQ MSCI Australia Ethical ETF, UBS IQ MSCI Asia APEX 50 Ethical ETF, UBS IQ MSCI Europe Ethical ETF and UBS IQ MSCI World ex Australia Ethical ETF, amounts in the Directors' report have been rounded to the nearest thousand dollars in accordance with that ASIC Instrument, unless otherwise indicated. For UBS IQ Morningstar Australia Quality ETF, UBS IQ MSCI Japan Ethical ETF and UBS IQ MSCI USA Ethical ETF, amounts in the Directors' report have been rounded to the nearest dollar in accordance with that ASIC Instrument, unless otherwise indicated.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 9.

This report is made in accordance with a resolution of the directors.



B J Doherty
Chairman
Sydney
5 March 2020



G Rice
Director



**Building a better
working world**

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Auditor's Independence Declaration to the Directors of UBS Asset Management (Australia) Ltd, as Responsible Entity for the UBS Exchange Traded Funds ("the Funds")

For the following UBS Exchange Traded Funds ("the Funds")

- ▶ UBS IQ Morningstar Australia Quality ETF (ETF)
- ▶ UBS IQ Morningstar Australia Dividend Yield ETF (DIV)
- ▶ UBS IQ MSCI Australia Ethical ETF (UBA)
- ▶ UBS IQ MSCI Asia APEX 50 Ethical ETF (UBP)
- ▶ UBS IQ MSCI Europe Ethical ETF (UBE)
- ▶ UBS IQ MSCI Japan Ethical ETF (UBJ)
- ▶ UBS IQ MSCI USA Ethical ETF (UBU)
- ▶ UBS IQ MSCI World ex Australia Ethical ETF (UBW)

As lead auditor for the review of the Funds for the half-year ended 31 December 2019, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

Ernst & Young

Graeme McKenzie
Partner
5 March 2020

Statements of Comprehensive Income

	Notes	UBS IQ Morningstar Australia Quality ETF		UBS IQ Morningstar Australia Dividend Yield ETF	
		Half-year ended		Half-year ended	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018
		\$	\$	\$'000	\$'000
Investment income					
Dividend/Trust distribution income		151,265	198,981	275	230
Interest income		5	9	-	-
Net gains/(losses) on financial instruments at fair value through profit or loss		176,114	(783,330)	619	(1,182)
Other income		-	-	7	-
Total investment income/(loss)		<u>327,384</u>	<u>(584,340)</u>	<u>901</u>	<u>(952)</u>
Expenses					
Responsible Entity's fees		12,291	12,577	20	15
Transaction costs		495	485	1	1
Other expenses		-	11	-	-
Total expenses		<u>12,786</u>	<u>13,073</u>	<u>21</u>	<u>16</u>
Profit/(loss) before finance costs attributable to unitholders		<u>314,598</u>	<u>(597,413)</u>	<u>880</u>	<u>(968)</u>
Finance costs attributable to unitholders					
Distributions to unitholders	4	153,129	197,339	222	209
Increase/(decrease) in net assets attributable to unitholders	3	<u>161,469</u>	<u>(794,752)</u>	<u>658</u>	<u>(1,177)</u>
Profit/(loss) for the half-year attributable to unitholders		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the half-year attributable to unitholders		-	-	-	-
Total comprehensive income for the half-year attributable to unitholders		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The above Statements of Comprehensive Income should be read in conjunction with the accompanying notes.

Statements of Comprehensive Income (continued)

	Notes	UBS IQ MSCI Australia Ethical ETF		UBS IQ MSCI Asia APEX 50 Ethical ETF	
		Half-year ended 31 December 2019	31 December 2018	Half-year ended 31 December 2019	31 December 2018
		\$'000	\$'000	\$'000	\$'000
Investment income					
Dividend/Trust distribution income		4,003	4,448	167	137
Interest income		1	1	-	-
Net gains/(losses) on financial instruments at fair value through profit or loss		884	(17,015)	1,242	(1,066)
Net foreign exchange gains/(losses)		-	-	2	(14)
Other income		-	-	-	7
Total investment income/(loss)		4,888	(12,566)	1,411	(936)
Expenses					
Responsible Entity's fees		158	162	28	23
Transaction costs		1	2	1	2
Other expenses		4	-	20	20
Total expenses		163	164	49	45
Profit/(loss) before finance costs attributable to unitholders		4,725	(12,730)	1,362	(981)
Finance costs attributable to unitholders					
Distributions to unitholders	4	4,554	5,399	-	-
Increase/(decrease) in net assets attributable to unitholders	3	171	(18,129)	1,362	(981)
Profit/(loss) for the half-year attributable to unitholders		-	-	-	-
Other comprehensive income for the half-year attributable to unitholders		-	-	-	-
Total comprehensive income for the half-year attributable to unitholders		-	-	-	-

The above Statements of Comprehensive Income should be read in conjunction with the accompanying notes.

Statements of Comprehensive Income (continued)

	UBS IQ MSCI Europe Ethical ETF		UBS IQ MSCI Japan Ethical ETF	
	Half-year ended		Half-year ended	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Notes	\$'000	\$'000	\$	\$
Investment income				
Dividend/Trust distribution income	133	90	72,762	50,278
Interest income	-	-	3	-
Net gains/(losses) on financial instruments at fair value through profit or loss	910	(900)	565,670	(331,857)
Net foreign exchange gains/(losses)	-	3	(544)	342
Other income	-	1	-	-
Total investment income/(loss)	1,043	(806)	637,891	(281,237)
Expenses				
Responsible Entity's fees	31	22	12,208	9,085
Transaction costs	1	1	15	21
Other expenses	10	6	7,351	5,072
Total expenses	42	29	19,574	14,178
Profit/(loss) before finance costs attributable to unitholders	1,001	(835)	618,317	(295,415)
Finance costs attributable to unitholders				
Distributions to unitholders	4	-	-	-
Increase/(decrease) in net assets attributable to unitholders	3	1,001	(835)	618,317
Profit/(loss) for the half-year attributable to unitholders		-	-	-
Other comprehensive income for the half-year attributable to unitholders		-	-	-
Total comprehensive income for the half-year attributable to unitholders		-	-	-

The above Statements of Comprehensive Income should be read in conjunction with the accompanying notes.

Statements of Comprehensive Income (continued)

	UBS IQ MSCI USA Ethical ETF		UBS IQ MSCI World ex Australia Ethical ETF	
	Half-year ended		Half-year ended	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Notes	\$	\$	\$'000	\$'000
Investment income				
Dividend/Trust distribution income	77,207	68,848	1,189	467
Interest income	8	11	-	-
Net gains/(losses) on financial instruments at fair value through profit or loss	737,877	(237,596)	10,340	(2,599)
Net foreign exchange gains/(losses)	663	1,233	23	(1)
Other income	801	226	43	3
Total investment income/(loss)	<u>816,556</u>	<u>(167,278)</u>	<u>11,595</u>	<u>(2,130)</u>
Expenses				
Responsible Entity's fees	8,032	7,088	214	84
Transaction costs	21	40	45	2
Other expenses	11,721	12,598	155	67
Total expenses	<u>19,774</u>	<u>19,726</u>	<u>414</u>	<u>153</u>
Profit/(loss) before finance costs attributable to unitholders	<u>796,782</u>	<u>(187,004)</u>	<u>11,181</u>	<u>(2,283)</u>
Finance costs attributable to unitholders				
Distributions to unitholders	4	-	-	-
Increase/(decrease) in net assets attributable to unitholders	3	796,782	(187,004)	11,181
Profit/(loss) for the half-year attributable to unitholders		<u>-</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the half-year attributable to unitholders		-	-	-
Total comprehensive income for the half-year attributable to unitholders		<u>-</u>	<u>-</u>	<u>-</u>

The above Statements of Comprehensive Income should be read in conjunction with the accompanying notes.

Statements of Financial Position

		UBS IQ Morningstar Australia Quality ETF		UBS IQ Morningstar Australia Dividend Yield ETF	
		As at		As at	
		31 December 2019	30 June 2019	31 December 2019	30 June 2019
Notes		\$	\$	\$'000	\$'000
Assets					
		174,348	143,762	196	155
		133,270	158,396	85	140
	5	<u>7,894,844</u>	<u>7,708,487</u>	<u>20,535</u>	<u>9,569</u>
		<u>8,202,462</u>	<u>8,010,645</u>	<u>20,816</u>	<u>9,864</u>
Liabilities					
	4	153,129	156,820	84	156
		3,718	3,277	19	4
	6	<u>5,050</u>	<u>-</u>	<u>5</u>	<u>-</u>
		<u>161,897</u>	<u>160,097</u>	<u>108</u>	<u>160</u>
	3	<u>8,040,565</u>	<u>7,850,548</u>	<u>20,708</u>	<u>9,704</u>

The above Statements of Financial Position should be read in conjunction with the accompanying notes.

Statements of Financial Position (continued)

	Notes	UBS IQ MSCI Australia Ethical ETF		UBS IQ MSCI Asia APEX 50 Ethical ETF	
		As at		As at	
		31 December 2019 \$'000	30 June 2019 \$'000	31 December 2019 \$'000	30 June 2019 \$'000
Assets					
Cash and cash equivalents		1,991	1,192	2	11
Receivables		401	1,236	43	251
Financial assets at fair value through profit or loss	5	<u>182,844</u>	<u>191,695</u>	<u>13,452</u>	<u>12,055</u>
Total assets		<u>185,236</u>	<u>194,123</u>	<u>13,497</u>	<u>12,317</u>
Liabilities					
Distributions payable	4	4,554	5,392	-	211
Payables		30	27	16	18
Financial liabilities at fair value through profit or loss	6	<u>56</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities (excluding net assets attributable to unitholders)		<u>4,640</u>	<u>5,419</u>	<u>16</u>	<u>229</u>
Net assets attributable to unitholders	3	<u>180,596</u>	<u>188,704</u>	<u>13,481</u>	<u>12,088</u>

The above Statements of Financial Position should be read in conjunction with the accompanying notes.

Statements of Financial Position (continued)

		UBS IQ MSCI Europe Ethical ETF		UBS IQ MSCI Japan Ethical ETF	
		As at		As at	
		31 December 2019	30 June 2019	31 December 2019	30 June 2019
Notes		\$'000	\$'000	\$	\$
Assets					
		121	88	1,604	20,968
		85	548	9,207	107,083
	5	<u>16,294</u>	<u>15,306</u>	<u>6,284,575</u>	<u>5,668,473</u>
		16,500	15,942	6,295,386	5,796,524
Liabilities					
	4	-	469	-	106,940
		6	7	3,654	22,028
	6	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>
		7	476	3,654	128,968
	3	<u>16,493</u>	<u>15,466</u>	<u>6,291,732</u>	<u>5,667,556</u>

The above Statements of Financial Position should be read in conjunction with the accompanying notes.

Statements of Financial Position (continued)

	Notes	UBS IQ MSCI USA Ethical ETF		UBS IQ MSCI World ex Australia Ethical ETF	
		As at		As at	
		31 December 2019	30 June 2019	31 December 2019	30 June 2019
		\$	\$	\$'000	\$'000
Assets					
Cash and cash equivalents		5,272	6,189	952	176
Receivables		9,170	220,866	219	916
Financial assets at fair value through profit or loss	5	<u>8,347,090</u>	<u>7,570,572</u>	<u>158,792</u>	<u>53,327</u>
Total assets		<u>8,361,532</u>	<u>7,797,627</u>	<u>159,963</u>	<u>54,419</u>
Liabilities					
Distributions payable	4	-	264,177	-	1,357
Payables		3,492	2,634	75	28
Financial liabilities at fair value through profit or loss	6	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>
Total liabilities (excluding net assets attributable to unitholders)		<u>3,492</u>	<u>266,811</u>	<u>76</u>	<u>1,385</u>
Net assets attributable to unitholders	3	<u>8,358,040</u>	<u>7,530,816</u>	<u>159,887</u>	<u>53,034</u>

The above Statements of Financial Position should be read in conjunction with the accompanying notes.

Statements of Changes in Equity

	UBS IQ Morningstar Australia Quality ETF		UBS IQ Morningstar Australia Dividend Yield ETF	
	Half-year ended		Half-year ended	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	\$	\$	\$'000	\$'000
Total equity at the beginning of the half-year	-	-	-	-
Profit/(loss) for the half-year attributable to unitholders	-	-	-	-
Other comprehensive income for the half-year attributable to unitholders	-	-	-	-
Total comprehensive income for the half-year attributable to unitholders	-	-	-	-
Transactions with owners in their capacity as owners	-	-	-	-
Total equity at the end of the half-year	-	-	-	-

In accordance with AASB 132 Financial Instruments: Presentation, net assets attributable to unitholders are classified as a liability rather than equity. As a result, there was no equity at the beginning and the end of the half year.

Changes in net assets attributable to unitholders are disclosed in Note 3.

The above Statements of Changes in Equity should be read in conjunction with the accompanying notes.

Statements of Changes in Equity (continued)

	UBS IQ MSCI Australia Ethical ETF		UBS IQ MSCI Asia APEX 50 Ethical ETF	
	Half-year ended		Half-year ended	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	\$'000	\$'000	\$'000	\$'000
Total equity at the beginning of the half-year	-	-	-	-
Profit/(loss) for the half-year attributable to unitholders	-	-	-	-
Other comprehensive income for the half-year attributable to unitholders	-	-	-	-
Total comprehensive income for the half-year attributable to unitholders	-	-	-	-
Transactions with owners in their capacity as owners	-	-	-	-
Total equity at the end of the half-year	-	-	-	-

In accordance with AASB 132 Financial Instruments: Presentation, net assets attributable to unitholders are classified as a liability rather than equity. As a result, there was no equity at the beginning and the end of the half year.

Changes in net assets attributable to unitholders are disclosed in Note 3.

The above Statements of Changes in Equity should be read in conjunction with the accompanying notes.

Statements of Changes in Equity (continued)

	UBS IQ MSCI Europe Ethical ETF		UBS IQ MSCI Japan Ethical ETF	
	Half-year ended		Half-year ended	
	31 December 2019 \$'000	31 December 2018 \$'000	31 December 2019 \$	31 December 2018 \$
Total equity at the beginning of the half-year	-	-	-	-
Profit/(loss) for the half-year attributable to unitholders	-	-	-	-
Other comprehensive income for the half-year attributable to unitholders	-	-	-	-
Total comprehensive income for the half-year attributable to unitholders	-	-	-	-
Transactions with owners in their capacity as owners	-	-	-	-
Total equity at the end of the half-year	-	-	-	-

In accordance with AASB 132 Financial Instruments: Presentation, net assets attributable to unitholders are classified as a liability rather than equity. As a result, there was no equity at the beginning and the end of the half year.

Changes in net assets attributable to unitholders are disclosed in Note 3.

The above Statements of Changes in Equity should be read in conjunction with the accompanying notes.

Statements of Changes in Equity (continued)

	UBS IQ MSCI USA Ethical ETF		UBS IQ MSCI World ex Australia Ethical ETF	
	Half-year ended		Half-year ended	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	\$	\$	\$'000	\$'000
Total equity at the beginning of the half-year	-	-	-	-
Profit/(loss) for the half-year attributable to unitholders	-	-	-	-
Other comprehensive income for the half-year attributable to unitholders	-	-	-	-
Total comprehensive income for the half-year attributable to unitholders	-	-	-	-
Transactions with owners in their capacity as owners	-	-	-	-
Total equity at the end of the half-year	-	-	-	-

In accordance with AASB 132 Financial Instruments: Presentation, net assets attributable to unitholders are classified as a liability rather than equity. As a result, there was no equity at the beginning and the end of the half year.

Changes in net assets attributable to unitholders are disclosed in Note 3.

The above Statements of Changes in Equity should be read in conjunction with the accompanying notes.

Statements of Cash Flows

	UBS IQ Morningstar Australia Quality ETF		UBS IQ Morningstar Australia Dividend Yield ETF	
	Half-year ended		Half-year ended	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	\$	\$	\$'000	\$'000
Cash flows from operating activities				
Proceeds from sale of financial instruments at fair value through profit or loss	2,320,727	2,064,644	3,611	1,959
Purchase of financial instruments at fair value through profit or loss	(2,337,865)	(2,274,753)	(3,659)	(2,117)
Dividends/Trust distributions received	188,360	223,770	248	241
Interest received	5	22	-	-
Other income received	-	68	100	2
Responsible Entity's fees paid	(12,122)	(12,647)	(17)	(16)
Payments for other expenses	(247)	(455)	-	(2)
Net cash inflows/(outflows) from operating activities	158,858	649	283	67
Cash flows from financing activities				
Proceeds from applications by unitholders (i)	-	-	1	-
Distributions paid	(128,272)	(114,865)	(243)	(298)
Net cash inflows/(outflows) from financing activities	(128,272)	(114,865)	(242)	(298)
Net increase/(decrease) in cash and cash equivalents	30,586	(114,216)	41	(231)
Cash and cash equivalents at the beginning of the half-year	143,762	261,616	155	378
Cash and cash equivalents at the end of the half-year	174,348	147,400	196	147

(i) Refer to Note 3 for non-cash applications and redemptions, where applicable.

The above Statements of Cash Flows should be read in conjunction with the accompanying notes.

Statements of Cash Flows (continued)

	UBS IQ MSCI Australia Ethical ETF		UBS IQ MSCI Asia APEX 50 Ethical ETF	
	Half-year ended		Half-year ended	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
Proceeds from sale of financial instruments at fair value through profit or loss	2,472	4,503	545	479
Purchase of financial instruments at fair value through profit or loss	(6,038)	(9,409)	(521)	(2,581)
Dividends/Trust distributions received	4,836	5,915	172	134
Interest received	1	1	-	-
Net foreign exchange gains/(losses)	-	-	2	(14)
Other income received	-	-	-	7
Responsible Entity's fees paid	(158)	(165)	(27)	(22)
Payments for other expenses	-	(1)	-	(4)
Net cash inflows/(outflows) from operating activities	1,113	844	171	(2,001)
Cash flows from financing activities				
Proceeds from applications by unitholders (i)	1	2	-	2,014
Payments for redemptions by unitholders (i)	-	(40)	-	-
Distributions paid	(315)	(112)	(180)	(82)
Net cash inflows/(outflows) from financing activities	(314)	(150)	(180)	1,932
Net increase/(decrease) in cash and cash equivalents	799	694	(9)	(69)
Cash and cash equivalents at the beginning of the half-year	1,192	447	11	73
Cash and cash equivalents at the end of the half-year	1,991	1,141	2	4

(i) Refer to Note 3 for non-cash applications and redemptions, where applicable.

The above Statements of Cash Flows should be read in conjunction with the accompanying notes.

Statements of Cash Flows (continued)

	UBS IQ MSCI Europe Ethical ETF		UBS IQ MSCI Japan Ethical ETF	
	Half-year ended		Half-year ended	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	\$'000	\$'000	\$	\$
Cash flows from operating activities				
Proceeds from sale of financial instruments at fair value through profit or loss	690	241	116,082	166,082
Purchase of financial instruments at fair value through profit or loss	(316)	(328)	(86,804)	(138,530)
Dividends/Trust distributions received	135	87	64,881	45,441
Interest received	-	-	3	-
Net foreign exchange gains/(losses)	-	2	(716)	177
Other income received	-	1	27	166
Responsible Entity's fees paid	(31)	(23)	(11,928)	(9,161)
Payments for other expenses	(2)	-	-	-
Net cash inflows/(outflows) from operating activities	476	(20)	81,545	64,175
Cash flows from financing activities				
Distributions paid	(443)	(280)	(101,081)	(77,074)
Net cash inflows/(outflows) from financing activities	(443)	(280)	(101,081)	(77,074)
Net increase/(decrease) in cash and cash equivalents	33	(300)	(19,536)	(12,899)
Cash and cash equivalents at the beginning of the half-year	88	360	20,968	19,430
Effects of foreign exchange rate changes on cash and cash equivalents	-	1	172	165
Cash and cash equivalents at the end of the half-year	121	61	1,604	6,696

(i) Refer to Note 3 for non-cash applications and redemptions, where applicable.

The above Statements of Cash Flows should be read in conjunction with the accompanying notes.

Statements of Cash Flows (continued)

	UBS IQ MSCI USA Ethical ETF		UBS IQ MSCI World ex Australia Ethical ETF	
	Half-year ended		Half-year ended	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	\$	\$	\$'000	\$'000
Cash flows from operating activities				
Proceeds from sale of financial instruments at fair value through profit or loss	361,967	150,488	67,489	664
Purchase of financial instruments at fair value through profit or loss	(186,954)	(163,020)	(79,059)	(4,752)
Dividends/Trust distributions received	63,859	57,493	960	405
Interest received	8	11	-	-
Net foreign exchange gains/(losses)	684	1,042	32	(4)
Other income received	1,147	199	35	3
Responsible Entity's fees paid	(7,872)	(7,085)	(182)	(83)
Payments for other expenses	-	(1,948)	(43)	(9)
Net cash inflows/(outflows) from operating activities	232,839	37,180	(10,768)	(3,776)
Cash flows from financing activities				
Proceeds from applications by unitholders (i)	-	-	13,345	3,873
Payments for redemptions by unitholders (i)	-	-	(1,000)	-
Distributions paid	(233,735)	(126,410)	(792)	(535)
Net cash inflows/(outflows) from financing activities	(233,735)	(126,410)	11,553	3,338
Net increase/(decrease) in cash and cash equivalents	(896)	(89,230)	785	(438)
Cash and cash equivalents at the beginning of the half-year	6,189	108,096	176	626
Effects of foreign exchange rate changes on cash and cash equivalents	(21)	191	(9)	3
Cash and cash equivalents at the end of the half-year	5,272	19,057	952	191

(i) Refer to Note 3 for non-cash applications and redemptions, where applicable.

The above Statements of Cash Flows should be read in conjunction with the accompanying notes.

1 General Information

These interim financial statements cover the UBS IQ Morningstar Australia Quality ETF, UBS IQ Morningstar Australia Dividend Yield ETF, UBS IQ MSCI Australia Ethical ETF, UBS IQ MSCI Asia APEX 50 Ethical ETF, UBS IQ MSCI Europe Ethical ETF, UBS IQ MSCI Japan Ethical ETF, UBS IQ MSCI USA Ethical ETF and UBS IQ MSCI World ex Australia Ethical ETF ("the Funds") as individual entities.

The Responsible Entity of the Funds is UBS Asset Management (Australia) Ltd ("the Responsible Entity"). The Responsible Entity's registered office is located at Level 16 Chifley Tower, 2 Chifley Square, Sydney NSW 2000. The Responsible Entity is incorporated and domiciled in Australia.

The financial statements of the Funds for the half-year ended 31 December 2019 were authorised for issue in accordance with a resolution of the directors of the Responsible Entity dated 5 March 2020. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

The financial statements are presented in Australian dollars.

On 5 May 2016, the Attribution Managed Investment Trust AMIT regime, applying to Managed Investment Trusts (MITs) was established under the Tax Laws Amendment (New Tax System for Managed Investment Trusts) Act 2016. With its introduction, the Responsible Entity has modified the Funds' Constitutions to facilitate each Fund's operation under the new AMIT regime. The Responsible Entity has elected for the AMIT Regime to apply to the Funds from the 2017/2018 financial reporting period via the lodgement of the Funds' tax returns. As at 30 June 2018, the Funds met the conditions to be an AMIT and reassessed the other criteria in AASB 132 *Financial Instruments: Presentation* for classifying unitholders' funds. The Funds had determined that the units should continue to be classified as financial liabilities on 31 December 2019 as they do not meet the criteria under AASB 132 *Financial Instruments: Presentation* to be classified as equity.

The Funds contain two classes which are equally subordinate but not identical (one class is quoted and traded on the AQUA market and the other class is unquoted and available to wholesale investors only). Though both classes have applied the same management fee rate during the half-year, management fees can be varied by the Responsible Entity, and therefore, contractually, the fee rates may differ and the return that the members in each class receive on liquidation may also differ. Therefore, as there are different obligations per each class, the Responsible Entity has a contractual obligation to make distribution, and therefore the liability classification has been retained.

2 Basis of preparation of interim financial report

These general purpose financial statements for the half-year ended 31 December 2019 have been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standard AASB 134 *Interim Financial Reporting*.

Terminating Funds (Schedule 1):

For those Funds that the Responsible Entity intends to terminate (as discussed in the Director's Report – Terminating funds – Schedule 1), related sections of this Financial Report have not been prepared on a going concern basis. As such, the financial statements for these funds have been prepared on a liquidation basis, whereby the Funds' assets and liabilities have been measured at their fair value, except where otherwise stated. Consistent with the Funds' financial statements for the year ended 30 June 2019, the fair value measurement basis for assets and liabilities has been retained, given that the financial assets for all Funds are listed and highly liquid and the termination of the Funds does not represent a disorderly and/or distressed transaction. Hence, there has been no impact of using the liquidation basis of accounting during the Half Year ended 31 December 2019.

2 Basis of preparation of interim financial report (continued)

Continuing Funds (Schedule 2):

For those Funds that the Responsible Entity intends to continue and convert to unquoted Funds (as discussed in the Director's Report – Continuing funds – Schedule 2), related sections of this Financial Report have been prepared on a going concern basis. Subject to the acceptance threshold being met, the Funds will continue as unquoted wholesale funds hence the Financial Report is prepared on a going concern basis.

The interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2019 and any continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous annual reporting period and corresponding interim reporting period, unless otherwise stated.

Compliance with International Financial Reporting Standards

Compliance with AASB 134 *Interim Financial Reporting* ensures that the interim financial report of the Funds, comprising the financial statements and notes thereto, complies with International Accounting Standard IAS 34 *Interim Financial Reporting*.

Comparative information

Where appropriate, comparative disclosures have been reclassified/amended to be consistent with the current period's presentation. Such reclassification/amendments have not significantly affected the Statement of Comprehensive Income or Statement of Financial Position.

Rounding of amounts

The Funds are entities of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission ("ASIC") relating to the "rounding off" of amounts in the financial statements. For UBS IQ Morningstar Australia Dividend Yield ETF, UBS IQ MSCI Australia Ethical ETF, UBS IQ MSCI Asia APEX 50 Ethical ETF, UBS IQ MSCI Europe Ethical ETF and UBS IQ MSCI World ex Australia Ethical ETF, amounts in the financial statements have been rounded to the nearest thousand dollars in accordance with that ASIC Instrument, unless otherwise indicated. For UBS IQ Morningstar Australia Quality ETF, UBS IQ MSCI Japan Ethical ETF and UBS IQ MSCI USA Ethical ETF, amounts in the financial statements have been rounded to the nearest dollar in accordance with that ASIC Instrument, unless otherwise indicated.

3 Net assets attributable to unitholders

Movements in the number of units and net assets attributable to unitholders during the half-year were as follows:

	Half-year ended			
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	No.	No.	\$	\$
UBS IQ Morningstar Australia Quality ETF				
Net assets attributable to unitholders - quoted class				
Opening balance	363,196	410,483	7,850,548	8,361,714
Units issued upon reinvestment of distributions	1,309	1,214	28,548	24,751
Increase/(decrease) in net assets attributable to unitholders	-	-	161,469	(794,752)
Closing balance	364,505	411,697	8,040,565	7,591,713
Total net assets attributable to unitholders			8,040,565	7,591,713

	Half-year ended			
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	No. '000	No. '000	\$'000	\$'000
UBS IQ Morningstar Australia Dividend Yield ETF				
Net assets attributable to unitholders - quoted class				
Opening balance	454	547	9,704	11,103
Applications*	450	50	10,295	936
Redemptions*	-	(150)	-	(2,890)
Units issued upon reinvestment of distributions	2	4	51	80
Increase/(decrease) in net assets attributable to unitholders	-	-	658	(1,177)
Closing balance	906	451	20,708	8,052
Total net assets attributable to unitholders			20,708	8,052

3 Net assets attributable to unitholders (continued)

	Half-year ended		
	31 December 2019	31 December 2018	31 December 2019
	No. '000	No. '000	\$'000
UBS IQ MSCI Australia Ethical ETF			
Net assets attributable to unitholders - quoted class			
Opening balance	8,556	9,752	188,704
Applications*	150	100	3,368
Redemptions*	(750)	(900)	(16,724)
Units issued upon reinvestment of distributions	229	129	5,077
Increase/(decrease) in net assets attributable to unitholders	-	-	171
Closing balance	8,185	9,081	180,596
Total net assets attributable to unitholders			180,596

	Half-year ended		
	31 December 2019	31 December 2018	31 December 2019
	No. '000	No. '000	\$'000
UBS IQ MSCI Asia APEX 50 Ethical ETF			
Net assets attributable to unitholders - quoted class			
Opening balance	470	350	12,088
Applications	-	80	-
Units issued upon reinvestment of distributions	1	-	31
Increase/(decrease) in net assets attributable to unitholders	-	-	1,362
Closing balance	471	430	13,481
Total net assets attributable to unitholders			13,481

	Half-year ended		
	31 December 2019	31 December 2018	31 December 2019
	No. '000	No. '000	\$'000
UBS IQ MSCI Europe Ethical ETF			
Net assets attributable to unitholders - quoted class			
Opening balance	688	517	15,466
Units issued upon reinvestment of distributions	1	1	26
Increase/(decrease) in net assets attributable to unitholders	-	-	1,001
Closing balance	689	518	16,493
Total net assets attributable to unitholders			16,493

3 Net assets attributable to unitholders (continued)

	31 December 2019 No.	Half-year ended 31 December 2018 No.	31 December 2019 \$	31 December 2018 \$
UBS IQ MSCI Japan Ethical ETF				
Net assets attributable to unitholders - quoted class				
Opening balance	240,720	190,436	5,667,556	4,526,900
Units issued upon reinvestment of distributions	243	284	5,859	6,683
Increase/(decrease) in net assets attributable to unitholders	-	-	618,317	(295,415)
Closing balance	240,963	190,720	6,291,732	4,238,168
Total net assets attributable to unitholders			6,291,732	4,238,168

	31 December 2019 No.	Half-year ended 31 December 2018 No.	31 December 2019 \$	31 December 2018 \$
UBS IQ MSCI USA Ethical ETF				
Net assets attributable to unitholders - quoted class				
Opening balance	250,877	250,398	7,530,816	6,737,878
Units issued upon reinvestment of distributions	998	479	30,442	13,044
Increase/(decrease) in net assets attributable to unitholders	-	-	796,782	(187,004)
Closing balance	251,875	250,877	8,358,040	6,563,918
Total net assets attributable to unitholders			8,358,040	6,563,918

3 Net assets attributable to unitholders (continued)

	Half-year ended			
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	No. '000	No. '000	\$'000	\$'000
UBS IQ MSCI World ex Australia Ethical ETF				
Net assets attributable to unitholders - quoted class				
Opening balance	1,315	1,162	36,023	29,175
Applications	160	150	4,697	3,857
Units issued upon reinvestment of distributions	5	3	130	67
Increase/(decrease) in net assets attributable to unitholders	-	-	3,400	(1,580)
Closing balance	1,480	1,315	44,250	31,519
Net assets attributable to unitholders - Unquoted class				
Opening balance	621	607	17,011	15,243
Applications*	3,266	1	91,410	16
Redemptions	(36)	-	(1,000)	-
Units issued upon reinvestment of distributions	16	12	435	314
Increase/(decrease) in net assets attributable to unitholders	-	-	7,781	(703)
Closing balance	3,867	620	115,637	14,870
Total net assets attributable to unitholders			159,887	46,389

* These include non-cash applications and redemptions through assets transfer in-specie.

As stipulated within the relevant Fund's Constitutions and the Product Disclosure Statements, each unit in the Funds confers an equal undivided interest in the relevant Class Assets and subject to the liabilities applicable to that unit or class. A unit does not confer an interest in a particular asset. All units in a class rank equally and each class is a separate class of interests for the purposes of the *Corporations Act 2001*.

Two classes of units in the Funds may be offered. One class is quoted and traded on the AQUA market of the ASX. This is reflected in the current Product Disclosure Statements. The other class is an unquoted class that is available to wholesale investors only. As at 31 December 2019 and 31 December 2018, the unquoted class of investors were nil for UBS IQ Morningstar Australia Quality ETF, UBS IQ Morningstar Australia Dividend Yield ETF, UBS IQ MSCI Australia Ethical ETF, UBS IQ MSCI Asia APEX 50 Ethical ETF, UBS IQ MSCI Europe Ethical ETF, UBS IQ MSCI Japan Ethical ETF and UBS IQ MSCI USA Ethical ETF.

4 Distributions to unitholders

The distributions for the half-year were paid/payable as follows:

		Half-year ended		
	31 December 2019	31 December 2019	31 December 2018	31 December 2018
	\$	CPU	\$	CPU
UBS IQ Morningstar Australia Quality ETF				
Distributions - quoted class				
31 December (payable)	<u>153,129</u>	<u>42.00</u>	197,339	47.93
	<u>153,129</u>	<u>42.00</u>	197,339	47.93
Total distributions	<u>153,129</u>		<u>197,339</u>	

		Half-year ended		
	31 December 2019	31 December 2019	31 December 2018	31 December 2018
	\$'000	CPU	\$'000	CPU
UBS IQ Morningstar Australia Dividend Yield ETF				
Distributions - quoted class				
30 September	138	27.27	125	24.91
31 December (payable)	<u>84</u>	<u>9.25</u>	84	18.63
	<u>222</u>	<u>36.52</u>	209	43.54
Total distributions	<u>222</u>		<u>209</u>	

		Half-year ended		
	31 December 2019	31 December 2019	31 December 2018	31 December 2018
	\$'000	CPU	\$'000	CPU
UBS IQ MSCI Australia Ethical ETF				
Distributions - quoted class				
31 December (payable)	<u>4,554</u>	<u>55.64</u>	5,399	59.46
	<u>4,554</u>	<u>55.64</u>	5,399	59.46
Total distributions	<u>4,554</u>		<u>5,399</u>	

		Half-year ended		
	31 December 2019	31 December 2019	31 December 2018	31 December 2018
	\$'000	CPU	\$'000	CPU
UBS IQ MSCI Asia APEX 50 Ethical ETF*				
Distributions - quoted class				
	-	-	-	-
Total distributions	-		-	

4 Distributions to unitholders (continued)

	Half-year ended			
	31 December 2019	31 December 2019	31 December 2018	31 December 2018
	\$'000	CPU	\$'000	CPU
UBS IQ MSCI Europe Ethical ETF*				
Distributions - quoted class	-	-	-	-
Total distributions	-	-	-	-

	Half-year ended			
	31 December 2019	31 December 2019	31 December 2018	31 December 2018
	\$	CPU	\$	CPU
UBS IQ MSCI Japan Ethical ETF*				
Distributions - quoted class	-	-	-	-
Total distributions	-	-	-	-

	Half-year ended			
	31 December 2019	31 December 2019	31 December 2018	31 December 2018
	\$	CPU	\$	CPU
UBS IQ MSCI USA Ethical ETF*				
Distributions - quoted class	-	-	-	-
Total distributions	-	-	-	-

	Half-year ended			
	31 December 2019	31 December 2019	31 December 2018	31 December 2018
	\$'000	CPU	\$'000	CPU
UBS IQ MSCI World ex Australia Ethical ETF*				
Distributions - quoted class	-	-	-	-
Distributions - Unquoted class	-	-	-	-
Total distributions	-	-	-	-

* UBS IQ MSCI Asia APEX 50 Ethical ETF, UBS IQ MSCI Europe Ethical ETF, UBS IQ MSCI Japan Ethical ETF, UBS IQ MSCI USA Ethical ETF and UBS IQ MSCI World ex Australia Ethical ETF distribute on annual basis as per current Product Disclosure Statements. As a result, there is no distribution for the half-year ended 31 December 2019.

5 Financial assets at fair value through profit or loss

	UBS IQ Morningstar Australia Quality ETF		UBS IQ Morningstar Australia Dividend Yield ETF	
	As at		As at	
	31 December 2019	30 June 2019	31 December 2019	30 June 2019
	\$	\$	\$'000	\$'000
Derivatives	-	1,475	-	2
Listed equities	6,811,482	6,481,321	20,535	9,567
Listed unit trusts	1,083,362	1,225,691	-	-
Total financial assets at fair value through profit or loss	7,894,844	7,708,487	20,535	9,569

	UBS IQ MSCI Australia Ethical ETF		UBS IQ MSCI Asia APEX 50 Ethical ETF	
	As at		As at	
	31 December 2019	30 June 2019	31 December 2019	30 June 2019
	\$'000	\$'000	\$'000	\$'000
Derivatives	-	18	-	-
Listed equities	170,462	177,975	13,452	12,055
Listed unit trusts	12,382	13,702	-	-
Total financial assets at fair value through profit or loss	182,844	191,695	13,452	12,055

	UBS IQ MSCI Europe Ethical ETF		UBS IQ MSCI Japan Ethical ETF	
	As at		As at	
	31 December 2019	30 June 2019	31 December 2019	30 June 2019
	\$'000	\$'000	\$	\$
Derivatives	-	5	-	161
Listed equities	16,158	15,185	6,182,887	5,579,907
Listed unit trusts	136	116	101,688	88,405
Total financial assets at fair value through profit or loss	16,294	15,306	6,284,575	5,668,473

5 Financial assets at fair value through profit or loss (continued)

	UBS IQ MSCI USA Ethical ETF		UBS IQ MSCI World ex Australia Ethical ETF	
	As at		As at	
	31 December 2019	30 June 2019	31 December 2019	30 June 2019
	\$	\$	\$'000	\$'000
Derivatives	-	381	15	4
Listed equities	8,076,722	7,321,369	154,779	52,005
Listed unit trusts	270,368	248,822	3,998	1,318
Total financial assets at fair value through profit or loss	8,347,090	7,570,572	158,792	53,327

6 Financial liabilities at fair value through profit or loss

	UBS IQ Morningstar Australia Quality ETF		UBS IQ Morningstar Australia Dividend Yield ETF	
	As at		As at	
	31 December 2019	30 June 2019	31 December 2019	30 June 2019
	\$	\$	\$'000	\$'000
Derivatives	5,050	-	5	-
Total financial liabilities at fair value through profit or loss	5,050	-	5	-

	UBS IQ MSCI Australia Ethical ETF		UBS IQ MSCI Asia APEX 50 Ethical ETF	
	As at		As at	
	31 December 2019	30 June 2019	31 December 2019	30 June 2019
	\$'000	\$'000	\$'000	\$'000
Derivatives	56	-	-	-
Total financial liabilities at fair value through profit or loss	56	-	-	-

6 Financial liabilities at fair value through profit or loss (continued)

	UBS IQ MSCI Europe Ethical ETF		UBS IQ MSCI Japan Ethical ETF	
	As at		As at	
	31 December 2019	30 June 2019	31 December 2019	30 June 2019
	\$'000	\$'000	\$	\$
Derivatives	1	-	-	-
Total financial liabilities at fair value through profit or loss	1	-	-	-

	UBS IQ MSCI USA Ethical ETF		UBS IQ MSCI World ex Australia Ethical ETF	
	As at		As at	
	31 December 2019	30 June 2019	31 December 2019	30 June 2019
	\$	\$	\$'000	\$'000
Derivatives	-	-	1	-
Total financial liabilities at fair value through profit or loss	-	-	1	-

7 Fair value measurement

The Funds measure and recognise the following assets and liabilities at fair value on a recurring basis.

- Financial assets / liabilities at fair value through profit or loss (FVTPL)
- Derivative financial instruments

The Funds have no assets or liabilities measured at fair value on a non-recurring basis in the current period. The Funds are required to classify fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes “observable” requires significant judgement by the Funds. The Funds consider observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

All fair value measurements disclosed are recurring fair value measurements.

7 Fair value measurement (continued)

(i) Fair value in an active market (level 1)

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and equity securities) are based on their quoted market prices at the close of trading at the end of the year/period without any deduction for estimated future selling costs. For the majority of investments, information provided by independent pricing services are relied upon for the valuation of investments.

Where the Funds do have financial assets and financial liabilities with offsetting positions in market risks or counterparty credit risk, it may elect to use the measurement exception provided in AASB 13 to measure the fair value of its net risk exposure by applying a price within the bid-ask spread to the net open position as appropriate.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

(ii) Fair value in an inactive or unquoted market (level 2 and level 3)

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the period applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

The fair value of derivatives that are not exchange traded is estimated at the amount that the Funds would receive or pay to terminate the contract at the end of the period taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Funds hold. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

If a significant movement in fair value occurs subsequent to the close of trading up to midnight on the reporting date, valuation techniques will be applied to determine the fair value. A significant event is any event that occurs after the last market price for a security, close of market or close of the foreign exchange, but before the Funds' valuation time that materially affects the integrity of the closing prices for any security, instrument, currency or securities affected by that event so that they cannot be considered 'readily available' market quotations. Where the last sale price does not fall within the bid-ask spread, an assessment is performed by the Responsible Entity to determine the appropriate valuation price to use that is most representative of fair value.

7 Fair value measurement (continued)

Recognised fair value measurement

The table below sets out the Funds' financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at 31 December 2019 and 30 June 2019.

UBS IQ Morningstar Australia Quality ETF								
	As at 31 December 2019				As at 30 June 2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets at fair value through profit or loss								
Australian share price index futures	-	-	-	-	1,475	-	-	1,475
Listed equities	6,811,482	-	-	6,811,482	6,481,321	-	-	6,481,321
Listed unit trusts	1,083,362	-	-	1,083,362	1,225,691	-	-	1,225,691
Total	7,894,844	-	-	7,894,844	7,708,487	-	-	7,708,487
Financial liabilities at fair value through profit or loss								
Australian share price index futures	5,050	-	-	5,050	-	-	-	-
Total	5,050	-	-	5,050	-	-	-	-

7 Fair value measurement (continued)

Recognised fair value measurement (continued)

UBS IQ Morningstar Australia Dividend Yield ETF								
	As at 31 December 2019				As at 30 June 2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss								
Australian share price index futures	-	-	-	-	2	-	-	2
Listed equities	20,535	-	-	20,535	9,567	-	-	9,567
Total	20,535	-	-	20,535	9,569	-	-	9,569
Financial liabilities at fair value through profit or loss								
Australian interest rate futures	5	-	-	5	-	-	-	-
Total	5	-	-	5	-	-	-	-

UBS IQ MSCI Australia Ethical ETF								
	As at 31 December 2019				As at 30 June 2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss								
Australian share price index futures	-	-	-	-	18	-	-	18
Listed equities	170,462	-	-	170,462	177,975	-	-	177,975
Listed unit trusts	12,382	-	-	12,382	13,702	-	-	13,702
Total	182,844	-	-	182,844	191,695	-	-	191,695
Financial liabilities at fair value through profit or loss								
Australian share price index futures	56	-	-	56	-	-	-	-
Total	56	-	-	56	-	-	-	-

7 Fair value measurement (continued)

Recognised fair value measurement (continued)

UBS IQ MSCI Asia APEX 50 Ethical ETF								
	As at 31 December 2019				As at 30 June 2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss								
Listed equities	13,452	-	-	13,452	12,055	-	-	12,055
Total	13,452	-	-	13,452	12,055	-	-	12,055

UBS IQ MSCI Europe Ethical ETF								
	As at 31 December 2019				As at 30 June 2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss								
International share price index futures	-	-	-	-	5	-	-	5
Listed equities	16,158	-	-	16,158	15,185	-	-	15,185
Listed unit trusts	136	-	-	136	116	-	-	116
Total	16,294	-	-	16,294	15,306	-	-	15,306

Financial liabilities at fair value through profit or loss								
International share price index futures	1	-	-	1	-	-	-	-
Total	1	-	-	1	-	-	-	-

7 Fair value measurement (continued)

Recognised fair value measurement (continued)

UBS IQ MSCI Japan Ethical ETF								
	As at 31 December 2019				As at 30 June 2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets at fair value through profit or loss								
Foreign currency contracts	-	-	-	-	-	161	-	161
Listed equities	6,182,887	-	-	6,182,887	5,579,907	-	-	5,579,907
Listed unit trusts	101,688	-	-	101,688	88,405	-	-	88,405
Total	6,284,575	-	-	6,284,575	5,668,312	161	-	5,668,473

UBS IQ MSCI USA Ethical ETF								
	As at 31 December 2019				As at 30 June 2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets at fair value through profit or loss								
Foreign currency contracts	-	-	-	-	-	381	-	381
Listed equities	8,076,722	-	-	8,076,722	7,321,369	-	-	7,321,369
Listed unit trusts	270,368	-	-	270,368	248,822	-	-	248,822
Total	8,347,090	-	-	8,347,090	7,570,191	381	-	7,570,572

7 Fair value measurement (continued)

Recognised fair value measurement (continued)

UBS IQ MSCI World ex Australia Ethical ETF								
	As at 31 December 2019				As at 30 June 2019			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value through profit or loss								
International share price index futures	15	-	-	15	3	-	-	3
Foreign currency contracts	-	-	-	-	-	1	-	1
Listed equities	154,779	-	-	154,779	52,005	-	-	52,005
Listed unit trusts	3,998	-	-	3,998	1,318	-	-	1,318
Total	158,792	-	-	158,792	53,326	1	-	53,327
Financial liabilities at fair value through profit or loss								
International share price index futures	1	-	-	1	-	-	-	-
Total	1	-	-	1	-	-	-	-

Management's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of each reporting period.

(i) Transfers between levels

There have been no transfers between levels for the half-year ended 31 December 2019 and year ended 30 June 2019. There were also no changes made to any of the valuation techniques applied as at 30 June 2019.

(ii) Fair value measurements using significant unobservable inputs (level 3)

The Funds did not hold any financial instruments with fair value measurements using significant unobservable inputs during the half-year ended 31 December 2019 or year ended 30 June 2019.

(iii) Fair values of other financial instruments

Due to their short-term nature, the carrying amounts of receivables and payables are assumed to approximate fair value.

8 Events occurring after the reporting period

Apart from the Responsible Entity's intention to proceed with the Revocation and proposed termination (Schedule 1 Funds), or conversion to unquoted class (Schedule 2 Funds) which is subject to formal approval from the ASX (refer to Director's Report – Principal Activities), no significant events have occurred since 31 December 2019 and up to the date of this report that the Funds have not otherwise dealt within the financial report that has significantly affected or may significantly affect the Funds (30 June 2019: Nil).

9 Contingent assets and liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 31 December 2019 (30 June 2019: Nil).

Directors' Declaration

In the opinion of the directors of the Responsible Entity:

- (a) the financial statements and notes set out on pages 10 to 43 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Funds' financial position as at 31 December 2019 and of their performance, as represented by the results of their operations and cash flows, for the half-year ended on that date.
- (b) there are reasonable grounds to believe that the Funds will be able to pay their debts as and when they become due and payable.
- (c) the financial statements are in accordance with the Funds' Constitutions.
- (d) the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as disclosed in Note 2.

This declaration is made in accordance with a resolution of the directors.



B J Doherty
Chairman



G Rice
Director

Sydney
5 March 2020



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Independent Auditor's Review Report to the unitholders of the UBS Exchange Traded Funds ("the Funds")

Report on the Half-Year Financial Report

For the following Funds

- ▶ UBS IQ Morningstar Australia Quality ETF (ETF)
- ▶ UBS IQ Morningstar Australia Dividend Yield ETF (DIV)
- ▶ UBS IQ MSCI Europe Ethical ETF (UBE)
- ▶ UBS IQ MSCI Japan Ethical ETF (UBJ)
- ▶ UBS IQ MSCI USA Ethical ETF (UBU)

Conclusion

We have reviewed the accompanying half-year financial report of the Funds, which comprises the Statements of Financial Position as at 31 December 2019, the Statements of Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' Declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Funds is not in accordance with the *Corporations Act 2001*, including:

- i giving a true and fair view of the Funds' financial positions as at 31 December 2019 and of their financial performance for the half-year ended on that date; and
- ii complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 2 of the financial statements which describes the liquidation basis of accounting. As described in Note 8 of the financial statements, UBS Asset Management (Australia) Limited, as Responsible Entity of the Funds (the "Responsible Entity"), applied to the ASX for formal approval to revoke from admission to the trading status under the AQUA rules of the ASX Operating Rules (Revocation). Subject to formal ASX approval, the Responsible Entity intends to terminate the Funds. With the termination, the Responsible Entity is required to realise the assets of the Funds as soon as practicable and remit the net proceeds to unitholders. Given the requirement to wind up the Funds, the Funds are no longer regarded as a going concern and the Financial Report has been prepared on a liquidation basis. Our opinion is not modified in respect of this matter.

Directors' Responsibility for the Half-Year Financial Report

The directors of UBS Asset Management (Australia) Ltd (the "Responsible Entity") are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

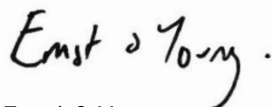
Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review*

of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Funds' financial positions as at 31 December 2019 and their financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Funds, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



Ernst & Young



Graeme McKenzie
Partner
Sydney
5 March 2020



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Independent Auditor's Review Report to the unitholders of the UBS Exchange Traded Funds ("the Funds")

Report on the Half-Year Financial Report

For the following Funds

- ▶ UBS IQ MSCI Australia Ethical ETF (UBA)
- ▶ UBS IQ MSCI Asia APEX 50 Ethical ETF (UBP)
- ▶ UBS IQ MSCI World ex Australia Ethical ETF (UBW)

Conclusion

We have reviewed the accompanying half-year financial report of the Funds, which comprises the Statements of Financial Position as at 31 December 2019, the Statements of Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' Declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Funds is not in accordance with the *Corporations Act 2001*, including:

- i giving a true and fair view of the Funds' financial positions as at 31 December 2019 and of their financial performance for the half-year ended on that date; and
- ii complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' Responsibility for the Half-Year Financial Report

The directors of UBS Asset Management (Australia) Ltd (the "Responsible Entity") are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

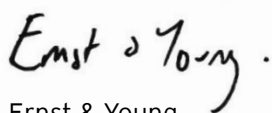
Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Funds' financial positions as at 31 December 2019 and their financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Funds, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



Ernst & Young



Graeme McKenzie
Partner
Sydney
5 March 2020

UBS Asset Management (Australia) Ltd is a subsidiary of UBS Group AG

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