

UBS Investment Funds ICVC II

Annual Report and Accounts



Contents

Introduction and Authorised Corporate Directors' Report	2
Statement of the Depositary's responsibilities in respect of the Scheme and Report of the Depositary to the shareholders of the UBS Investment Funds ICVC II ("the Company") for the year ended 31 March 2014	3
Statement of Authorised Corporate Directors' responsibilities	4
Independent auditor's report to the members of the UBS Investment Funds ICVC II ("the Company")	5
Aggregated financial statements for UBS Investment Funds ICVC II	7
UBS Active Bond Fund (closed)	19
UBS Asian Consumption Fund	37
UBS Emerging Markets Equity Income Fund	55
UBS European Equity Fund (closed)	75
UBS US 130/30 Equity Fund (closed)	89
UBS US Growth Fund	99
Details of the company and other information	114

Introduction and Authorised Corporate Directors' Report

We are pleased to present the report and accounts of UBS Investment Funds ICVC II covering the year ended 31 March 2014.

Performance review

In the US, investor confidence grew towards the end of the accounting year, with several US Federal Reserve ('Fed') and ISM manufacturing and non-manufacturing surveys showing improvement. However, despite manufacturing production bouncing back to its December level towards the end of March, there was a fall over the first quarter of 2014 as a whole, relative to the preceding quarter. Many commentators have attributed this fall to the harsh weather conditions impacting much of the US in the first few months of 2014.

The Fed announced that the period between the end of quantitative easing ('QE') tapering and the initial increase in interest rates could be as short as six months, which took many initially by surprise. However, the consensus appears to be that this period will be considerably longer.

Whilst the economic data in the UK softened slightly during February and March, momentum nevertheless remains strong across many sectors. Inflation has fallen consistently, driven by developments in energy and food commodities. At the time of writing inflation is below the Government's inflation target of 2% Mortgage approvals continue to expand robustly, leading some to suggest that there is a risk of a new property bubble. The members of the Bank of England Monetary Policy Committee kept both rates (at 0.5%) and the Quantitative Easing (QE) Programme on hold by the end of the reporting period. As with the US, there is some debate as to when interest rates in the UK will start to rise.

Emerging markets (EM) also benefitted from an easing of tension in the Ukraine and Crimea towards the end of the year under review (although these have subsequently re-appeared). However, the adverse effect was felt particularly in Russian equities; which initially experienced outflows across all sectors. Performance amongst the BRICs (Brazil, Russia, India and China) was mixed; China fell towards the end of the period, on the back of recent weaker than expected data releases while, in contrast, Brazil and India posted strong positive returns. However, for the year as a whole, the Brazilian market experienced a significant fall. Increased investor appetite in many of the current account deficit ('CAD') markets, for example Indonesia and India, proved beneficial towards the end of the year under review.

Outlook

The Fed's tapering of QE and the eventual rise in interest rates remain a cause for concern across many global markets, especially those EM countries with external funding requirements and extended credit cycles.

Fund terminations

The following Funds commenced termination during the year.

The UBS European Equity Fund on 10 September 2013 and the UBS Active Bond Fund on 14 November 2013.

We hope you will find the report and accounts useful. If you have any queries or comments please contact your financial adviser or alternatively contact us directly. Our Customer Service Desk will be happy to assist you on 0800 587 2113, or you can find additional information on our website at www.ubs.com/retailfunds.



I Barnes
Director



D Carter
Director

UBS Global Asset Management Funds Ltd
24 June 2014

Statement of the Depositary's responsibilities in respect of the Scheme and Report of the Depositary to the shareholders of the UBS Investment Funds ICVC II (“the Company”) for the year ended 31 March 2014

The Depositary is responsible for the safekeeping of all of the property of the Company (other than tangible moveable property) which is entrusted to it and for the collection of revenue that arises from that property.

It is the duty of the Depositary to take reasonable care to ensure that the Company is managed in accordance with the Financial Conduct Authority's (formerly the Financial Services Authority) Collective Investment Schemes Sourcebook (COLL), as amended, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended (the “OEIC Regulations”), the Company's Instrument of Incorporation and Prospectus, in relation to the pricing of, and dealings in, shares in the Company; the application of revenue of the Company; and the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the Authorised Corporate Director:

- has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's revenue in accordance with COLL and, where applicable, the OEIC Regulations, the Instrument of Incorporation and Prospectus of the Company; and
- has observed the investment and borrowing powers and restrictions applicable to the Company.

National Westminster Bank plc
Younger Building
3 Redheughs Avenue
Edinburgh
EH12 9RH

24 June 2014

Statement of Authorised Corporate Directors' responsibilities

The Authorised Corporate Director (ACD) is required by the "COLL Sourcebook" and the "OEIC Regulations" to prepare financial statements which give a true and fair view of the financial position of the Company at the end of each accounting period, the net revenue, the net gains of the property of the Company and the movement in shareholders' funds for the period then ended. In preparing these financial statements, the ACD is required to:

- select suitable accounting policies and apply them on a consistent basis;
- make judgements and estimates that are prudent and reasonable;
- comply with the Prospectus and applicable accounting standards subject to any material departures which are required to be disclosed and explained in the financial statements; and
- prepare the financial statements on the basis that the Company will continue in operation unless it is inappropriate to presume this.

The ACD is also required to manage the Company in accordance with the Prospectus and the Regulations, maintain proper accounting records and take reasonable steps for the prevention and detection of fraud and other irregularities or errors.

Independent auditor's report to the members of the UBS Investment Funds ICVC II ("the Company")

We have audited the financial statements of UBS Investment Funds ICVC II ("the Company") for the year ended 31 March 2014 which comprise Aggregated Statement of Total Return, Aggregated Statement of Change in Net Assets attributable to shareholders, Aggregated Balance Sheet and the related notes 1 to 12 together with the Statement of Total Return, Statement of Change in Net Assets attributable to shareholders, Balance Sheet, and the related notes and distribution tables for each sub-fund. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, pursuant to Paragraph 4.5.12 of the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the authorised corporate director (ACD) and auditors

As explained more fully in the ACD's responsibilities statement set out on page 4, the ACD is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the ACD; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of the Company and of its sub-funds as at 31 March 2014 and of the net revenue and the net losses on the scheme property of the Company and its sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Opinion on other matters prescribed by the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority

In our opinion:

- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice relating to Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority and the Instrument of Incorporation;
- the information given in the ACD's report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- there is nothing to indicate that proper accounting records have not been kept or that the financial statements are not in agreement with those records; and
- we have received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit

Ernst & Young LLP
Statutory Auditor
Edinburgh
24 June 2014

**Aggregated financial statements for
UBS Investment Funds ICVC II**

Aggregated statement of total return For the year ended 31 March 2014

			31 Mar 14	31 Mar 13
	Notes	£	£	£
Income				
Net capital (losses)/gains	2		(8,300,461)	27,797,401
Revenue	3	7,132,608		6,665,074
Expenses	4	(2,587,372)		(2,940,122)
Finance costs: Interest	6	(31)		(212)
Net revenue before taxation		4,545,205		3,724,740
Taxation	5	(802,968)		(700,499)
Net revenue after taxation			3,742,237	3,024,241
Total return before distributions			(4,558,224)	30,821,642
Finance costs: Distributions	6		(5,388,639)	(4,732,565)
Change in net assets attributable to shareholders from investment activities			£(9,946,863)	£26,089,077

Aggregated statement of change in net assets attributable to shareholders For the year ended 31 March 2014

		31 Mar 14	31 Mar 13
	£	£	£
Opening net assets attributable to shareholders		281,271,475	221,172,401
Amounts receivable on issue of shares	98,997,905		201,223,113
Amounts payable on cancellation of shares	(178,521,381)		(169,671,991)
		(79,523,476)	31,551,122
Change in net assets attributable to shareholders from investment activities (see Statement of total return)		(9,946,863)	26,089,077
Gains accumulated following Fund closures		(9)	-
Retained distribution on accumulation shares		2,211,016	2,458,885
Stamp duty reserve tax		-	(10)
Closing net assets attributable to shareholders		£194,012,143	£281,271,475

Aggregated Balance sheet

As at 31 March 2014

	Notes	As at 31 Mar 14 £	As at 31 Mar 13 £
ASSETS			
Investment assets		190,425,365	276,319,269
Debtors	7	1,869,385	5,448,311
Cash and bank balances	8	3,778,976	8,249,140
Total other assets		5,648,361	13,697,451
Total assets		196,073,726	290,016,720
LIABILITIES			
Investment liabilities		-	24,491
Creditors	9	1,387,259	7,829,709
Distribution payable		674,324	891,045
Total other liabilities		2,061,583	8,720,754
Total liabilities		2,061,583	8,745,245
Net assets attributable to shareholders		£194,012,143	£281,271,475

Aggregated notes to the financial statements

1. Accounting policies

a) Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice (SORP) for Financial Statements of Authorised Funds issued by the Investment Management Association (IMA) in October 2010.

The exceptions to this are UBS Active Bond Fund, UBS European Equity Fund and UBS US 130 / 30 Equity Fund which were prepared on a break up basis. In applying the break up basis assets and liabilities continue to be stated at their fair values which materially equate to their residual values. All costs to the point of final termination have been provided for.

(b) Recognition of revenue

Dividends on equities and underlying funds are recognised when the security is quoted ex-dividend. Deposit interest, interest on contracts for difference and interest on interest rate swaps is accounted for on an accruals basis. Interest on debt securities is recognised on an effective interest rate basis.

(c) Derivative accounting policy

In determining the accounting treatment for derivatives, consideration is given to the instrument itself and the Fund's objectives for investment in derivative instruments. Option premiums, finance charges on interest rate Swaps, dividends and finance charges on equity Swaps and relevant revenue from property Swaps are all taken to revenue. All other gains/losses from derivatives are taken to capital.

(d) Treatment of expenses

All expenses are charged in full against revenue, with the exception of transaction charges and Stamp Duty Reserve Tax which are charged directly to capital. In the case of UBS Active Bond Fund and UBS Emerging Markets Equity Income Fund the ACD's annual fee and other expenses are charged against capital for the purposes of calculating the amount available for distribution.

The ACD may from time to time apply a ceiling to the fees charged within each Fund, in particular where the ratio of expenses to the value of the Fund are considered to be too high. A fee rebate, paid by the ACD back to the Fund, will be employed to reduce the net effect of fees in these cases.

(e) Stock dividends

Stock dividends are recognised as revenue and valued at the rate of the declared cash dividend and are included in the amount available for distribution. In the case of enhanced stock dividend, the value of the enhancement is taken to capital.

(f) Special dividends

In accordance with the SORP, special dividends are reviewed on a case by case basis when determining if the dividend is to be treated as revenue or capital. Amounts recognised as revenue will form part of the distribution.

(g) Underwriting commission

Underwriting commission is accounted for when the issue underwritten takes place. Where the Fund is required to take up all of the shares underwritten, the commission received is treated as a deduction from the cost of the shares taken up. Where the Fund is required to take up a proportion of the shares underwritten, the same proportion of the commission received is treated as a deduction from the cost of the shares taken up and the balance is taken to revenue.

(h) Allocation of revenue and expenses to multiple share classes

With the exception of the annual management charge and registration fees, which are directly attributable to individual share classes, all revenue and expenses are allocated to share classes pro rata to the value of the net assets of the relevant share classes on a daily basis.

(i) Distribution policy

Revenue produced by each Fund's investment decisions accumulates during each accounting year. If revenue exceeds expenses and taxation, taken together at the end of the accounting year, a distribution is available to be made to shareholders in accordance with the Regulations. Any revenue deficit will be borne by the capital account.

(j) Basis of valuation of investments

Listed investments are valued at bid-market value at 12 noon on 31 March 2014, net of any accrued interest; interest is included in the financial statements as a revenue related item. Suspended securities have been valued at the lower of the suspended price or at a price which, in the opinion of the ACD, represents the likely realisable value of the security. Unlisted and transferable securities which are not approved have been valued at a price which, in the opinion of the ACD, represents the likely realisable value of the security.

Exchange traded derivatives are valued at closing bid or single quoted price.

The manager uses available information to arrive at an estimated fair value for non-exchange traded derivatives held. The investment value of these contracts is determined through independent valuation techniques including price valuation models.

(k) Foreign exchange rates

Transactions in foreign currencies have been translated into sterling at the exchange rate ruling on the day of the transaction. Assets and liabilities have been translated into sterling at the closing exchange rates at 31 March 2014.

(l) Taxation

The rate of corporation tax for the Funds is 20%. The charge for taxation is based on taxable income less expenses for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred taxation is provided using the liability method on all timing differences, calculated at the rate at which it is anticipated the timing difference will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

(m) Stamp duty reserve tax

Shares surrendered for cash are liable to 0.5% Stamp Duty Reserve Tax (SDRT). The liability is paid out of the property of the Fund, except on the surrender of shares which are 'large deals' where an SDRT provision of 0.5% can be levied directly on the redeeming shareholder at the Manager's discretion. A large deal is defined as a redemption which is in excess of 3% of the Fund value.

Following the UK Budget on 19th March 2014 it was confirmed that SDRT would cease from 5th April 2014.

(n) Dilution adjustment

The need to apply a dilution adjustment will depend on the volume of net purchases or redemptions of the Shares. The ACD may charge a dilution adjustment on the purchase and redemption of such shares if, in its opinion, the existing/continuing Shareholders might otherwise materially be adversely affected and if applying a dilution adjustment, so far as practicable, is fair to all existing and potential shareholders. In determining the rate of any dilution adjustment, the ACD may, in order to reduce volatility, take account of the trend of a Fund to expand or contract and the transaction in shares at a particular valuation point. Unless it is disadvantageous to shareholders, the dilution adjustment will normally be applied on a Fund experiencing large levels of net purchases or redemptions relative to its size. For these purposes, a large level of net dealing is defined as net purchases or redemptions of 3% or more of the value of the Fund; or in any other case where the ACD is of the opinion that the interests of existing/continuing Shareholders or potential Shareholders require the imposition of a dilution adjustment.

2. Net capital (losses)/gains

	31 Mar 14 £	31 Mar 13 £
Currency (losses)/gains	(511,680)	224,921
Derivative contracts	58,705	146,874
Forward currency contracts	4,644	(89,032)
Non-derivative securities	(7,822,859)	27,551,124
Transaction charges	(29,271)	(36,486)
Net capital (losses)/gains	£(8,300,461)	£27,797,401

3. Revenue

	31 Mar 14 £	31 Mar 13 £
Bank interest	1,818	6,381
Interest on debt securities	73,657	638,894
Overseas dividends	7,044,277	5,938,373
Return from derivatives*	-	(8,537)
Stock dividends	12,856	86,750
UK dividends	-	3,213
	£7,132,608	£6,665,074

* This includes income received/(paid) on long and short positions.

4. Expenses

	31 Mar 14 £	31 Mar 13 £
<i>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</i>		
Administration fees	-	41,703
Authorised Corporate Director's fees	2,225,526	2,517,543
Registration fees	201,898	144,773
Fee rebate	(139,984)	(16,866)
	2,287,440	2,687,153
<i>Payable to the Depositary, associates of the Depositary and agents of either of them:</i>		
Depositary's fees	23,581	27,497
	23,581	27,497
<i>Payable to other third parties:</i>		
Administration fees	134,332	31,400
Audit fees*	41,925	74,514
Dividend expenses	35,560	6,317
Price publication fees	5,452	-
Professional fees	4,797	-
Safe custody fees	50,162	102,740
Taxation fees	4,123	10,501
	276,351	225,472
	£2,587,372	£2,940,122

*The audit fee (ex VAT) accrued during the year was £30,500 (31 March 2013: £43,250).

5. Taxation

(a) Analysis of tax charge

	31 Mar 14 £	31 Mar 13 £
Overseas tax provision	(24,213)	(40,066)
Overseas tax suffered	827,181	740,903
Prior year adjustment	-	(388)
Total tax charge (5b)	£802,968	£700,499

(b) Factors affecting current tax charge

The tax charged for the year is lower than the standard rate of corporation tax in the UK for open-ended investment companies (31 March 13: 20%).

The differences are explained below:

	31 Mar 13 £	31 Mar 12 £
Net revenue before taxation	4,545,205	3,724,740
Corporation tax at 20%	909,040	744,948
<i>Effects of:</i>		
Dividends not subject to corporation tax	(1,134,668)	(1,135,948)
Expenses not deductible	203	-
Interest distributions	-	(91,243)
Movement in excess expenses	225,425	480,498
Non-trade deficit set against current year income	-	1,823
Overseas tax provision	(24,213)	(40,305)
Overseas tax suffered	827,181	741,142
Prior year adjustment	-	(338)
Revenue taxable in different years	-	(78)
	(106,072)	(44,449)
Total tax charge (5a)	£802,968	£700,499

Open-ended investment companies are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

6. Finance costs

The distributions take account of amounts added on the issue of shares and amounts deducted on the cancellation of shares, and comprise:

	31 Mar 14 £	31 Mar 13 £
Interim - first quarter	31,275	100,193
Interim - second quarter	4,125,582	3,889,157
Interim - third quarter	-	69,079
Final	1,161,899	1,382,915
	5,318,756	5,441,344
Add: Amounts deducted on cancellation of shares	836,263	542,814
Deduct: Amounts added on issue of shares	(766,380)	(1,242,529)
Deduct: Equalisation on conversions	-	(7,311)
Deduct: Movement on revenue due to Fund closure	-	(1,753)
Net distributions	5,388,639	4,732,565
Interest	31	212
Total finance costs	£5,388,670	£4,732,777
Net revenue after taxation	3,742,237	3,024,241
Losses accumulated following Fund closures	942	-
Add: Expense charged to capital	1,093,262	939,651
Add: Revenue brought forward	18,270	9,476
Add: Shortfall transfer to capital	810,282	869,362
Add: Equalisation on conversion	6,391	-
Deduct: Residual amounts on closed funds	(6,260)	-
Deduct: Revenue carried forward	(6,375)	(18,270)
Deduct: Tax relief on capital fees	(270,110)	(91,895)
Net distributions as above	£5,388,639	£4,732,565

7. Debtors

	As at 31 Mar 14 £	As at 31 Mar 13 £
Accrued revenue	475,239	681,517
Amounts receivable on issue of shares	997,669	1,360,792
Overseas tax recoverable	171,487	125,152
Prepaid expenses	1,677	3,654
Sales awaiting settlement	223,313	3,277,196
	£1,869,385	£5,448,311

8. Cash & bank balances

	As at 31 Mar 14 £	As at 31 Mar 13 £
Amounts held at futures clearing houses and brokers	-	8,736
Cash and bank balances	3,778,976	8,240,404
	£3,778,976	£8,249,140

9. Creditors

	As at 31 Mar 14 £	As at 31 Mar 13 £
Amounts payable on cancellation of shares	255,780	4,028,803
Corporation tax payable	125,237	125,237
Expense accruals	307,652	452,364
Income tax payable	1,059	10,102
Purchases awaiting settlement	697,531	3,213,203
	£1,387,259	£7,829,709

10. Contingent liabilities

There were no contingent liabilities or commitments at the current or prior year ends.

11. Related party transactions

UBS Global Asset Management Funds Ltd, as the Authorised Corporate Director (ACD), is considered to be a related party. Both management fees and registration fees charged by the ACD are shown in note 4.

At 31 March 2014 the amounts included in creditors in respect of management fees, registration fees and administration fees due to the ACD are £157,701, £17,556 and £nil respectively (31 March 2013: £227,259, £21,133 and £6,538).

UBS Global Asset Management Funds Ltd acts as principal in respect of all transactions of shares in the Fund. The aggregate monies received through issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to shareholders.

All dealing in the investment portfolio of the Fund was carried out through UBS Global Asset Management (UK) Ltd. During the year no dealing commission was paid to UBS Global Asset Management (UK) Ltd.

UBS Global Asset Management Funds Ltd and UBS Global Asset Management (UK) Ltd are subsidiaries of UBS Global Asset Management Holdings Ltd.

12. Financial instruments

The Authorised Corporate Director's policy and approach to managing the risks associated with financial instruments are summarised below.

Numerical disclosures can be found within the accounts of each sub-fund.

Risk Profile

Market price risk

The main risk arising from each Funds' financial instruments is market price. Market price risk can be defined as the uncertainty about future price movements of the financial instruments the Funds are invested in. Market price risk arises mainly from economic factors and is not limited to interest rate and currency movements. This exposure to market price risk may result in substantial fluctuations in the share price from time to time, although there will be a close correlation in the movement of the share price to the markets the Funds are invested in. Investments in emerging markets may be more volatile than investments in more developed markets, as some of these markets have relatively unstable economies based on only a few industries and securities markets that trade only a limited number of securities. The Funds seek to minimise these risks by holding diversified portfolios of investments in line with the Funds' investment objectives. Adherence to the investment guidelines and to the investment and borrowing powers set out in the Prospectus, the COLL Sourcebook and the OEIC Regulations 2001 mitigates the risk of exposure to any particular type of security or issuer.

Currency risk

Foreign currency risk is the risk that the value of the Funds' investments will fluctuate as a result of changes in foreign exchange rates. For the Funds which invest in overseas securities the balance sheet can be affected by movements in foreign exchange rates. The Funds may not seek to avoid this foreign exchange movement risk on investments and revenue accrued but not yet received.

However, those Funds that do seek to avoid this risk may use currency forwards for the purposes of efficient portfolio management.

In respect of the purchase and sale of investments, the Manager normally reduces the risk by executing a foreign exchange transaction on the same day as the purchase or sale is undertaken.

Counterparty risk

The Funds' transactions in securities expose it to the risk that the counterparty will not deliver the investment for a purchase or the cash for a sale. To minimise this risk the Funds only deal with brokers pre-approved by the UBS Credit Risk Control function.

Counterparty risk is also a feature of transactions in derivatives, so all derivative counterparties are also pre-approved. Exchange traded futures are subject to daily variation margin payments which reduces the credit risk to one day's movement in index value. Forwards and swaps are transacted with a limited number of counterparties to reflect the increased credit risk involved in over-the-counter derivatives.

Credit risk

Bonds are subject to both actual and perceived measures of creditworthiness. Bonds, and especially high yield bonds, could be affected by adverse publicity and investor perception, which may not be based on fundamental analysis, and would have a negative effect on the value and liquidity of the bond.

With investment in high yield bonds there is an increased risk to capital through default where bond issuers either fail to pay the interest or capital repayment due at maturity. Economic conditions and changes to interest rate levels may significantly affect the values of high yield bonds.

In the same way as equities, the Funds seek to minimise this risk by holding diversified portfolios of investments in line with the Funds' investment objectives. Adherence to the investment guidelines and to the investment and borrowing powers set out in the Prospectus, the COLL Sourcebook and the OEIC Regulations 2001 mitigates the risk of exposure to any particular type of security or issuer.

Liquidity risk

The assets of the Company are generally liquid and considered to be readily realisable. Funds investing in smaller companies invest in transferable securities that may be less liquid than the securities of larger companies, as a result of inadequate trading volume or restrictions on trading. Prices on illiquid securities are regularly reviewed by the Manager. The Funds' main commitments are expenses and any cancellation of shares that investors may make. Assets from a Fund may need to be sold if insufficient cash is available to meet such liabilities.

Interest rate risk

Interest rate risk is the risk that the value of Funds' investments will fluctuate as a result of changes in interest rates. Some of the Funds may invest in fixed interest or floating rate investments. If interest rates rise, the income potential of the Funds also rise, but the value of fixed rate investments will decline. A decline in interest rates will in general have the opposite effect. Interest receivable on bank deposits and payable on bank overdrafts will also be affected by fluctuations in interest rates.

The numerical disclosures for currency and interest rate risk of financial instruments are shown in each of the relevant Fund's notes to the accounts.

Derivatives

The Manager may use certain types of derivatives for the purposes of efficient portfolio management. Some Funds, however, can use derivatives for investment purposes. Further information on the types of derivatives and strategies can be found in the investment objective for each Fund and in the derivatives section of the Financial Instruments note within the long form annual accounts.

The Manager may invest in financial futures and currency forwards for the purposes of efficient portfolio management. Futures will be traded on a recognised derivative market and currency forwards are traded over the counter (OTC).

UBS Active Bond Fund

Manager's report

Notice of Fund wind up

The UBS Active Bond Fund commenced termination on 14 November 2013. Termination will be completed once all assets and liabilities have been settled.

Percentage growth

	31/03/13 to termination %	31/03/12 to 31/03/13 %	31/03/11 to 31/03/12 %	31/03/10 to 31/03/11 %	31/03/09 to 31/03/10 %
Class A - Accumulation Net Shares	-1.05	3.07	4.55	0.37	5.41
Class A - Income Gross Shares	-0.76	3.70	5.11	1.13	6.17
Class A - Income Net Shares	-1.04	3.08	4.54	0.39	5.30
Class B - Accumulation Net Shares	-0.83	3.46	4.90	0.71	5.79
Class B - Income Gross Shares	-0.55	4.06	5.47	1.47	6.53
Class B - Income Net Shares	-0.55	3.43	4.82	0.73	5.68
Class Z - Accumulation Gross Shares	-	4.82	5.99	1.90	7.13
Class Z - Accumulation Net Shares	-	3.84	5.34	1.24	8.88

Source: Lipper Hindsight is based on NAV prices with income reinvested net of basic rate tax and in sterling terms.

UBS Global Asset Management Funds Ltd
24 June 2014

Performance record (unaudited)**1. Fund size**

Accounting year		Number of shares in issue	Total net asset value per share (p)*	Total net asset value (£)
31 March				
2012	Class A - Accumulation Net	4,395,718	64.4	2,831,400
	Class A - Income Gross	2,195,096	50.4	1,107,000
	Class A - Income Net	3,627,562	50.6	1,835,752
	Class B - Accumulation Net	265,070	66.6	176,550
	Class B - Income Gross	19,850,574	51.7	10,259,633
	Class B - Income Net	226,735	53.1	120,289
	Class Z - Accumulation Gross	9,954,290	68.1	6,783,404
	Class Z - Accumulation Net	10,001	67.1	6,707
				£23,120,735
2013	Class A - Accumulation Net	1,058,900	66.4	703,552
	Class A - Income Gross	522,845	50.8	265,491
	Class A - Income Net	2,982,365	50.9	1,519,280
	Class B - Accumulation Net	115,212	68.9	79,432
	Class B - Income Gross	8,072,925	52.2	4,216,085
	Class B - Income Net	226,986	53.6	121,650
	Class Z - Accumulation Gross	10,001	71.5	7,148
	Class Z - Accumulation Net	10,001	69.7	6,969
				£6,919,607

Accounting year		Number of shares in issue	Total net asset value per share (p)*	Total net asset value (£)
31 March				
2014	Class A - Accumulation Net	-	-	-
	Class A - Income Gross	-	-	-
	Class A - Income Net	-	-	-
	Class B - Accumulation Net	-	-	-
	Class B - Income Gross	-	-	-
	Class B - Income Net	-	-	-
	Class Z - Accumulation Gross	-	-	-
	Class Z - Accumulation Net	-	-	-
				-

* rounded to one decimal place.

2. Share dealing price range and distribution record

The Fund was launched on 1 April 2005 at a price of 50.00p for Class B Income Gross shares. Class A Income Gross shares were launched on 13 April 2005 at a price of 50.07p, Class A Income Net shares were launched on 15 April 2005 at a price of 50.09p; Class A Accumulation Net shares were launched on 4 May 2005 at a price of 50.17p; Class B Accumulation Net shares were launched on 13 July 2005 at a price of 50.48p; Class B Income Net shares were launched on 18 January 2007 at a price of 50.00p; and both Class Z Accumulation Net and Class Z Accumulation Gross were launched on 31 January 2007 at a price of 50.00p.

Calendar year	Highest price (p)	Lowest price (p)	Distribution per share (net) (p)
Class A - Accumulation Net			
2009	61.02	57.91	2.19
2010	62.84	60.70	1.91
2011	64.06	61.21	1.71
2012	66.46	63.87	1.70
2013	66.98	65.23	0.97
2014 to 31 March	-	-	-
Class A - Income Gross			
2009	51.76	49.75	2.34
2010	51.75	50.15	1.96
2011	51.18	49.55	1.72
2012	51.58	50.35	1.64
2013	51.23	49.66	0.92
2014 to 31 March	-	-	-
Class A - Income Net			
2009	51.83	49.91	1.87
2010	51.86	50.23	1.59
2011	51.27	49.70	1.38
2012	51.67	50.51	1.32
2013	51.34	49.78	0.74
2014 to 31 March	-	-	-

	Calendar year	Highest price (p)	Lowest price (p)	Distribution per share (net) (p)
Class B - Accumulation Net				
2009		62.55	59.25	2.25
2010		64.61	62.27	1.97
2011		66.14	63.03	1.77
2012		68.87	65.98	1.75
2013		69.52	67.79	1.00
2014 to 31 March		-	-	-
Class B - Income Gross				
2009		52.58	50.46	2.37
2010		52.75	51.16	2.00
2011		52.35	50.61	1.75
2012		52.95	51.56	1.68
2013		52.69	51.16	0.95
2014 to 31 March		-	-	-
Class B - Income Net				
2009		53.88	51.79	1.94
2010		54.06	52.42	1.68
2011		53.65	51.92	1.44
2012		54.26	52.91	1.39
2013		54.00	52.46	0.78
2014 to 31 March		-	-	-

	Calendar year	Highest price (p)	Lowest price (p)	Distribution per share (net) (p)
Class Z - Accumulation Gross				
2009		62.40	58.58	2.78
2010		65.03	62.16	2.46
2011		67.45	63.72	2.23
2012		71.16	67.35	2.65
2013 [†]		72.14	70.60	0.47
2014 to 31 March		-	-	-
Class Z - Accumulation Net				
2009		61.03	57.44	2.54
2010		64.64	60.29	1.65
2011		66.49	63.17	1.78
2012		69.51	66.37	1.76
2013 [†]		70.30	68.92	0.37
2014 to 31 March		-	-	-

[†] covers period from 1 January 2013 to 9 May 2013 after which the share class closed.

Past performance is not a guide to future performance. Investors are reminded that the price of shares and the revenue from them is not guaranteed and may go down as well as up.

Portfolio statement (unaudited)
As at 31 March 2014

There are no holdings to disclose due to the Fund closure.

Portfolio movements (unaudited)
For the year ended 31 March 2014

	Cost £
Major purchases	
FHLMC Gold 3.5% 30 Yrs 2034	390,526
FNMA 3.5% 30 Yrs 2043	379,817
FNMA 3.50% 30 Yrs 2043	374,958
Network Rail Infrastructure 1.25% 2015	242,633
FNMA 3.5% 2040	226,892
Inter-American Development 0.625% 2015	149,610
Aegon 6.125% 2031	117,890
Total S.A. Capital 4.25% 2017	113,977
JPMorgan Chase & Co 5.375% 2016	112,270
BAA Funding 3% 2015	103,500
General Electric Capital UK 2.25% 2015	103,006
Svenska Handelsbanken FRN 2016	100,000
BNP Paribas FRN 2016	100,000
HSBC Bank FRN 2016	100,000
Deutsche Pfandbriefbank FRN 2016	99,852
Treasury 4.5% 2042	71,599
ANZ National International Bank 1.5% 2015	70,960
Volkswagen Financial Services 1.25% 2016	69,959
L-Bank BW Foerderbank 0.875% 2017	69,860
Southern Water Services Finance 'B' 7.869% 2038	68,318
Total for the year	£3,065,627

	Proceeds £
Major sales	
European Investment Bank 2.25% 2015	573,656
GE Capital UK Fund 6% 2013	442,000
FNMA 3.5% 2040	392,055
FNMA 3.50% 30 Yrs 2043	382,277
FHLMC Gold 3.5% 30 Yrs 2034	380,222
FNMA 3.5% 30 Yrs 2043	376,055
Caisse D'Amort Dette 2.25% 2015	351,579
Suncorp-Metway 4% 2014	346,390
European Investment Bank 5.625% 2032	327,775
Kommunal Banken 1.375% Notes 2014	300,338
Network Rail Infrastructure 1.25% 2015	241,760
FNMA 3.5% 2040	227,384
European Investment Bank 6% 2028	227,312
BAA Funding 3% 2015	205,532
General Electric Capital UK 2.25% 2015	204,354
Transport for London 1.25% 2017	200,830
Treasury 5% 2025	183,613
Silverstone Master 5.063% 2055	165,252
Permanent Master Issuer Mortgage Backed 4.805% 'A' 2042	164,355
European Investment Bank 4.25% 2021	159,616
Total for the year	£5,852,354

Statement of total return
For the year ended 31 March 2014

		31 Mar 14		31 Mar 13	
	Notes	£	£	£	£
Income					
Net capital (losses)/gains	2		(109,012)		253,125
Revenue	3	73,658		403,442	
Expenses	4	(22,449)		(128,759)	
Finance costs: Interest	6	(4)		(1)	
Net revenue before taxation		51,205		274,682	
Taxation	5	-		577	
Net revenue after taxation			51,205		275,259
Total return before distributions			(57,807)		528,384
Finance costs: Distributions	6		(74,640)		(404,090)
Change in net assets attributable to shareholders from investment activities			£(132,447)		£124,294

Statement of change in net assets attributable to shareholders
For the year ended 31 March 2014

	31 Mar 14		31 Mar 13	
	£	£	£	£
Opening net assets attributable to shareholders		6,919,607		23,120,735
Amounts receivable on issue of shares	82,627		270,836	
Amounts payable on cancellation of shares	(6,875,552)		(16,642,773)	
		(6,792,925)		(16,371,937)
Change in net assets attributable to shareholders from investment activities (see Statement of total return)		(132,447)		124,294
Gain accumulated following Fund closure		(926)		-
Retained distribution on accumulation shares		6,691		46,515
Closing net assets attributable to shareholders		-		£6,919,607

Balance sheet**As at 31 March 2014**

	Notes	As at 31 Mar 14 £	As at 31 Mar 13 £
ASSETS			
Investment assets		-	6,818,512
Debtors	7	-	408,270
Cash and bank balances	8	14,303	708,458
Total other assets		14,303	1,116,728
Total assets		14,303	7,935,240
LIABILITIES			
Investment liabilities		-	24,491
Creditors	9	14,303	953,281
Distribution payable		-	37,861
Total other liabilities		14,303	991,142
Total liabilities		14,303	1,015,633
Net assets attributable to shareholders		-	£6,919,607

Notes to the financial statements

1. Accounting policies

Accounting policies of the Fund are as set out on pages 10 to 12.

2. Net capital (losses)/gains

	31 Mar 14 £	31 Mar 13 £
Currency (losses)/gains	(2,545)	10,517
Forward currency contracts	3,444	(3,468)
Non-derivative securities	(108,276)	247,918
Transaction charges	(1,635)	(1,842)
Net capital (losses)/ gains	£(109,012)	£253,125

3. Revenue

	31 Mar 14 £	31 Mar 13 £
Bank interest	1	14
Interest on debt securities	73,657	403,428
	£73,658	£403,442

4. Expenses

	31 Mar 14 £	31 Mar 13 £
<i>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</i>		
Administration fees	-	41,703
Authorised Corporate Director's fees	17,815	64,958
Fee rebate	(24,506)	(7,754)
Registration fees	3,153	10,763
	(3,538)	109,670
<i>Payable to the Depositary, associates of the Depositary and agents of either of them:</i>		
Depositary's fees	386	1,559
	386	1,559
<i>Payable to other related parties and third parties:</i>		
Administration fees	17,832	6,540
Audit fees*	7,027	8,952
Safe custody fees	106	1,047
Taxation fees	636	991
	25,601	17,530
	£22,449	£128,759

*The audit fee for the period, excluding VAT was £5,000 (31 March 2013: £8,050).

5. Taxation

(a) Analysis of tax charge

	31 Mar 14 £	31 Mar 13 £
Overseas tax suffered	-	(239)
Prior year adjustment	-	(338)
Total current tax (5.b)	-	(577)
Deferred tax	-	-
Total tax charge	-	£(577)

(b) Factors affecting current tax charge

The tax charged for the year is lower than the standard 20% rate of corporation tax applicable to the revenue received by open-ended investment companies (31 March 2013: 20%). The differences are explained below:

	31 Mar 14 £	31 Mar 13 £
Net revenue before taxation	51,205	274,682
Corporation tax at 20%	10,241	54,936
Effects of:		
Interest distributions	-	(80,803)
Movement in excess expenses	(10,241)	25,751
Non trade deficit set against current year income	-	116
Overseas tax suffered	-	(239)
Prior year adjustment	-	(338)
	(10,241)	(55,513)
Total tax charge (5.a)	-	£(577)

Open-ended investment companies are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

(c) Deferred tax assets

At 31 March 2014 the Fund had excess management expenses of £2,390,756 (31 March 2013: £2,441,960). The deferred tax in respect of this would be £478,151 (31 March 2013: £488,392). It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised.

6. Finance costs

The distributions take account of amounts added on the issue of shares and amounts deducted on the cancellation of shares, and comprise:

	31 Mar 14 £	31 Mar 13 £
Interim - first quarter	31,275	100,193
Interim - second quarter	25,703	125,018
Interim - third quarter	-	69,079
Final	-	52,583
	56,978	346,873
Add: Amounts deducted on cancellation of shares	17,864	57,710
Deduct: Amounts added on issue of shares	(202)	(493)
Net distributions	74,640	404,090
Interest	4	1
Total finance costs	£74,644	£404,091
Net revenue after taxation	51,205	275,259
Add: Expense charged to capital	22,449	128,759
Add: Revenue brought forward	986	1,058
Deduct: Revenue carried forward	-	(986)
Net distributions as above	£74,640	£404,090

Details of the distribution per share are set out in the tables on pages 34 to 36.

7. Debtors

	As at 31 Mar 14 £	As at 31 Mar 13 £
Accrued revenue	-	97,188
Amounts receivable on issue of shares	-	1,339
Prepaid expenses	-	2,416
Sales awaiting settlement	-	307,327
	-	£408,270

8. Cash & bank balances

	As at 31 Mar 14 £	As at 31 Mar 13 £
Cash and bank balances	14,303	708,458
	£14,303	£708,458

9. Creditors

	As at 31 Mar 14 £	As at 31 Mar 13 £
Amounts payable on cancellation of shares	-	346,852
Expense accruals	13,244	21,303
Income tax payable	1,059	9,248
Purchases awaiting settlement	-	575,878
	£14,303	£953,281

10. Equalisation

This applies only to shares purchased during the distribution period (Group 2 shares). The average amount of revenue included in the purchase price of Group 2 shares is shown in the Distribution table and is refunded to the holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

11. Contingent liabilities

At 31 March 2014 there were no contingent liabilities or commitments at the current or prior year ends.

12. Related party transactions

UBS Global Asset Management Funds Ltd, as the Authorised Corporate Director (ACD), is considered to be a related party. Both management fees and registration fees charged by the ACD are shown in note 4.

At 31 March 2014 there amounts included in creditors in respect of management fees, registration fees and administration fees due to the ACD is nil (31 March 2013: £2,923, £577 and £6,538).

UBS Global Asset Management Funds Ltd acts as principal in respect of all transactions of shares in the Fund. The aggregate monies received through issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to shareholders.

All dealing in the investment portfolio of the Fund was carried out through UBS Global Asset Management (UK) Ltd. During the year no dealing commission was paid to UBS Global Asset Management (UK) Ltd.

UBS Global Asset Management Funds Ltd and UBS Global Asset Management (UK) Ltd are subsidiaries of UBS Global Asset Management Holdings Ltd.

13. Financial instruments

The Authorised Corporate Director's policy and approach to managing the risks associated with financial instruments are included in the Risk Profile on pages 17 and 18.

(a) Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the Fund's financial assets and liabilities at the year end is set out in the following tables.

i) Financial assets

Currency	Floating rate financial assets £	Fixed rate financial assets £	Financial assets not carrying interest £	Total £
31 Mar 14				
Sterling	14,303	-	-	14,303
	£14,303	-	-	£14,303
31 Mar 13				
Australian Dollar	24	-	-	24
Canadian Dollar	13	-	-	13
Euro	110	-	-	110
Sterling	244,514	6,416,863	233,548	6,894,925
Swedish Krona	3	-	-	3
US Dollar	463,794	401,649	150,231	1,015,674
	£708,458	£6,818,512	£383,779	£7,910,749

ii) Financial liabilities

Currency	Floating rate financial liabilities £	Financial liabilities not carrying interest £	Total £
31 Mar 14			
Sterling	-	14,303	14,303
	-	£14,303	£14,303
31 Mar 13			
Euro	-	-	-
Sterling	-	415,264	415,264
US Dollar	-	575,878	575,878
	-	£991,142	£991,142

iii) Fixed rate financial assets

Currency	Weighted average interest rate %	Weighted average period for which the rate is fixed in years
31 Mar 14		
Sterling	-	-
US Dollar	-	-
31 Mar 13		
Sterling	1.50	7.45
US Dollar	-	30.14

(b) Currency exposure

The majority of the net assets of the Fund's investments are denominated in currencies other than sterling, with the effect that currency movements can significantly affect the balance sheet and total return.

Numerical disclosures are as follows:

Currency	Monetary exposures £	Non- monetary exposures £	Total £
31 Mar 14			
Euro	-	-	-
US Dollar	-	-	-
	-	-	-
Sterling	-	-	-
	-	-	-
31 Mar 13			
Australian Dollar	24	-	24
Canadian Dollar	13	-	13
Euro	110	-	110
Swedish Krona	3	-	3
US Dollar	38,148	401,649	439,797
	38,298	401,649	439,947
Sterling	62,797	6,416,863	6,479,660
	£101,095	£6,818,512	£6,919,607

(c) Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and financial liabilities, as shown in the balance sheet, and their fair value.

14. Portfolio transaction costs

There were no transaction costs in the current or prior year.

Distribution table**For the year ended 31 March 2014 (in pence per share)****Final interest distribution**

Group 1: Shares purchased prior to 1 January 2014

Group 2: Shares purchased between 1 January 2014 and 31 March 2014

	Gross revenue (p)	Income tax (20%)	Net revenue (p)	Equalisation (note 10) (p)	Distribution payable 31/05/14 (p)	Distribution paid 31/05/13 (p)
Class A - Accumulation Net						
Group 1	-	-	-	-	-	0.350000
Group 2	-	-	-	-	-	0.350000
Class A - Income Gross						
Group 1	-	-	-	-	-	0.330000
Group 2	-	-	-	-	-	0.330000
Class A - Income Net						
Group 1	-	-	-	-	-	0.270000
Group 2	-	-	-	-	-	0.270000
Class B - Accumulation Net						
Group 1	-	-	-	-	-	0.360000
Group 2	-	-	-	-	-	0.360000
Class B - Income Gross						
Group 1	-	-	-	-	-	0.340000
Group 2	-	-	-	-	-	0.340000

	Gross revenue (p)	Income tax (20%)	Net revenue (p)	Equalisation (note 10) (p)	Distribution payable 31/05/14 (p)	Distribution paid 31/05/13 (p)
Class B - Income Net						
Group 1	-	-	-	-	-	0.280000
Group 2	-	-	-	-	-	0.280000
Class Z - Accumulation Gross						
Group 1	-	-	-	-	-	0.470000
Group 2	-	-	-	-	-	0.470000
Class Z - Accumulation Net						
Group 1	-	-	-	-	-	0.370000
Group 2	-	-	-	-	-	0.370000

Third interim interest distribution

Group 1: Shares purchased prior to 1 October 2013

Group 2: Shares purchased between 1 October 2013 and 31 December 2013

	Gross revenue (p)	Income tax (20%)	Net revenue (p)	Equalisation (note 10) (p)	Distribution paid 28/02/14 (p)	Distribution paid 28/02/13 (p)
Class A - Accumulation Net						
Group	-	-	-	-	-	0.420000
Group	-	-	-	-	-	0.420000
Class A - Income Gross						
Group	-	-	-	-	-	0.400000
Group	-	-	-	-	-	0.400000
Class A - Income Net						
Group	-	-	-	-	-	0.320000
Group	-	-	-	-	-	0.320000
Class B - Accumulation Net						
Group	-	-	-	-	-	0.430000
Group	-	-	-	-	-	0.430000
Class B - Income Gross						
Group	-	-	-	-	-	0.410000
Group	-	-	-	-	-	0.410000
Class B - Income Net						
Group	-	-	-	-	-	0.340000
Group	-	-	-	-	-	0.340000
Class Z - Accumulation Gross						
Group	-	-	-	-	-	0.560000
Group	-	-	-	-	-	0.560000
Class Z - Accumulation Net						
Group	-	-	-	-	-	0.440000
Group	-	-	-	-	-	0.440000

Second interim interest distribution

Group 1: Shares purchased prior to 1 July 2013

Group 2: Shares purchased between 1 July 2013 and 30 September 2013

	Gross revenue (p)	Income tax (20%)	Net revenue (p)	Equalisation (note 10) (p)	Distribution paid 30/11/13 (p)	Distribution paid 30/11/12 (p)
Class A - Accumulation Net						
Group 1	0.387500	0.077500	0.310000	-	0.310000	0.400000
Group 2	0.189738	0.037948	0.151790	0.158210	0.310000	0.400000
Class A - Income Gross						
Group 1	0.290000	-	0.290000	-	0.290000	0.390000
Group 2	0.080952	-	0.080952	0.209047	0.290000	0.390000
Class A - Income Net						
Group 1	0.287500	0.057500	0.230000	-	0.230000	0.320000
Group 2	0.080923	0.016185	0.064738	0.165262	0.230000	0.320000
Class B - Accumulation Net						
Group 1	0.387500	0.077500	0.310000	-	0.310000	0.420000
Group 2	0.132513	0.026502	0.106011	0.203989	0.310000	0.420000
Class B - Income Gross						
Group 1	0.300000	-	0.300000	-	0.300000	0.400000
Group 2	0.087203	-	0.087203	0.212797	0.300000	0.400000
Class B - Income Net						
Group 1	0.312500	0.062500	0.250000	-	0.250000	0.330000
Group 2	0.085816	0.017162	0.068654	0.181346	0.250000	0.330000
Class Z - Accumulation Gross						
Group 1	-	-	-	-	-	0.540000
Group 2	-	-	-	-	-	0.540000
Class Z - Accumulation Net						
Group 1	-	-	-	-	-	0.420000
Group 2	-	-	-	-	-	0.420000

First interim interest distribution

Group 1: Shares purchased prior to 1 April 2013

Group 2: Shares purchased between 1 April 2013 and 30 June 2013

	Gross revenue (p)	Income tax (20%)	Net revenue (p)	Equalisation (note 10) (p)	Distribution paid 31/08/13 (p)	<i>Distribution paid 31/08/12 (p)</i>
Class A - Accumulation Net						
Group 1	0.387500	0.077500	0.310000	-	0.310000	0.430000
Group 2	0.212086	0.042417	0.169669	0.140331	0.310000	0.430000
Class A - Income Gross						
Group 1	0.300000	-	0.300000	-	0.300000	0.420000
Group 2	0.082276	-	0.082276	0.217724	0.300000	0.420000
Class A - Income Net						
Group 1	0.300000	0.060000	0.240000	-	0.240000	0.340000
Group 2	0.2179140	0.043583	0.174331	0.065669	0.240000	0.340000
Class B - Accumulation Net						
Group 1	0.412500	0.082500	0.330000	-	0.330000	0.450000
Group 2	0.117443	0.023489	0.093954	0.236046	0.330000	0.450000
Class B - Income Gross						
Group 1	0.310000	-	0.310000	-	0.310000	0.430000
Group 2	0.087123	-	0.087123	0.222877	0.310000	0.430000
Class B - Income Net						
Group 1	0.312500	0.062500	0.250000	-	0.250000	0.360000
Group 2	0.151205	0.030241	0.120964	0.1290360	0.250000	0.360000
Class Z - Accumulation Gross						
Group 1	-	-	-	-	-	0.980000
Group 2	-	-	-	-	-	0.980000
Class Z - Accumulation Net						
Group 1	-	-	-	-	-	0.450000
Group 2	-	-	-	-	-	0.450000

UBS Asian Consumption Fund

Manager's report

Investment objective and policy

To seek to achieve long term capital appreciation predominantly through investment in equities in the Asian region, excluding Japan via investing in Asian stocks that are engaged in the business activities of providing goods and services to Asian consumers and Asian consumer products and services companies that have a global franchise. The Fund may also invest in non-Asian companies that are engaged in the business of providing goods and services to Asian consumers. Furthermore, the Fund may also invest in other transferable securities (including warrants), money market instruments, deposits, cash and units in collective investment schemes.

The ACD may use derivatives for the purpose of efficient portfolio management.

Market environment

The deceleration of economic activity in China weighed on confidence, with industrial production and retail sales coming in weaker than expected towards the end of the year under review. This drove the underperformance in the Chinese market, as well as the cyclical sectors in South Korea. However, improving trade balances in both Indonesia and India, coupled with optimism over impending elections, led to a reduction in headwinds; resulting in strong market performance.

In Indonesia, the nomination of the popular mayor of Jakarta, Jokowi Widodo, as a presidential candidate fuelled hopes of a more effective administration. This upturn in sentiment also benefited other ASEAN markets; such as the Philippines and Thailand. Sector performance over the quarter was more muted, with IT (especially internet services) faring the best, while the telecom and energy sectors, particularly in China, were the biggest laggards.

From a global perspective, monetary policy in both the US and Europe affected Asian markets; with the anticipated rise in interest rates by the US Federal Reserve weighing heavily on market sentiment.

Fund performance

During the reporting year the Fund achieved performance of -7.4%* in Sterling terms. The Fund's benchmark, the MSCI (AC) Asia ex Japan Consumer and Health Care Sectors Index, returned -1.0%, also in Sterling terms, over the same year.

The Fund's holding in Tencent Holdings provided the largest stock contribution to performance. The online game business performed well, especially at the start of 2014, backed by fast growth from new games titles and stable revenue streams from old ones. The share price of the company, which is not listed within the Fund's benchmark index, rose significantly over the course of the year.

The second largest stock contributor to relative performance over the year under review resulted from a position in Melco PBL Entertainment. The stock, which is not listed within the Fund's benchmark index, rose significantly over the year.

The primary stock detractor over the reporting year resulted from activity within and an overall underweight to, Hyundai Motor. The Fund had a zero weight to the stock at the start of the reporting year but this increased to 5.4% by the year end. The share price of the South Korean multi-national rose by 15.5%, in Sterling terms, over the course of the year.

A position in LT Group, the Philippines based diversified beverage company, was another significant stock detractor from relative performance over the year. The share price of the company, which is not listed within the Fund's benchmark index, fell significantly over the course of the year.

In terms of sectors, a combination of positive stock selection within and a position in Information Technology resulted in the largest contribution. However, stock selection within and an underweight to Consumer Discretionary detracted from relative performance over the year.

From a country perspective, stock selection within and an overall underweight to China added most value, whilst these two factors in South Korea detracted from relative performance over the year.

* Source: Lipper-Hindsight. Performance is based on NAV prices with income reinvested net of basic tax rate and in sterling terms to 31 March 2014, based on Class A shares.

Outlook

While improving trade accounts have reduced the potential headwind from the US Federal Reserve's tapering of Quantitative Easing ('QE'), the eventual rate rises remain a cause for concern, especially in those countries with external funding requirements and extended credit cycles.

The weaker tone to Chinese economic growth is likely to remain a central theme, driven by attempts to cap leverage in the system and the ongoing anti-corruption drive. Meanwhile, although some level of macro adjustment is needed, we believe core fundamentals remain well supported; with a manageable level of external debt. Indeed, most Asian economies continue to benefit from relatively sound balance sheets; enjoying generally low debt at government, corporate and household levels.

Our current overweight position in India is driven by quality franchises in the IT services and healthcare sectors that we believe are also well-positioned to ride out currency risks. We remain focused on bottom-up opportunities in China, such as from the structural growth potential of the internet, healthcare and the insurance sectors. The underweight in Malaysia is driven by the challenge of finding good franchises which offer valuation support, while our exposure to South Korea is focused on value opportunities.

The near term outlook may remain mixed, but valuations are attractive both in absolute and relative terms. The prospect of strong growth prospects driven by multi-year structural drivers remains a hallmark for Asia, specifically: demographics, urbanisation, rising productivity and consumption growth. In our view, what is critical is that Asian countries speed up the pace of reform; to regain their competitiveness and position themselves for the structural opportunities ahead. Overall however, we continue to be optimistic on the prospects of Asian equities and the Asian consumer in particular.

Percentage growth

	31/03/13 to 31/03/14 %	31/03/12 to 31/03/13 %	31/03/11 to 31/03/12 %	Launch to 31/03/11 %
Class A - Accumulation Shares	-7.36	11.78	6.45	-4.48
Class B - Accumulation Shares	-6.89	12.45	7.11	-4.30
Class C - Accumulation Shares	-6.65	12.56	-	-
Class K - Accumulation Shares	-	-	8.09	-4.06

Source: Lipper Hindsight is based on NAV prices with income reinvested net of basic rate tax and in sterling terms.

Launch date: Class A, B and K Shares: 17 December 2010; Class C Shares; 15 August 2012.

Class K shares closed 29 August 2012. The performance quoted is up to this date.

UBS Global Asset Management Funds Ltd

24 June 2014

Performance record (unaudited)**1. Fund size**

Accounting year		Number of shares in issue	Total net asset value per share (p)*	Total net asset value (£)
31 March				
2012	Class A - Accumulation	8,226,487	50.7	4,169,480
	Class B - Accumulation	23,697,476	51.1	12,107,270
	Class K - Accumulation	10,024	10,338.3	1,036,299
				£17,313,049
2013	Class A - Accumulation	9,839,629	56.6	5,571,947
	Class B - Accumulation	12,470,096	57.4	7,160,876
	Class C - Accumulation	4,916,067	56.1	2,756,969
				£15,489,792
2014	Class A - Accumulation	1,671,109	52.5	877,693
	Class B - Accumulation	3,115,898	53.5	1,668,064
	Class C - Accumulation	7,923,199	52.4	4,152,338
				£6,698,095

* rounded to one decimal place.

2. Ongoing charges figure

The ongoing charges figure (OCF) is the ratio of the Fund's annual operating expenses (excluding overdraft interest) to the average net assets of the Fund. It covers all aspects of operating the Fund during the year, including fees paid for investment management, administration, safeguarding the Fund's assets, depositary services and audit (net of any fee rebates if applicable). Where the Fund invests in other funds, the figure includes the impact of the charges made in those other funds.

Share class	31 Mar 14 (%)	31 Mar 13 (%)
Class A - Accumulation	1.78	1.75
Class B - Accumulation	1.25	1.22
Class C - Accumulation	0.96	0.97

3. Share dealing price range and distribution record

The Fund was launched on 17 December 2010 at a price of 50p for Class A and B Accumulation shares.

Calendar Year	Highest price (p)	Lowest price (p)	Distribution per share (net) (p)
Class A - Accumulation			
2010 [†]	51.67	49.86	-
2011	53.91	43.42	0.20
2012	53.93	47.26	0.19
2013	59.72	50.27	0.01
2014 to 31 March	53.90	50.62	-
Class B - Accumulation			
2010 [†]	51.68	49.86	-
2011	54.10	43.64	0.36
2012	54.62	47.57	0.38
2013	60.60	51.04	0.16
2014 to 31 March	54.88	51.55	-
Class C - Accumulation			
2012 ^{††}	53.31	48.73	0.05
2013	59.21	49.87	0.30
2014 to 31 March	53.70	50.44	0.06
Class K - Accumulation			
2010 [†]	10,337.89	9,971.49	-
2011	10,875.40	8,789.96	131.96
2012 to 29 August ^{†††}	10,596.24	9,605.17	50.23

[†] covers period from launch to 31 December 2010.

^{††} covers period from launch to 31 December 2012.

^{†††} covers period from 1 January to 29 August 2012 after which the share class closed.

Past performance is not a guide to future performance. Investors are reminded that the price of shares and the revenue from them is not guaranteed and may go down as well as up.

Portfolio statement (unaudited)
As at 31 March 2014

	Holding	Market value £	Percentage of total net assets %
China - 14.23% (31 Mar 13: 13.19%)			
Baidu ADS	1,900	171,996	2.57
Hengan International	30,500	189,345	2.83
Sands China	84,400	378,178	5.65
Tencent	5,100	212,917	3.18
Curaçao - 1.16% (31 Mar 13: 0.00%)			
Merrill Lynch (United Spirits) Warrants 2018	2,928	77,683	1.16
Germany - 0.67% (31 Mar 13: 0.84%)			
Mahindra ELN 2023 (Deutsche Bank)	19,186	44,645	0.67
Hong Kong - 16.28% (31 Mar 13: 14.88%)			
AIA Group	47,800	136,062	2.03
Belle International	114,000	67,902	1.01
Brilliance China Finance	118,000	108,397	1.62
China Mengniu Dairy	32,000	96,168	1.44
Chow Tai Fook Jewellery Group	100,200	94,529	1.40
Galaxy Entertainment Group	59,000	308,237	4.60
Sa Sa International	138,000	66,057	0.99
Sino Biopharmaceutical	124,000	63,389	0.95
Wynn Macau	60,400	149,706	2.24
India - 13.91% (31 Mar 13: 17.63%)			
GlaxoSmithKline ELN 2015 (Merrill Lynch)	3,006	129,374	1.93
Godrej Consumer Products ELN 2017 (JPMorgan)	11,437	93,739	1.40
ICICI Bank	3,400	89,403	1.33
ITC ELN 2017 (Deutsche Bank)	78,751	276,575	4.12
Marico ELN 2015 (Merrill Lynch)	57,932	120,024	1.79

	Holding	Market value £	Percentage of total net assets %
Marico ELN 2020 (Deutsche Bank)	6,008	12,444	0.19
Maruti Suzuki ELN 2017 (Deutsche Bank)	5,005	98,235	1.47
Sun Pharmaceuticals ELN 2015 (Credit Suisse)	3,827	21,814	0.33
Titan ELN 2017 (JPMorgan)	35,937	90,696	1.35
Indonesia - 3.63% (31 Mar 13: 9.09%)			
Matahari Department Store	191,700	137,826	2.06
Tempo Scan Pacific	645,800	104,893	1.57
Malaysia - 3.02% (31 Mar 13: 3.66%)			
British American Tobacco Malaysia	18,600	202,407	3.02
Netherlands - 1.53% (31 Mar 13: 0.00%)			
HDFC Bank ELN 2017 (JPMorgan)	9,454	70,215	1.05
JPMorgan (Westlife Development) Warrants 2018	8,640	32,344	0.48
Philippines - 5.44% (31 Mar 13: 3.82%)			
Alliance Global Group	264,000	100,985	1.51
LT Group	485,300	113,336	1.69
Philippine Seven	51,824	66,774	1.00
Robinsons Retail	91,760	83,254	1.24
Singapore - 2.99% (31 Mar 13: 4.51%)			
Jardine Cycle & Carriage	6,000	129,456	1.93
Parkson Retail Asia	162,000	70,710	1.06
South Korea - 22.20% (31 Mar 13: 19.70%)			
E-mart	1,039	142,758	2.13
Hyundai	780	62,498	0.93
Hyundai Home Shopping Network	886	77,991	1.16
Hyundai Mobis	1,943	344,809	5.15

		Market value £	Percentage of total net assets %
	Holding		
Hyundai Motor	2,492	352,242	5.26
Kia Motors	5,815	194,248	2.90
KT&G	5,125	231,061	3.45
LG Household & Healthcare	314	81,414	1.22
Switzerland - 3.05% (31 Mar 13: 0.00%)			
Credit Suisse 2016 (Sun Pharma)	17,359	98,945	1.48
Giant Manufacturing	26,000	105,399	1.57
Taiwan - 5.65% (31 Mar 13: 6.41%)			
President Chain Store	34,000	143,530	2.14
Uni-President Enterprises	225,637	235,014	3.51
Thailand - 0.98% (31 Mar 13: 1.73%)			
Big C Supercenter (Alien Market)	19,300	65,621	0.98
United States of America - 2.75% (31 Mar 13: 1.44%)			
Melco Crown Entertainment	8,200	184,478	2.75
Investment assets		6,529,723	97.49
Net other assets		168,372	2.51
Net assets		£6,698,095	100.00

All holdings are ordinary shares or stock units and admitted to official stock exchange listings unless otherwise stated.

Portfolio movements (unaudited)
For the year ended 31 March 2014

	Cost £
Major purchases	
Hyundai Motor	376,100
Galaxy Entertainment Group	258,945
LT Group	246,769
E-Mart	225,716
Wynn Macau	150,128
Matahari Department Store	124,528
Brilliance China Finance	115,148
Sands China	106,409
Robinsons Retail	76,450
Merrill Lynch (United Spirits) Warrants 2018	74,518
Sino Biopharmaceutical	73,293
HDFC Bank ELN 2017 (JPMorgan)	72,535
ICICI Bank	67,685
Tencent	65,440
Hyundai Mobis	58,328
Kia Motors	57,288
Melco Crown Entertainment	50,493
Baidu ADS	49,012
Chow Tai Fook Jewellery Group	36,684
JPMorgan (Westlife Development) Warrants 2018	34,179
Total for the year (Note 14)	£2,623,389

	Proceeds £
Major sales	
Sands China	442,702
Hyundai Mobis	437,896
Hengan International	430,795
KT&G	396,832
LG Household & Healthcare	392,874
Belle International	372,274
Astra International	344,914
Godrej Consumer Products ELN 2017 (JPMorgan)	319,055
Tingyi	313,958
Uni-President Enterprises	294,407
Deutsche Bank (Housing Development Finance) Call Warrants 2017	278,868
Golden Eagle Retail Group	268,516
Hyundai	251,355
Lotte Shopping	248,054
China Mengniu Dairy	226,880
Giant Manufacturing	211,019
Indofood CBP Sukse	201,717
Jardine Cycle & Carriage	199,566
Intime Department Store	195,946
KIA Motors	193,810
Total for the year (Note 14)	£10,492,445

Statement of total return**For the year ended 31 March 2014**

			31 Mar 14	31 Mar 13
	Notes	£	£	£
Income				
Net capital (losses)/gains	2		(840,548)	2,041,825
Revenue	3	173,985		361,469
Expenses	4	(129,100)		(223,048)
Finance costs: Interest	6	(3)		(8)
Net revenue before taxation		44,882		138,413
Taxation	5	(18,267)		(24,199)
Net revenue after taxation			26,615	114,214
Total return before distributions			(813,933)	2,156,039
Finance costs: Distributions	6		(30,979)	(127,092)
Change in net assets attributable to shareholders from investment activities			£(844,912)	£2,028,947

Statement of change in net assets attributable to shareholders**For the year ended 31 March 2014**

		31 Mar 14	31 Mar 13
	£	£	£
Opening net assets attributable to shareholders		15,489,792	17,313,049
Amounts receivable on issue of shares	1,147,760		8,023,819
Amounts payable on cancellation of shares	(9,121,969)		(11,996,059)
		(7,974,209)	(3,972,240)
Change in net assets attributable to shareholders from investment activities (see Statement of total return)		(844,912)	2,028,947
Retained distribution on accumulation shares		27,424	120,036
Closing net assets attributable to shareholders		£6,698,095	£15,489,792

Balance sheet**As at 31 March 2014**

	Notes	As at 31 Mar 14 £	As at 31 Mar 13 £
ASSETS			
Investment assets		6,529,723	15,188,383
Debtors	7	73,486	38,569
Cash and bank balances	8	142,340	414,540
Total other assets		215,826	453,109
Total assets		6,745,549	15,641,492
LIABILITIES			
Creditors	9	47,454	151,700
Total liabilities		47,454	151,700
Net assets attributable to shareholders		£6,698,095	£15,489,792

Notes to the financial statements

1. Accounting policies

Accounting policies of the Fund are as set out on pages 10 to 12.

2. Net capital (losses)/gains

	31 Mar 14 £	31 Mar 13 £
Currency losses	(52,811)	(3,735)
Forward currency contracts	791	(363)
Non-derivative securities	(788,230)	2,050,611
Transaction charges	(298)	(4,688)
Net capital (losses)/gains	£(840,548)	£2,041,825

3. Revenue

	31 Mar 14 £	31 Mar 13 £
Bank interest	10	37
Overseas dividends	173,975	350,113
Stock dividends	-	9,251
UK franked dividends	-	2,068
	£173,985	£361,469

4. Expenses

	31 Mar 14 £	31 Mar 13 £
<i>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</i>		
Authorised Corporate Director's fees	107,275	185,876
Registration fees	9,794	9,669
Fee rebate	(25,744)	(3,616)
	91,325	191,929
<i>Payable to the Depositary, associates of the Depositary and agents of either of them:</i>		
Depositary's fees	1,175	2,125
	1,175	2,125
<i>Payable to other related parties and third parties:</i>		
Administration fees	17,982	5,050
Audit fees*	10,395	11,944
Professional fees	2,517	-
Safe custody fees	4,696	11,009
Taxation fees	1,010	991
	36,600	28,994
	£129,100	£223,048

*The audit fee (ex VAT) accrued during the year was £7,500 (31 March 2013: £8,050).

5. Taxation

(a) Analysis of tax charge

	31 Mar 14 £	31 Mar 13 £
Overseas tax suffered	18,267	24,199
Total tax charge	£18,267	£24,199

(b) Factors affecting current tax charge

The tax charged for the year is higher (31 March 2013: lower) than the standard 20% rate of corporation tax applicable to the revenue received by open-ended investment companies (31 March 2013: 20%).

The differences are explained below:

	31 Mar 14 £	31 Mar 13 £
Net revenue before taxation	44,882	138,413
Corporation tax at 20%	8,976	27,683
<i>Effects of:</i>		
Dividends not subject to corporation tax	(33,513)	(66,678)
Movement in excess expenses	24,537	38,995
Overseas tax suffered	18,267	24,199
	9,291	(3,484)
Total tax charge (5.a)	£18,267	£24,199

Open-ended investment companies are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

(c) Deferred tax assets

At 31 March 2014 the Fund had excess management expenses of £467,494 (31 March 2013: £344,807). The deferred tax in respect of this would be £93,499 (31 March 2013: £68,961). It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised.

6. Finance costs

The distributions take account of amounts added on the issue of shares and amounts deducted on the cancellation of shares, and comprise:

	31 Mar 14 £	31 Mar 13 £
Interim	22,670	113,610
Final	4,754	6,427
	27,424	120,037
Add: Amounts deducted on cancellation of shares	5,270	20,393
Deduct: Amounts added on issue of shares	(1,715)	(13,338)
Net distributions	30,979	127,092
Interest	3	8
Total finance costs	£30,982	£127,100
Net revenue after taxation	26,615	114,214
Add: Revenue brought forward	979	1,838
Add: Shortfall transfer to capital	2,884	12,019
Add: Equalisation on conversions	90	-
Deduct: Revenue carried forward	(414)	(979)
Add: Tax relief on capital expenses	825	-
Net distributions as above	£30,979	£127,092

Details of the distribution per share are set out in the table on page 53.

7. Debtors

	As at 31 Mar 14 £	As at 31 Mar 13 £
Accrued revenue	16,910	28,177
Amounts receivable on issue of shares	53,384	4,988
Overseas tax recoverable	1,515	4,249
Prepaid expenses	1,677	1,155
	£73,486	£38,569

8. Cash & bank balances

	As at 31 Mar 14 £	As at 31 Mar 13 £
Cash and bank balances	142,340	414,540
	£142,340	£414,540

9. Creditors

	As at 31 Mar 14 £	As at 31 Mar 13 £
Amounts payable on cancellation of shares	13,433	32,834
Expense accruals	34,021	40,385
Purchases awaiting settlement	-	78,481
	£47,454	£151,700

10. Equalisation

This applies only to shares purchased during the distribution period (Group 2 shares). The average amount of revenue included in the purchase price of Group 2 shares is shown in the Distribution table and is refunded to the holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

11. Contingent liabilities

There were no contingent liabilities or commitments at the current or prior year ends.

12. Related party transactions

UBS Global Asset Management Funds Ltd, as the Authorised Corporate Director (ACD), is considered to be a related party. Both management fees and registration fees charged by the ACD are shown in note 4.

At 31 March 2014 the amounts included in creditors in respect of management fees and registration fees due to the ACD are £5,133 and £569 respectively (31 March 2013: £13,728, £1,270).

UBS Global Asset Management Funds Ltd acts as principal in respect of all transactions of shares in the Fund. The aggregate monies received through issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to shareholders.

All dealing in the investment portfolio of the Fund was carried out through UBS Global Asset Management (UK) Ltd. During the year no dealing commission was paid to UBS Global Asset Management (UK) Ltd.

UBS Global Asset Management Funds Ltd and UBS Global Asset Management (UK) Ltd are subsidiaries of UBS Global Asset Management Holdings Ltd.

13. Financial instruments

The Authorised Corporate Director's policy and approach to managing the risks associated with financial instruments are included in the Risk Profile on pages 17 and 18.

(a) Interest rate risk profile of financial assets and financial liabilities

At the year end 2.12% (31 March 2013: 2.68%) of the Fund's net assets by value were interest bearing. The floating rate financial assets earn interest which is based on the London Inter Bank Offer Rate (LIBOR) or its overseas equivalent.

(b) Currency exposure

The majority of the net assets of the Fund's investments are denominated in currencies other than sterling, with the effect that currency movements can significantly affect the balance sheet and total return.

Numerical disclosures are as follows:

Currency	Monetary exposures £	Non-monetary exposures £	Total £
31 Mar 14			
Hong Kong Dollar	374	1,870,888	1,871,262
Indonesian Rupiah	-	242,719	242,719
Korean Won	17,313	1,487,022	1,504,335
Malaysian Ringgit	2,675	202,407	205,082
Philippine Peso	121	364,349	364,470
Singapore Dollar	248	200,166	200,414
Taiwan Dollar	14,059	483,943	498,002
Thailand Baht	-	65,621	65,621
US Dollar	151,760	1,612,607	1,764,367
	186,550	6,529,722	6,716,272
Sterling	(18,177)	-	(18,177)
	£168,373	£6,529,722	£6,698,095

Currency	Monetary exposures £	Non-monetary exposures £	Total £
31 Mar 13			
Hong Kong Dollar	121	4,316,003	4,316,124
Indonesian Rupiah	1,346	1,408,453	1,409,799
Korean Won	51,032	3,050,917	3,101,949
Malaysian Ringgit	5,785	566,940	572,725
Philippine Peso	-	591,033	591,033
Singapore Dollar	827	698,206	699,033
Taiwan Dollar	35,684	993,810	1,029,494
Thai Baht	-	268,944	268,944
US Dollar	224,922	3,294,077	3,518,999
	319,717	15,188,383	15,508,100
Sterling	(18,308)	-	(18,308)
	£301,409	£15,188,383	£15,489,792

(c) Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and financial liabilities, as shown in the balance sheet, and their fair value.

14. Portfolio transaction costs

Analysis of total purchase costs	£	31 Mar 14 £	31 Mar 13 £
Purchases in year before transaction costs		2,615,142	8,663,859
Commissions & taxes	8,247		24,700
Total purchase costs		8,247	24,700
Gross purchase total		£2,623,389	£8,688,559

Analysis of total sale costs	£	31 Mar 14 £	31 Mar 13 £
Gross sales in year before transaction costs		10,518,367	12,534,946
Commissions & taxes	(25,922)		(27,131)
Total sale costs		(25,922)	(27,131)
Total sales net of transaction costs		£10,492,445	£12,507,815

Distribution table**For the year ended 31 March 2014 (in pence per share)****Final dividend distribution**

Group 1: Shares purchased prior to 1 October 2013

Group 2: Shares purchased between 1 October 2013 and 31 March 2014

	Net revenue (p)	Equalisation (note 10) (p)	Distribution payable 31/05/14 (p)	<i>Distribution paid 31/05/13 (p)</i>
Class A - Accumulation				
Group 1	0.00	-	0.00	<i>0.00</i>
Group 2	0.00	0.00	0.00	<i>0.00</i>
Class B - Accumulation				
Group 1	0.00	-	0.00	<i>0.02</i>
Group 2	0.00	0.00	0.00	<i>0.02</i>
Class C - Accumulation				
Group 1	0.06	-	0.06	<i>0.08</i>
Group 2	0.01	0.05	0.06	<i>0.08</i>

Interim dividend distribution

Group 1: Shares purchased prior to 1 April 2013

Group 2: Shares purchased between 1 April 2013 and 30 September 2013

	Net revenue (p)	Equalisation (note 10) (p)	Distribution paid 30/11/13 (p)	<i>Distribution paid 30/11/12 (p)</i>
Class A - Accumulation				
Group 1	0.01	-	0.01	<i>0.19</i>
Group 2	0.00	0.01	0.01	<i>0.19</i>
Class B - Accumulation				
Group 1	0.16	-	0.16	<i>0.36</i>
Group 2	0.13	0.03	0.16	<i>0.36</i>
Class C - Accumulation				
Group 1	0.22	-	0.22	<i>0.05</i>
Group 2	0.11	0.11	0.22	<i>0.05</i>

UBS Emerging Markets Equity Income Fund

Manager's report

Investment objective and policy

To seek to generate income and achieve some long term capital appreciation predominantly through active management of a diversified portfolio invested in equity securities across global emerging markets. The Fund may also invest in other transferable securities (including warrants), money market instruments, deposits, cash and near cash and units in collective investments schemes.

The ACD may use derivatives for the purpose of efficient portfolio management.

Market environment

Despite recent encouraging signs that fund flows were turning positive towards the end of the year under review, emerging markets (EM) continued to underperform developed markets ending the first quarter of 2014 with flat returns. Political tensions in the Ukraine region weighed on the asset class through the course of this year, particularly Russian equities; which initially experienced outflows across all sectors. However, most of these headwinds abated towards the end of the quarter (although these subsequently re-appeared after the end of the reporting year).

Countries with improving current account deficits were amongst the strongest performers in the first quarter of 2014, principally Indonesia, followed by India. China declined over the quarter on weaker than expected data releases, while Brazil, by contrast, posted positive returns driven by the strengthening of the Real in currency markets.

Fund performance

The Fund generated a return of -12.8%* in Sterling terms to the end of the year under review. Over the same year the Fund's benchmark, the MSCI Emerging Markets index fell 10.2% also in Sterling terms.

A holding in Bezeq-Israeli Telecoms, the largest telecoms group in Israel, proved to be the largest contributor to performance over the year under review. Not listed in the Fund's benchmark, the firm's share price rose significantly over the reporting year and the manager took the opportunity to exit from a position in the stock by the end of the reporting year.

The second largest contributor to performance was a holding in the Macau casino operator Sands China, another stock not in the Fund's benchmark index, whose share price rose strongly over the year.

A zero weighting in Chinese telecoms and online gaming company Tencent proved to be the largest detractor to performance over the year under review. Its share price rose over 99% in Sterling terms, although it did suffer a pullback at the end of the reporting year, after a sector wide correction.

Another significant detractor from the Fund's performance during the reporting year resulted from not holding the South African media company Naspers, a subsidiary of Tencent, whose share price rose over 61% in Sterling terms.

At a sector level, stock selection within Financials was the primary contributor to relative performance, while stock selection within Information Technology was the largest detractor.

At the regional level, stock selection within Hong Kong, which is not listed within the Fund's benchmark index, added the most value during the year under review. However, stock selection within South Africa detracted the most from relative performance.

Outlook

While improving trade accounts have reduced the potential headwind from the US Federal Reserve's tapering of Quantitative Easing ('QE'), the eventual rate rises remain a cause for concern, especially in those EM countries with external funding requirements and extended credit cycles. Growth in these previously fast-growing emerging market economies looks likely to slow, notwithstanding the improved outlook for exports to US and Europe.

However, while the near term outlook may remain mixed, valuations are attractive in both absolute and relative terms. Despite having to accept a slower rate of growth than that experienced over recent years, emerging markets remains underpinned by demographics, urbanisation and consumption growth. In our view, what is critical is that EM countries, particularly within Asia, speed up the pace of reform; to regain their competitiveness and position themselves for the structural opportunities ahead.

* Source: Lipper-Hindsight. Performance is based on NAV prices with income reinvested net of basic tax rate and in sterling terms to 31 March 2014, based on Class A Income shares.

Percentage growth

	31/03/13 to 31/03/14 %	31/03/12 to 31/03/13 %	31/03/11 to 31/03/12 %	Launch to 31/03/11 %
Class A - Accumulation Shares	-12.70	6.42	4.52	4.36
Class A - Income Shares	-12.76	6.39	3.79	1.28
Class B - Accumulation Shares	-12.51	7.06	5.03	1.38
Class B - Income Shares	-12.26	7.06	4.40	1.40
Class C - Accumulation Shares	-12.04	7.62	-	-
Class C - Income Shares	-12.06	7.63	-	-
Class K - Accumulation Shares	-11.55	8.04	6.15	1.26
Class K - Income Shares	-11.48	8.44	-	-

Source: Lipper Hindsight is based on NAV prices with income reinvested net of basic rate tax and in sterling terms.

Launch date: Class A Income, B Accumulation, B Income and K Accumulation Shares: 31 January 2011; Class A Accumulation: 15 February 2011; Class C Income & Accumulation: 15 August 2012; Class K Income: 6 December 2012.

UBS Global Asset Management Funds Ltd

24 June 2014

Performance record (unaudited)**1. Fund size**

Accounting year		Number	Total net	Total net
31 March		of shares in	asset value	asset
		issue	per share	value
			(p)*	(£)
2012	Class A - Accumulation	1,410,632	54.5	768,460
	Class A - Income	8,264,024	49.7	4,109,345
	Class B - Accumulation	2,451,422	53.2	1,303,532
	Class B - Income	39,739,645	50.0	19,887,704
	Class K - Accumulation	100,000	10,735.3	10,735,323
				£36,804,364
2013	Class A - Accumulation	22,804,954	57.9	13,216,196
	Class A - Income	30,969,281	50.1	15,521,297
	Class B - Accumulation	19,393,619	56.9	11,036,799
	Class B - Income	48,895,536	50.8	24,839,959
	Class C - Accumulation	7,478,210	53.7	4,017,691
	Class C - Income	43,810,502	52.7	23,100,447
	Class K - Accumulation	88,450	11,583.6	10,245,761
	Class K - Income	84,680	10,738.4	9,093,263
				£111,071,413
2014	Class A - Accumulation	11,830,681	50.8	6,005,540
	Class A - Income	16,620,457	41.8	6,942,898
	Class B - Accumulation	262,627	49.9	131,057
	Class B - Income	15,711,993	42.6	6,696,635
	Class C - Accumulation	52,483,380	47.3	24,808,745
	Class C - Income	74,036,369	44.2	32,712,205
	Class K - Accumulation	88,450	10,251.7	9,067,680
	Class K - Income	96,868	9,059.6	8,775,803
				£95,140,563

* rounded to one decimal place.

2. Ongoing charges figure

The ongoing charges figure (OCF) is the ratio of the Fund's annual operating expenses (excluding overdraft interest) to the average net assets of the Fund. It covers all aspects of operating the Fund during the year, including fees paid for investment management, administration, safeguarding the Fund's assets, depositary services and audit (net of any fee rebates if applicable). Where the Fund invests in other funds, the figure includes the impact of the charges made in those other funds.

Share class	31 Mar 14	31 Mar 13
	(%)	(%)
Class A - Accumulation	1.75	1.66
Class A - Income	1.75	1.66
Class B - Accumulation	1.25	1.09
Class B - Income	1.25	1.09
Class C - Accumulation	1.00	0.91
Class C - Income	1.00	0.93
Class K - Accumulation	0.15	0.13
Class K - Income	0.15	0.13

3. Share dealing price range and distribution record

The Fund was launched on 31 January 2011 at a price of 50.00p for Class A and B Accumulation shares and 10,000p for Class K Accumulation shares. Class C shares were launched on 15 August 2012 at a price of 50.00p. Class K Income shares were launched on 7 December 2012 at a price of 10,000p.

Calendar year	Highest price (p)	Lowest price (p)	Distribution per share (net) (p)
Class A - Accumulation			
2011 [†]	54.93	45.47	2.36
2012	56.04	49.36	2.71
2013	60.51	50.59	2.59
2014 to 31 March	51.08	47.70	0.61
Class A - Income			
2011 [†]	53.12	41.90	2.30
2012	51.64	45.02	2.48
2013	52.96	42.50	2.23
2014 to 31 March	42.62	39.80	0.52
Class B - Accumulation			
2011 [†]	53.46	44.32	2.31
2012	54.69	48.23	2.66
2013	59.40	49.72	2.59
2014 to 31 March	50.20	46.90	0.52
Class B - Income			
2011 [†]	53.27	42.08	2.30
2012	52.01	45.39	2.50
2013	53.67	43.27	2.26
2014 to 31 March	43.39	40.54	0.50

Calendar year	Highest price (p)	Lowest price (p)	Distribution per share (net) (p)
Class C - Accumulation			
2012 ^{††}	51.32	48.09	0.32
2013	56.08	46.97	2.41
2014 to 31 March	47.64	44.52	0.58
Class C - Income			
2012 ^{††}	51.00	47.78	0.32
2013	55.72	44.96	2.37
2014 to 31 March	45.10	42.14	0.55
Class K - Accumulation			
2011 [†]	10,706.35	8,894.86	463.19
2012	11,052.88	9,721.31	536.03
2013	12,096.77	10,141.67	519.28
2014 to 31 March	10,324.40	9,655.08	118.58
Class K - Income			
2012 ^{††}	10,320.76	10,000.00	-
2013	11,294.92	9,201.78	439.08
2014 to 31 March	9,230.58	8,632.14	105.44

[†] covers period from launch to 31 December 2011.

^{††} covers period from launch to 31 December 2012.

Past performance is not a guide to future performance. Investors are reminded that the price of shares and the revenue from them is not guaranteed and may go down as well as up.

Portfolio statement (unaudited)
As at 31 March 2014

		Market value £	Percentage of total net assets %
Holding			
Brazil - 15.40% (31 Mar 13: 6.50%)			
Ambev	363,500	1,635,352	1.72
Banco Santander Brasil ADR	481,400	1,553,370	1.63
Cia Energetica Minas Gerais ADR Preference	429,208	1,753,764	1.84
Cia Hering	233,600	1,678,411	1.76
Itausa Investimentos Preference	706,600	1,701,054	1.79
Natura Cosmeticos	137,600	1,369,944	1.44
Petroleo Brasileiros Preference	409,278	1,700,082	1.79
Telefonica Brasil ADR	129,300	1,633,926	1.72
Vale ADR	221,400	1,629,702	1.71
Cayman Islands - 1.48% (31 Mar 13: 00%)			
Sands China	313,600	1,405,174	1.48
Chile - 1.70% (31 Mar 13: 1.51%)			
Banco Santander Chile	46,822,976	1,617,787	1.70
China - 8.42% (31 Mar 13: 6.22%)			
Bank of China 'H'	6,185,000	1,643,178	1.73
China CITIC Bank 'H'	4,923,000	1,696,839	1.78
China Construction Bank 'H'	3,766,000	1,580,995	1.66
China Petroleum & Chemical 'H'	2,796,000	1,502,960	1.58
Industrial & Commercial Bank of China 'H'	4,309,000	1,588,672	1.67
Czech Republic - 3.38% (31 Mar 13: 3.81%)			
CEZ	94,827	1,628,548	1.71
Komerční Banka	11,092	1,586,321	1.67

		Market value £	Percentage of total net assets %
Holding			
Hong Kong - 6.16% (31 Mar 13: 3.25%)			
BOC Hong Kong	813,500	1,389,367	1.46
China Mobile	274,000	1,506,814	1.58
CLP	316,000	1,430,614	1.50
Hang Seng Bank	161,500	1,542,363	1.62
Indonesia - 0.00% (31 Mar 13: 1.49%)			
Israel - 0.00% (31 Mar 13: 1.87%)			
Malaysia - 1.66% (31 Mar 13: 3.22%)			
British American Tobacco Malaysia	144,800	1,575,726	1.66
Mexico - 1.69% (31 Mar 13: 1.99%)			
Kimberly-Clark de Mexico Sab 'A'	1,001,000	1,605,633	1.69
Philippines - 1.58% (31 Mar 13: 1.64%)			
Philippine Long Distance Telephone	41,015	1,501,739	1.58
Poland - 1.66% (31 Mar 13: 6.10%)			
Powszechny Zakład Ubezpieczeń	18,521	1,575,886	1.66
Russia - 9.55% (31 Mar 13: 9.93%)			
Lukoil ADR	47,481	1,557,783	1.64
Megafon GDR	89,097	1,491,018	1.57
MMC Norilsk Nickel ADR	148,834	1,481,454	1.56
Mobile Telesystems ADR	155,600	1,602,562	1.68
Sberbank	1,210,181	1,362,235	1.43
Surgutneftegaz	3,713,160	1,589,729	1.67

		Market value £	Percentage of total net assets %
Singapore - 9.85% (31 Mar 13: 8.32%)			
CapitaMall Trust	1,678,000	1,512,859	1.59
Jardine Cycle & Carriage	77,000	1,661,353	1.75
Keppel	295,000	1,532,479	1.61
SingTel	904,000	1,569,692	1.65
United Overseas Bank	152,693	1,573,321	1.65
Venture	430,000	1,524,059	1.60
South Africa - 6.83% (31 Mar 13: 12.79%)			
Barclays Africa Group	198,775	1,671,321	1.76
FirstRand	778,694	1,594,627	1.68
MTN	131,999	1,630,628	1.71
Sasol	47,718	1,602,163	1.68
South Korea - 5.08% (31 Mar 13: 3.21%)			
KT	10,410	173,284	0.18
KT ADR	172,700	1,431,038	1.50
KT&G	36,150	1,629,824	1.71
SK Telecom	13,207	1,605,969	1.69
Taiwan - 13.12% (31 Mar 13: 14.42%)			
Asustek Computer	276,880	1,644,025	1.73
Compal Electronics	3,949,000	1,678,745	1.76
Novatek Microelectronics	566,000	1,551,964	1.63
Quanta Computer	1,022,000	1,643,080	1.73
Siliconware Precision	1,710,000	1,361,100	1.43
Taiwan Mobile	832,000	1,555,901	1.64
Tripod Technology	1,296,000	1,528,821	1.61
WPG Holdings	2,092,690	1,515,030	1.59

		Market value £	Percentage of total net assets %
Thailand - 4.92% (31 Mar 13: 6.66%)			
Advanced Information Services	385,700	1,607,976	1.69
Global Chemical (Alien Market)	1,153,500	1,538,855	1.62
Thai Oil	1,565,300	1,529,916	1.61
Turkey - 3.36% (31 Mar 13: 3.31%)			
Turk Telekomunikasyon	944,296	1,562,595	1.64
Turkiye Petrol Rafinerileri	131,392	1,634,352	1.72
United States of America - 3.01% (31 Mar 13: 1.64%)			
MailRu GDR	68,532	1,427,716	1.50
Southern Copper	82,248	1,434,225	1.51
Investment assets		94,045,920	98.85
Net other assets		1,094,643	1.15
Net assets		£95,140,563	100.00

All holdings are ordinary shares or stock units and admitted to official stock exchange listings unless otherwise stated.

Portfolio movements (unaudited)
For the year ended 31 March 2014

	Cost £
Major purchases	
Turk Telekomunikasyon	2,356,476
Cia Hering	2,315,950
CLP	2,052,344
Natura Cosmetics	2,025,525
Petroleo Brasileiros Preference	2,001,826
Companhia de Bebidas das Americas Preference	1,948,724
Sands China	1,842,735
Wynn Macau	1,838,840
Jardine Cycle & Carriage	1,791,398
Novatek Microelectronics	1,788,368
Itausa Investments	1,776,418
MailRu GDR	1,759,418
China Petroleum & Chemical 'H'	1,757,888
KT&G	1,657,808
China Mobile	1,443,471
Siliconware Precision	1,392,642
Turkiye Petrol Rafinerileri	796,588
Asustek Computer	783,598
Indo Tambangraya Megah	776,106
MMC Norilsk Nickel ADR	741,656
Total for the year (Note 14)	£47,670,514

	Proceeds £
Major sales	
Novatek Microelectronics	2,599,187
Bezeq-Israeli Telecommunication	2,422,079
Wynn Macau	2,268,249
Total Access Communications	2,087,558
KGHM Polska Miedz	1,809,719
Turk Telekomunikasyon	1,741,342
Standard Bank	1,727,633
Public Bank	1,723,876
Powszechna Kasa Oszczednosci Bank Polski	1,721,537
Kumba Iron	1,718,010
Synnex Technology	1,675,556
Indo Tambangraya Megah	1,573,350
Polski Koncern Naftowy	1,567,057
Wistron	1,476,271
African Bank Investments	1,253,091
Foschini	1,123,670
Sands China	1,001,839
MMC Norilsk Nickel ADR	942,517
Telefonica Czech Republic	753,998
Quanta Computer	620,928
Total for the year (Note 14)	£43,493,895

Statement of total return**For the year ended 31 March 2014**

		31 Mar 14		31 Mar 13	
	Notes	£	£	£	£
Income					
Net capital (losses)/gains	2		(18,997,028)		5,950,948
Revenue	3	6,033,077		3,873,871	
Expenses	4	(1,099,074)		(814,730)	
Finance costs: Interest	6	(12)		(23)	
Net revenue before taxation		4,933,991		3,059,118	
Taxation	5	(683,359)		(424,212)	
Net revenue after taxation			4,250,632		2,634,906
Total return before distributions			(14,746,396)		8,585,854
Finance costs: Distributions	6		(5,064,855)		(3,348,136)
Change in net assets attributable to shareholders from investment activities			£(19,811,251)		£5,237,718

Statement of change in net assets attributable to shareholders**For the year ended 31 March 2014**

	31 Mar 14		31 Mar 13	
	£	£	£	£
Opening net assets attributable to shareholders		111,071,413		36,804,364
Amounts receivable on issue of shares	48,937,360		97,859,968	
Amounts payable on cancellation of shares	(47,233,860)		(30,556,264)	
		1,703,500		67,303,704
Change in net assets attributable to shareholders from investment activities (see Statement of total return)		(19,811,251)		5,237,718
Retained distribution on accumulation shares		2,176,901		1,725,627
Closing net assets attributable to shareholders		£95,140,563		£111,071,413

Balance sheet**As at 31 March 2014**

	Notes	As at 31 Mar 14 £	As at 31 Mar 13 £
ASSETS			
Investment assets		94,045,920	108,716,963
Debtors	7	929,226	1,293,075
Cash and bank balances	8	1,152,736	4,572,892
Total other assets		2,081,962	5,865,967
Total assets		96,127,882	114,582,930
LIABILITIES			
Creditors	9	312,995	2,658,333
Distribution payable		674,324	853,184
Total liabilities		987,319	3,511,517
Net assets attributable to shareholders		£95,140,563	£111,071,413

Notes to the financial statements

1. Accounting policies

Accounting policies of the Fund are as set out on pages 10 to 12.

2. Net capital (losses)/gains

	31 Mar 14 £	31 Mar 13 £
Currency (losses)/gains	(121,989)	65,310
Forward currency contracts	(2,583)	(34,612)
Non-derivative securities	(18,858,440)	5,920,975
Transaction charges	(14,016)	(725)
Net capital (losses)/gains	£(18,997,028)	£5,950,948

3. Revenue

	31 Mar 14 £	31 Mar 13 £
Bank interest	828	350
Interest on debt securities	-	146,944
Overseas dividends	6,032,249	3,713,328
Stock dividends	-	13,249
	£6,033,077	£3,873,871

4. Expenses

	31 Mar 14 £	31 Mar 13 £
<i>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</i>		
Authorised Corporate Director's fees	914,941	664,836
Registration fees	94,639	40,338
Fee rebates	(74,371)	(2,915)
	935,209	702,259
<i>Payable to the Depositary, associates of the Depositary and agents of either of them:</i>		
Depositary's fees	11,432	8,133
	11,432	8,133
<i>Payable to other related parties and third parties:</i>		
Administration fees	54,985	5,646
Audit fees*	10,395	8,926
Dividend expenses	35,560	6,212
Price publication fees	2,726	-
Professional fees	2,280	-
Safe custody fees	45,473	82,563
Taxation fees	1,014	991
	152,433	104,338
	£1,099,074	£814,730

*The audit fee (ex VAT) accrued during the year was £7,500 (31 March 2013: £8,050).

5. Taxation

(a) Analysis of tax charge

	31 Mar 14 £	31 Mar 13 £
Movement in overseas tax provision	(24,213)	24,213
Overseas tax suffered	707,572	399,999
Total tax charge (5b)	£683,359	£424,212

(b) Factors affecting current tax charge

The tax charged for the year is lower than the standard 20% rate of corporation tax applicable to the revenue received by open-ended investment companies (31 March 2013: 20%).

The differences are explained below

	31 Mar 14 £	31 Mar 13 £
Net revenue before taxation	4,933,991	3,059,118
Corporation tax at 20%	986,798	611,824
<i>Effects of:</i>		
Dividends not subject to corporation tax	(930,973)	(681,895)
Expenses not deductible for tax purposes	203	-
Movement in excess expenses	(56,028)	70,071
Movement in overseas tax provision	(24,213)	24,213
Overseas tax suffered	707,572	399,999
	(303,439)	(187,612)
Total tax charge (5.a)	£683,359	£424,212

Open-ended investment companies are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

(c) Deferred tax assets

At 31 March 2014 the Fund had excess management expenses of £189,964 (31 March 2013: £470,103). The deferred tax in respect of this would be £37,993 (31 March 2013: £94,021). It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised.

6. Finance costs

The distributions take account of amounts added on the issue of shares and amounts deducted on the cancellation of shares, and comprise:

	31 Mar 14 £	31 Mar 13 £
Interim	4,077,209	3,089,196
Final	1,157,145	1,318,531
	5,234,354	4,407,727
Add: Amounts deducted on cancellation of shares	594,728	168,225
Deduct: Amounts added on issue of shares	(764,227)	(1,225,316)
Deduct: Equalisation on conversions	-	(2,500)
Net distributions	5,064,855	3,348,136
Interest	12	23
Total finance costs	£5,064,867	£3,348,159
Net revenue after taxation	4,250,632	2,634,906
Add: Expense charged to capital	1,075,552	810,892
Add: Revenue brought forward	8,501	2,734
Add: Equalisation on conversions	6,301	-
Deduct: Tax relief on capital expenses	(270,935)	(91,895)
Deduct: Revenue carried forward	(5,196)	(8,501)
Net distributions as above	£5,064,855	£3,348,136

Details of the distribution per share are set out in the tables on pages 72 and 73.

7. Debtors

	As at 31 Mar 14 £	As at 31 Mar 13 £
Accrued revenue	427,587	475,112
Amounts receivable on issue of shares	440,198	815,534
Prepaid Expenses	-	83
Overseas tax recoverable	61,441	2,346
	£929,226	£1,293,075

8. Cash & bank balances

	As at 31 Mar 14 £	As at 31 Mar 13 £
Cash and bank balances	1,152,736	4,572,892
	£1,152,736	£4,572,892

9. Creditors

	As at 31 Mar 14 £	As at 31 Mar 13 £
Amounts payable on cancellation of shares	192,721	157,084
Expense accruals	120,274	144,484
Purchases awaiting settlement	-	2,356,765
	£312,995	£2,658,333

10. Equalisation

This applies only to shares purchased during the distribution period (Group 2 shares). The average amount of revenue included in the purchase price of Group 2 shares is shown in the Distribution table and is refunded to the holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

11. Contingent liabilities

At 31 March 2014 there were no contingent liabilities or commitments at the current or prior year ends.

12. Related party transactions

UBS Global Asset Management Funds Ltd, as the Authorised Corporate Director (ACD), is considered to be a related party. Both management fees and registration fees charged by the ACD are shown in note 4.

At 31 March 2014 the amounts included in creditors in respect of management fees and registration fees due to the ACD are £58,453 and £9,041 respectively (31 March 2013: £71,418, £7,985).

UBS Global Asset Management Funds Ltd acts as principal in respect of all transactions of shares in the Fund. The aggregate monies received through issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to shareholders.

All dealing in the investment portfolio of the Fund was carried out through UBS Global Asset Management (UK) Ltd. During the year no dealing commission was paid to UBS Global Asset Management (UK) Ltd.

UBS Global Asset Management Funds Ltd and UBS Global Asset Management (UK) Ltd are subsidiaries of UBS Global Asset Management Holdings Ltd.

13. Financial instruments

The Authorised Corporate Director's policy and approach to managing the risks associated with financial instruments are included in the Risk Profile on page 17 and 18.

(a) Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the Fund's financial assets and liabilities at the year end is set out in the following tables.

i) Financial assets

Currency	Floating rate financial assets £	Fixed rate financial assets £	Financial assets not carrying interest £	Total £
31 Mar 14				
Brazilian Real	-	-	8,149,078	8,149,078
Chilean Peso	-	-	1,617,787	1,617,787
Czech Koruna	42	-	3,214,868	3,214,910
Hong Kong Dollar	53,090	-	15,286,978	15,340,068
Hungarian Forint	43	-	-	43
Israeli New Shekel	113	-	-	113
Korean Won	3	-	3,539,386	3,539,389
Malaysian Ringgit	23,264	-	1,575,726	1,598,990
Mexican Peso	28	-	1,605,633	1,605,661
Philippine Peso	-	-	1,554,093	1,554,093
Polish Zloty	719	-	1,610,621	1,611,340
Singapore Dollar	441	-	9,373,763	9,374,204
South African Rand	71,825	-	6,553,987	6,625,812
Sterling	139,709	-	440,199	579,908
Taiwan Dollar	336,886	-	12,478,665	12,815,551
Thai Baht	-	-	4,789,253	4,789,253
Turkish Lira	921	-	3,196,947	3,197,868
US Dollar	525,652	-	19,988,162	20,513,814
	£1,152,736	-	£94,975,146	£96,127,882

Currency	Floating rate financial assets £	Fixed rate financial assets £	Financial assets not carrying interest £	Total £
31 Mar 13				
Chilean Peso	-	-	1,677,146	1,677,146
Czech Koruna	163	-	4,228,637	4,228,800
Hong Kong Dollar	318	-	10,549,658	10,549,976
Hungarian Forint	45	-	-	45
Indonesian Rupiah	-	-	1,655,219	1,655,219
Israeli New Shekel	483	-	2,079,622	2,080,105
Korean Won	3	-	2,155,094	2,155,097
Malaysian Ringgit	22,736	-	3,577,242	3,599,978
Mexican Peso	388	-	2,213,146	2,213,534
New Turkish Lira	1,115	-	3,685,898	3,687,013
Philippine Peso	-	-	1,877,808	1,877,808
Polish Zloty	222	-	6,780,081	6,780,303
Singapore Dollar	619	-	9,242,244	9,242,863
South African Rand	32,277	-	14,832,079	14,864,356
Sterling	238,785	-	830,454	1,069,239
Taiwan Dollar	645,871	-	16,016,213	16,662,084
Thai Baht	-	-	7,526,412	7,526,412
US Dollar	3,626,704	-	21,614,298	25,241,002
	£4,569,729	-	£110,541,251	£115,110,980

ii) Financial liabilities

Currency	Floating rate financial liabilities £	Financial liabilities not carrying interest £	Total £
31 Mar 14			
Sterling	-	987,319	987,319
	-	£987,319	£987,319
31 Mar 13			
South African Rand	-	548,564	548,564
Sterling	-	1,369,589	1,369,589
US Dollar	-	2,121,414	2,121,414
	-	£4,039,567	£4,039,567

(b) Currency exposure

The majority of the net assets of the Fund's investments are denominated in currencies other than sterling, with the effect that currency movements can significantly affect the balance sheet and total return.

Numerical disclosures are as follows:

Currency	Monetary exposures £	Non- monetary exposures £	Total £
31 Mar 14			
Brazilian Real	64,234	8,084,844	8,149,078
Chilean Peso	-	1,617,787	1,617,787
Czech Koruna	41	3,214,869	3,214,910
Hong Kong Dollar	53,090	15,286,978	15,340,068
Hungarian Forint	43	-	43
Israeli New Shekel	113	-	113
Korean Won	130,312	3,409,077	3,539,389
Malaysian Ringgit	23,264	1,575,726	1,598,990
Mexican Peso	28	1,605,633	1,605,661
Philippine Peso	52,354	1,501,739	1,554,093
Polish Zloty	35,454	1,575,886	1,611,340
Singapore Dollar	441	9,373,763	9,374,204
South African Rand	127,073	6,498,739	6,625,812
Taiwan Dollar	336,885	12,478,666	12,815,551
Thai Baht	112,506	4,676,747	4,789,253
Turkish Lira	921	3,196,947	3,197,868
US Dollar	565,295	19,948,519	20,513,814
	1,502,054	94,045,920	95,547,974
Sterling	(407,411)	-	(407,411)
	£1,094,643	£94,045,920	£95,140,563

Currency	Monetary exposures £	Non- monetary exposures £	Total £
31 Mar 13			
Chilean Peso	-	1,677,146	1,677,146
Czech Koruna	163	4,228,637	4,228,800
Hong Kong Dollar	29,653	10,520,323	10,549,976
Hungarian Forint	45	-	45
Indonesian Rupiah	-	1,655,219	1,655,219
Israeli New Shekel	483	2,079,622	2,080,105
Korean Won	84,529	2,070,568	2,155,097
Malaysian Ringgit	22,736	3,577,242	3,599,978
Mexican Peso	388	2,213,146	2,213,534
New Turkish Lira	1,115	3,685,898	3,687,013
Philippine Peso	51,683	1,826,125	1,877,808
Polish Zloty	222	6,780,081	6,780,303
Singapore Dollar	619	9,242,244	9,242,863
South African Rand	120,290	14,195,502	14,315,792
Taiwan Dollar	645,871	16,016,213	16,662,084
Thai Baht	133,336	7,393,076	7,526,412
US Dollar	1,563,667	21,555,921	23,119,588
	2,654,800	108,716,963	111,371,763
Sterling	(300,350)	-	(300,350)
	£2,354,450	£108,716,963	£111,071,413

(c) Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and financial liabilities, as shown in the balance sheet, and their fair value.

14. Portfolio transaction costs

	31 Mar 14	31 Mar 13
Analysis of total purchase costs	£	£
Purchases in year before transaction costs	47,567,309	86,340,399
Commissions & taxes	103,205	177,019
Total purchase costs	103,205	177,019
Gross purchase total	£47,670,514	£86,517,418

	31 Mar 14	31 Mar 13
Analysis of total sale costs	£	£
Gross sales in year before transaction costs	43,607,887	19,913,690
Commissions & taxes	(113,992)	(64,727)
Total sale costs	(113,992)	(64,727)
Total sales net of transaction costs	£43,493,895	£19,848,963

Distribution table**For the year ended 31 March 2014 (in pence per share)****Final dividend distribution**

Group 1: Shares purchased prior to 1 October 2013

Group 2: Shares purchased between 1 October 2013 and 31 March 2014

	Net revenue (p)	Equalisation (note 10) (p)	Distribution payable 31/05/14 (p)	<i>Distribution paid 31/05/13 (p)</i>
Class A - Accumulation				
Group 1	0.61	-	0.61	0.71
Group 2	0.37	0.24	0.61	0.71
Class A - Income				
Group 1	0.52	-	0.52	0.61
Group 2	0.33	0.19	0.52	0.61
Class B - Accumulation				
Group 1	0.52	-	0.52	0.68
Group 2	0.23	0.29	0.52	0.68
Class B - Income				
Group 1	0.50	-	0.50	0.62
Group 2	0.29	0.21	0.50	0.62
Class C - Accumulation				
Group 1	0.58	-	0.58	0.67
Group 2	0.24	0.34	0.58	0.67
Class C - Income				
Group 1	0.55	-	0.55	0.66
Group 2	0.26	0.29	0.55	0.66

	Net revenue (p)	Equalisation (note 10) (p)	Distribution payable 31/05/14 (p)	<i>Distribution paid 31/05/13 (p)</i>
Class K - Accumulation				
Group 1	118.58	-	118.58	137.31
Group 2	118.58	0.00	118.58	137.31
Class K - Income				
Group 1	105.44	-	105.44	84.99
Group 2	105.43	0.01	105.44	84.99

Interim dividend distribution

Group 1: Shares purchased prior to 1 April 2013

Group 2: Shares purchased between 1 April 2013 and 30 September 2013

	Net revenue (p)	Equalisation (note 10) (p)	Distribution paid 30/11/13 (p)	<i>Distribution paid 30/11/12 (p)</i>
Class A - Accumulation				
Group 1	1.88	-	1.88	2.15
Group 2	0.75	1.13	1.88	2.15
Class A - Income				
Group 1	1.62	-	1.62	1.97
Group 2	0.68	0.94	1.62	1.97
Class B - Accumulation				
Group 1	1.91	-	1.91	2.11
Group 2	1.51	0.40	1.91	2.11
Class B - Income				
Group 1	1.64	-	1.64	1.98
Group 2	0.92	0.72	1.64	1.98
Class C - Accumulation				
Group 1	1.74	-	1.74	0.32
Group 2	0.76	0.98	1.74	0.32
Class C - Income				
Group 1	1.71	-	1.71	0.32
Group 2	0.89	0.82	1.71	0.32
Class K - Accumulation				
Group 1	381.97	-	381.97	426.18
Group 2	381.97	0.00	381.97	426.18

	Net revenue (p)	Equalisation (note 10) (p)	Distribution paid 30/11/13 (p)	<i>Distribution paid 30/11/12 (p)</i>
Class K - Income				
Group 1	354.09	-	354.09	-
Group 2	177.00	177.09	354.09	-

UBS European Equity Fund

Manager's report

Notice of Fund wind up

The UBS European Equity Fund commenced termination on 10 September 2013. Termination will be completed once all assets and liabilities have been settled.

Percentage growth

	31/03/13	31/03/12	31/03/11	31/03/10	31/03/09
	to	to	to	to	to
	termination	31/03/13	31/03/12	31/03/11	31/03/10
	%	%	%	%	%
Class A - Accumulation Shares	3.36	18.98	-13.74	1.86	49.40
Class B - Accumulation Shares	3.55	19.71	-13.48	2.54	50.18
Class C - Accumulation Shares	3.67	21.40	-	-	-
Class J - Income Shares	-	-	-3.25	2.20	50.94
Class K - Accumulation Shares	4.08	21.01	-12.95	9.39	-

Source: Lipper Hindsight is based on NAV prices with income reinvested net of basic rate tax and in sterling terms.

Launch date: Class K Accumulation Shares: 16 July 2010; Class C Accumulation shares 15 August 2012.
Class J Income Shares closed 27 June 2011. The performance quoted is up to this date.

UBS Global Asset Management Funds Ltd

24 June 2014

Performance record (unaudited)**1. Fund size**

Accounting year		Number of shares in issue	Total net asset value per share (p)*	Total net asset value (£)
31 March				
2012	Class A - Accumulation	174,583	474.5	828,422
	Class B - Accumulation	173,475	491.6	852,853
	Class K - Accumulation	51,778,444	49.3	25,502,672
				£27,183,947
2013	Class A - Accumulation	150,916	565.1	852,873
	Class B - Accumulation	163,246	589.1	961,643
	Class C - Accumulation	10,000	60.7	6,068
	Class K - Accumulation	19,628,552	59.6	11,697,407
				£13,517,991
2014	Class A - Accumulation	-	-	-
	Class B - Accumulation	-	-	-
	Class C - Accumulation	-	-	-
	Class K - Accumulation	-	-	-
				-

* rounded to one decimal place.

2. Share dealing price range and distribution record

The Fund was launched on 22 May 2004 at a price of £3.01p for Class A Accumulation, B Accumulation shares and Class J Income Shares. Class K Accumulation was launched on 19 July 2010 at a price of 50p. Class C Accumulation shares were launched on 15 August 2012 at a price of 50p.

Calendar year	Highest price (p)	Lowest price (p)	Distribution per share (net) (p)
Class A - Accumulation			
2009	526.40	310.10	7.71
2010	549.28	452.90	10.34
2011	575.30	387.53	9.80
2012	513.57	419.17	9.58
2013	599.25	514.63	0.88
2014 to 31 March	-	-	-
Class B - Accumulation			
2009	539.20	316.40	9.13
2010	563.61	465.65	12.24
2011	594.54	401.59	11.90
2012	534.65	434.78	11.29
2013	625.11	535.82	2.46
2014 to 31 March	-	-	-
Class C - Accumulation			
2012 ^{†††}	55.04	49.71	0.10
2013	64.45	55.16	0.30
2014 to 31 March	-	-	-

Calendar year	Highest price (p)	Lowest price (p)	Distribution per share (net) (p)
Class J - Income			
2009	486.85	290.90	8.15
2010	509.26	420.28	12.14
2011 ^{††}	522.96	458.71	-
Class K - Accumulation			
2010 [†]	55.41	47.06	0.07
2011	59.19	40.13	1.68
2012	53.94	43.63	2.21
2013	63.50	54.07	-
2014 to 31 March	-	-	-

[†] covers period from launch to 31 December 2010.

^{††} covers period from 1 January to 28 June 2011 after which the share class closed.

^{†††} covers period from launch to 31 December 2012.

Past performance is not a guide to future performance. Investors are reminded that the price of shares and the revenue from them is not guaranteed and may go down as well as up.

Portfolio statement (unaudited)
As at 31 March 2014

There are no holdings to disclose due to the Fund closure.

Portfolio movements (unaudited)
For the year ended 31 March 2014

	Cost £
Major purchases	
ENI	291,344
Anheuser-Busch InBev	269,634
Assicurazioni Generali	247,500
BMW	234,258
Intesa Sanpaolo	202,259
Lundin Petroleum	178,023
BNP Paribas	176,923
Vivendi	175,323
CGGVeritas	165,703
AXA	140,079
Brenntag	132,326
UCB	111,643
Credit Suisse	74,089
Petroleum Geo-Services	68,610
Nordea Bank	64,768
Pernod-Ricard	64,220
Atlas Copco 'A'	60,397
SAP	49,842
Gjensidige Forsikring	43,274
Bureau Veritas	35,766
Total for the year (Note 14)	£2,956,431

	Proceeds £
Major sales	
Nestle	871,966
Novartis	806,451
Roche	754,322
Volkswagen Non-Voting Preference	561,369
LVMH	526,761
Nordea Bank	502,585
Telenor	482,471
BMW	477,510
Linde	476,634
Swedbank 'A'	467,337
Sampo 'A'	428,907
SAP	428,310
Compagnie Financiere Richemont 'A'	415,320
Credit Suisse	409,393
GDF Suez	387,911
Schneider Electric	386,091
Atlas Copco 'A'	378,523
BNP Paribas	373,955
DSM	371,606
Infineon Technologies	370,578
Total for the year (Note 14)	£16,746,589

Statement of total return**For the year ended 31 March 2014**

		31 Mar 14		31 Mar 13	
	Notes	£	£	£	£
Income					
Net capital gains	2		313,933		2,329,783
Revenue	3	254,664		761,429	
Expenses	4	(13,465)		(37,600)	
Finance costs: Interest	6	(2)		(4)	
Net revenue before taxation		241,197		723,825	
Taxation	5	(18,522)		(76,847)	
Net revenue after taxation			222,675		646,978
Total return before distributions			536,608		2,976,761
Finance costs: Distributions	6		(218,165)		(765,915)
Change in net assets attributable to shareholders from investment activities			£318,443		£2,210,846

Statement of change in net assets attributable to shareholders**For the year ended 31 March 2014**

	31 Mar 14		31 Mar 13	
	£	£	£	£
Opening net assets attributable to shareholders		13,517,991		27,183,947
Amounts receivable on issue of shares	22,261		70,830	
Amounts payable on cancellation of shares	(13,859,637)		(16,474,748)	
		(13,837,376)		(16,403,918)
Change in net assets attributable to shareholders from investment activities (see Statement of total return)		318,443		2,210,846
Loss accumulated following Fund closure		942		-
Retained distribution on accumulation shares		-		527,116
Closing net assets attributable to shareholders		-		£13,517,991

Balance sheet**As at 31 March 2014**

	Notes	As at 31 Mar 14 £	As at 31 Mar 13 £
ASSETS			
Investment assets		-	13,471,704
Debtors	7	109,473	126,697
Cash and bank balances	8	23,378	66,141
Total other assets		132,851	192,838
Total assets		132,851	13,664,542
LIABILITIES			
Creditors	9	132,851	146,551
Total liabilities		132,851	146,551
Net assets attributable to shareholders		-	£13,517,991

Notes to the financial statements

1. Accounting policies

Accounting policies of the Fund are as set out on pages 10 to 12.

2. Net capital gains

	31 Mar 14 £	31 Mar 13 £
Currency losses	(4,334)	(7,149)
Derivative contracts	2,318	8,702
Forward currency contracts	101	(89)
Non-derivative securities	318,725	2,335,684
Transaction charges	(2,877)	(7,365)
Net capital gains	£313,933	£2,329,783

3. Revenue

	31 Mar 14 £	31 Mar 13 £
Bank interest	58	405
Overseas dividends	241,750	698,933
Stock dividends	12,856	62,091
	£254,664	£761,429

4. Expenses

	31 Mar 14 £	31 Mar 13 £
<i>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</i>		
Authorised Corporate Director's fees	8,194	19,555
Registration fees	1,611	1,498
Fee rebate	(15,363)	(2,581)
	(5,558)	18,472
<i>Payable to the Depositary, associates of the Depositary and agents of either of them:</i>		
Depositary's fees	732	2,333
	732	2,333
<i>Payable to other related parties and third parties:</i>		
Administration fees	12,028	5,050
Audit fees*	4,923	7,758
Safe custody fees	881	2,996
Taxation fees	459	991
	18,291	16,795
	£13,465	£37,600

*The audit fee (ex VAT) accrued during the year was £4,000 (31 March 2013: £7,050).

5. Taxation

(a) Analysis of tax charge

	31 Mar 14 £	31 Mar 13 £
Movement in overseas tax provision	-	(69,542)
Overseas tax suffered	18,522	146,389
Total tax charge	£18,522	£76,847

(b) Factors affecting current tax charge

The tax charged for the year is lower than the standard 20% rate of corporation tax applicable to the revenue received by open-ended investment companies (31 March 13: 20%).

The differences are explained below:

	31 Mar 14 £	31 Mar 13 £
Net revenue before taxation	241,197	723,825
Corporation tax at 20%	48,239	144,765
<i>Effects of:</i>		
Dividends not subject to corporation tax	(50,921)	(152,151)
Movement in excess expenses	2,682	7,440
Movement in overseas tax provision	-	(69,542)
Overseas tax suffered	18,522	146,389
Revenue taxable in a different years	-	(54)
	(29,717)	(67,918)
Total tax charge (5.a)	£18,522	£76,847

Open-ended investment companies are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

(c) Deferred tax assets

At 31 March 2014 the Fund had excess management expenses of £50,610 (31 March 2013: £37,199). The deferred tax in respect of this would be £10,122 (31 March 2013: £7,440). It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised.

6. Finance costs

The distributions take account of amounts added on the issue of shares and amounts deducted on the cancellation of shares, and comprise:

	31 Mar 14 £	31 Mar 13 £
Interim	-	521,742
Final	-	5,374
	-	527,116
Add: Amounts deducted on cancellation of shares	218,400	239,357
Deduct: Amounts added on issue of shares	(235)	(558)
Net distributions	218,165	765,915
Interest	2	4
Total finance costs	£218,167	£765,919
Net revenue after taxation	222,675	646,978
Loss accumulated following Fund closure	942	-
Add: Revenue brought forward	27	315
Add: Shortfall transfer to capital	-	118,649
Deduct: rebate on expenses	(4,714)	-
Deduct: Revenue carried forward	(765)	(27)
Net distributions as above	£218,165	£765,915

Details of the distribution per share are set out in the table on page 88.

7. Debtors

	As at 31 Mar 14 £	As at 31 Mar 13 £
Accrued revenue	942	53
Amounts receivable on issue of shares	-	2,852
Overseas tax recoverable	108,531	117,422
Sales awaiting settlement	-	6,370
	£109,473	£126,697

8. Cash & bank balances

	As at 31 Mar 14 £	As at 31 Mar 13 £
Cash and bank balances	23,378	66,141
	£23,378	£66,141

9. Creditors

	As at 31 Mar 14 £	As at 31 Mar 13 £
Corporation tax payable	125,237	125,237
Expense accruals	7,614	21,314
	£132,851	£146,551

10. Equalisation

This applies only to shares purchased during the distribution period (Group 2 shares). The average amount of revenue included in the purchase price of Group 2 shares is shown in the Distribution table and is refunded to the holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

11. Contingent liabilities

There were no contingent liabilities or commitments at the current or prior year ends.

12. Related party transactions

UBS Global Asset Management Funds Ltd, as the Authorised Corporate Director (ACD), is considered to be a related party. Both management fees and registration fees charged by the ACD are shown in note 4.

At 31 March 2014 the amounts included in creditors in respect of management fees and registration fees due to the ACD is nil (31 March 2013: £1,405, £622).

UBS Global Asset Management Funds Ltd acts as principal in respect of all transactions of shares in the Fund. The aggregate monies received through issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to shareholders.

All dealing in the investment portfolio of the Fund was carried out through UBS Global Asset Management (UK) Ltd. During the year no dealing commission was paid to UBS Global Asset Management (UK) Ltd.

UBS Global Asset Management Funds Ltd and UBS Global Asset Management (UK) Ltd are subsidiaries of UBS Global Asset Management Holdings Ltd.

13. Financial instruments

The Authorised Corporate Director's policy and approach to managing the risks associated with financial instruments are included in the Risk Profile on page 17 to 18.

(a) Interest rate risk profile of financial assets and financial liabilities

At the year end 0.00% (31 March 2013: 0.49%) of the fund's net assets by value were interest bearing. The floating rate financial assets earn interest which is based on the London Inter Bank Offer Rate (LIBOR) or its overseas equivalent.

(b) Currency exposure

The majority of the net assets of the Fund's investments are denominated in currencies other than sterling, with the effect that currency movements can significantly affect the balance sheet and total return.

Numerical disclosures are as follows:

Currency	Monetary exposures £	Non- monetary exposures £	Total £
31 Mar 14			
Euro	30,837	-	30,837
Norwegian Krone	30,859	-	30,859
Swedish Krona	2,989	-	2,988
Swiss Franc	43,846	-	43,846
	108,531	-	108,530
Sterling	(108,531)	-	(108,530)
	-	-	-
31 Mar 13			
Danish Krone	588	-	588
Euro	74,752	7,547,478	7,622,230
Norwegian Krone	27,658	847,134	874,792
Swedish Krona	31,819	1,421,774	1,453,593
Swiss Franc	41,610	3,655,318	3,696,928
	176,427	13,471,704	13,648,131
Sterling	(130,140)	-	(130,140)
	£46,287	£13,471,704	£13,517,991

(c) Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and financial liabilities, as shown in the balance sheet, and their fair value.

14. Portfolio transaction costs

	31 Mar 14 £	31 Mar 13 £
Analysis of total purchase costs		
Purchases in year before transaction costs	2,949,857	9,193,249
Commissions & taxes	6,574	14,782
Total purchase costs	6,574	14,782
Gross purchase total	£2,956,431	£9,208,031
Analysis of total sale costs		
Gross sales in year before transaction costs	16,751,628	24,525,962
Commissions & taxes	(5,039)	(13,625)
Total sale costs	(5,039)	(13,625)
Total sales net of transaction costs	£16,746,589	£24,512,337

Distribution table**For the year ended 31 March 2014 (in pence per share)****Final dividend distribution**

Group 1: Shares purchased prior to 1 October 2013

Group 2: Shares purchased between 1 October 2013 and 31 March 2014

	Net revenue (p)	Equalisation (note 10) (p)	Distribution payable 31/05/14 (p)	<i>Distribution paid 31/05/13 (p)</i>
Class A - Accumulation				
Group 1	-	-	-	0.88
Group 2	-	-	-	0.88
Class B - Accumulation				
Group 1	-	-	-	2.46
Group 2	-	-	-	2.46
Class C - Accumulation				
Group 1	-	-	-	0.30
Group 2	-	-	-	0.30
Class K - Accumulation				
Group 1	-	-	-	0.00
Group 2	-	-	-	0.00

Interim dividend distribution

Group 1: Shares purchased prior to 1 April 2013

Group 2: Shares purchased between 1 April 2013 and 30 September 2013

	Net revenue (p)	Equalisation (note 10) (p)	Distribution paid 30/11/13 (p)	<i>Distribution paid 30/11/12 (p)</i>
Class A - Accumulation				
Group 1	-	-	-	6.23
Group 2	-	-	-	6.23
Class B - Accumulation				
Group 1	-	-	-	7.95
Group 2	-	-	-	7.95
Class C - Income				
Group 1	-	-	-	0.10
Group 2	-	-	-	0.10
Class K - Accumulation				
Group 1	-	-	-	1.75
Group 2	-	-	-	1.75

UBS US 130/30 Equity Fund

Manager's report

Notice of Fund wind up

The UBS US130/30 Equity Fund commenced termination on 30 November 2012. Termination will be completed once all assets and liabilities have settled.

Percentage growth

	31/03/12 to termination %	31/03/11 to 31/03/12 %	31/03/10 to 31/03/11 %	31/03/09 to 31/03/10 %	31/03/08 to 31/03/09 %
Class A - Accumulation Shares	-4.03	4.24	2.08	55.31	-21.45
Class B - Accumulation Shares	-3.61	4.92	2.68	56.26	-20.94
Class K - Accumulation Shares	-	0.05	3.65	30.66	-

Source: Lipper Hindsight is based on NAV prices with income reinvested net of basic rate tax and in sterling terms.

UBS Global Asset Management Funds Ltd

24 June 2014

Performance record (unaudited)**1. Fund size**

Accounting year		Number of shares in issue	Total net asset value per share (p)*	Total net asset value (£)
31 March				
2012	Class A - Accumulation	6,787,190	54.3	3,683,848
	Class B - Accumulation	5,136,972	55.9	2,871,976
				£6,555,824
2013	Class A - Accumulation	-	-	-
	Class B - Accumulation	-	-	-
				-
2014	Class A - Accumulation	-	-	-
	Class B - Accumulation	-	-	-
				-

* rounded to one decimal place.

2. Share dealing price range and distribution record

The Fund was launched on 9 July 2007 at a price of 50p for Class A Accumulation shares and B Accumulation shares. Class K Accumulation shares were launched on 7 May 2009 at a price of £100.

Calendar year	Highest price (p)	Lowest price (p)	Distribution per share (net) (p)
Class A - Accumulation			
2009	47.33	27.93	0.21
2010	52.12	43.03	0.00
2011	53.55	41.89	0.00
2012 ^{†††}	55.45	48.73	0.00
Class B - Accumulation			
2009	48.07	28.19	0.33
2010	53.25	43.88	0.15
2011	54.91	42.99	0.11
2012 ^{†††}	57.11	50.25	0.09
Class K - Accumulation			
2009 [†]	12,084.91	8,734.78	50.36
2010	13,511.57	11,099.58	152.36
2011 ^{††}	14,007.38	12,869.23	95.29

† covers period from launch to 31 December 2009.

†† covers period from 1 January to 22 July 2011 after which the share class closed.

††† covers period from 1 January to 30 November 2012 after which the Fund closed.

Past performance is not a guide to future performance. Investors are reminded that the price of shares and the revenue from them is not guaranteed and may go down as well as up.

Portfolio statement (unaudited)

As at 31 March 2014

There are no holdings to disclose due to the Fund closure.

Portfolio movements (unaudited)

For the year ended 31 March 2014

There are no transactions to disclose due to the Fund closure.

Statement of total return**For the year ended 31 March 2014**

	Notes	31 Mar 14		31 Mar 13	
		£	£	£	£
Income					
Net capital losses	2		-	(212,950)	
Revenue	3	-	16,691		
Expenses	4	-	(35,826)		
Finance costs: Interest	6	-	(29)		
Net expense before taxation		-	(19,164)		
Taxation	5	25	(3,741)		
Net revenue/(expense) after taxation			25	(22,905)	
Total return before distributions			25	(235,855)	
Finance costs: Distributions	6		-	(4,217)	
Change in net assets attributable to shareholders from investment activities			£25	£(240,072)	

Statement of change in net assets attributable to shareholders**For the year ended 31 March 2014**

	31 Mar 14		31 Mar 13	
	£	£	£	£
Opening net assets attributable to shareholders		-		6,555,824
Amounts receivable on issue of shares	-	482,922		
Amounts payable on cancellation of shares	-	(6,798,670)		
		-		(6,315,748)
Change in net assets attributable to shareholders from investment activities (see Statement of total return)		25		(240,072)
Gain accumulated following Fund closure		(25)		-
Stamp duty reserve tax		-		(4)
Closing net assets attributable to shareholders		-		-

Balance sheet**As at 31 March 2014**

		As at 31 Mar 14 £	As at 31 Mar 13 £
ASSETS			
Debtors	7	-	1,135
Cash and bank balances	8	5,656	15,362
Total other assets		5,656	16,497
Total assets		5,656	16,497
LIABILITIES			
Creditors	9	5,656	16,497
Total other liabilities		5,656	16,497
Total liabilities		5,656	16,497
Net assets attributable to shareholders		-	-

Notes to the financial statements

1. Accounting policies

Accounting policies of the Fund are as set out on pages 10 to 12.

2. Net capital losses

	31 Mar 14	31 Mar 13
	£	£
Currency gains	-	9,607
Derivative contracts	-	57,230
Forward currency contracts	-	92
Non-derivative securities	-	(276,942)
Transaction charges	-	(2,937)
Net capital losses	-	£(212,950)

3. Revenue

	31 Mar 14	31 Mar 13
	£	£
Bank interest	-	35
Overseas dividends	-	24,673
Return from derivatives*	-	(8,537)
UK dividends	-	520
	-	£16,691

* This includes income received/(paid) on long and short positions.

4. Expenses

	31 Mar 14	31 Mar 13
	£	£
<i>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</i>		
Authorised Corporate Director's fees	-	23,600
Registration fees	-	871
	-	24,471
<i>Payable to the Depositary, associates of the Depositary and agents of either of them:</i>		
Depositary's fees	-	227
	-	227
<i>Payable to other related parties and third parties:</i>		
Audit fees*	-	10,225
Safe custody fees	-	49
Taxation fees	-	854
	-	11,128
	-	£35,826

*The audit fee (ex VAT) accrued during the year was £nil (31 March 2013: £5,000).

5. Taxation

(a) Analysis of tax charge

	31 Mar 14 £	31 Mar 13 £
Overseas tax suffered	(25)	3,741
Total tax charge (5b)	£(25)	£3,741

(b) Factors affecting current tax charge

The tax charged for the year is higher than the standard 20% rate of corporation tax applicable to the revenue received by open-ended investment companies (31 March 2013: 20%).

The differences are explained below:

	31 Mar 14 £	31 Mar 13 £
Net expense before taxation	-	(19,164)
Corporation tax at 20%	-	(3,833)
<i>Effects of:</i>		
Dividends not subject to corporation tax	-	(4,445)
Movement in excess expenses	-	6,595
Overseas tax suffered	(25)	3,741
Non-trade deficit set against current year income	-	1,707
Revenue taxable in a different years	-	(24)
	(25)	7,574
Total tax charge (5a)	£(25)	£3,741

Open-ended investment companies are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

(c) Deferred tax assets

At 31 March 2014 the Fund had excess management expenses of £nil (31 March 2013: £522,451). The deferred tax in respect of this would be £nil (31 March 2013: £104,490). It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised.

6. Finance costs

The distributions take account of amounts added on the issue of shares and amounts deducted on the cancellation of shares, and comprise:

	31 Mar 14 £	31 Mar 13 £
Interim	-	-
Final	-	-
	-	-
Add: Amounts deducted on cancellation of shares	-	6
Add: Movement on revenue due to Fund closure	-	4,211
Deduct: Amounts added on issue of shares	-	-
Net distributions	-	4,217
Interest	-	29
Total finance costs	-	£4,246
Net revenue/(expenses) after taxation	25	(22,905)
Add: Expense charged to capital	(25)	-
Add: Revenue brought forward	-	164
Add: Shortfall transfer to capital	-	26,958
Deduct: Revenue carried forward	-	-
Net distributions as above	-	£4,217

7. Debtors

	As at 31 Mar 14 £	As at 31 Mar 13 £
Overseas tax recoverable	-	1,135
	-	£1,135

8. Cash & bank balances

	As at 31 Mar 14 £	As at 31 Mar 13 £
Cash and bank balances	5,656	15,362
	£5,656	£15,362

9. Creditors

	As at 31 Mar 14 £	As at 31 Mar 13 £
Expense accruals	5,656	16,497
	£5,656	£16,497

10. Equalisation

This applies only to shares purchased during the distribution period (Group 2 shares). The average amount of revenue included in the purchase price of Group 2 shares is shown in the Distribution table and is refunded to the holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

11. Contingent liabilities

There were no contingent liabilities or commitments at the current or prior year ends.

12. Related party transactions

UBS Global Asset Management Funds Ltd, as the Authorised Corporate Director (ACD), is considered to be a related party. Both management fees and registration fees charged by the ACD are shown in note 4.

UBS Global Asset Management Funds Ltd acts as principal in respect of all transactions of shares in the Fund. The aggregate monies received through issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to shareholders.

All dealing in the investment portfolio of the Fund was carried out through UBS Global Asset Management (UK) Ltd. During the year no dealing commission was paid to UBS Global Asset Management (UK) Ltd.

UBS Global Asset Management Funds Ltd and UBS Global Asset Management (UK) Ltd are subsidiaries of UBS Global Asset Management Holdings Ltd.

13. Financial instruments

The Authorised Corporate Director's policy and approach to managing the risks associated with financial instruments are included in the Risk Profile on page 17 and 18.

(a) Interest rate risk profile of financial assets and financial liabilities

At the year end 0.00% (31 March 2013: 0.00%) of the Fund's net assets by value were interest bearing. The floating rate financial assets earn interest which is based on the London Inter Bank Offer Rate (LIBOR) or its overseas equivalent.

(b) Currency exposure

As the Fund no longer has any assets there is no exposure to currency.

(c) Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and financial liabilities, as shown in the balance sheet, and their fair value.

14. Portfolio transaction costs

	31 Mar 14		31 Mar 13	
Analysis of total purchase costs	£	£	£	£
Purchases in year before transaction costs		-		868,527
Commissions & taxes	-		444	
Total purchase costs		-		444
Gross purchase total		-		£868,971

	31 Mar 14		31 Mar 13	
Analysis of total sale costs	£	£	£	£
Gross sales in year before transaction costs		-		6,973,440
Commissions & taxes	-		(2,199)	
Total sale costs		-		(2,199)
Total sales net of transaction costs		-		£6,971,241

Distribution table**For the year ended 31 March 2014 (in pence per share)**

There are no distributions to disclose due to the Fund closure.

UBS US Growth Fund

Manager's report

Investment objective and policy

To seek to achieve long term capital growth primarily through investment in US equities with growth characteristics. The ACD may use derivatives for the purpose of efficient portfolio management. The Fund may also invest in other transferable securities (including warrants), money market instruments, deposits, cash and near cash and units in collective investments schemes.

Market environment

Following a solid start to 2014, off the heels of a strong 2013, the US equity markets consolidated some of their gains in the first quarter of 2014. Market performance of US large capitalisation equities was roughly flat over the year-to-date. However, the market for growth stocks relative to value stocks fell significantly towards the end of the year, demonstrated by the outperformance of the Russell 3000 Value Index relative to the Russell 3000 Growth Index.

The US Federal Reserve decided to reduce asset purchases by \$10bn, to \$75bn per month, towards the end of 2013. Meanwhile, US GDP slowed to 2.6% over the fourth quarter of 2013, according to the Bureau of Economic Analysis, having grown at an annualised rate of 4.1% during the third quarter of 2013.

Fund performance

The UBS US Growth Fund recorded performance of 13.1%* during the year under review in Sterling terms. Over the same time year the Fund's benchmark, the Russell 1000 Growth Index, posted performance of 12.2%, also in Sterling terms.

An overweight position in Facebook, whose share price rose over 114% in Sterling terms during the reporting year, was the largest contributor to performance. The company reported strong Q4 2013 results that significantly beat consensus expectations and it showed particular strength in mobile revenue, suggesting that advertisers had embraced the platform.

The second largest contributor to performance during the year under review was an overweight holding in the online travel company Priceline.com. Its share price rose over 57% in Sterling terms during the year under review.

A holding in the data warehousing company Teradata proved to be the largest detractor to the Fund's relative performance. Despite being sold before the end of the year under review its share price recorded a fall of 23% in Sterling terms.

The Fund's decision not to hold the Microsoft Corporation, whose share price rose by more than 34% in Sterling terms during the year under review, was another significant detractor to performance. While Microsoft continues to dominate the desktop and server software market, we believe its future earnings growth is already fully reflected in the stock price.

In terms of sectors, positive stock selection within technology was the largest contributor to performance while weak selection within the producer durables sector was the largest detractor from relative performance.

Outlook

We continue to believe the US is poised to lead global GDP growth in 2014. Recoveries in housing activity, employment and consumer spending, as well as a reduced fiscal drag, point to an inflection in GDP growth. Quantitative easing by the US Federal Reserve has boosted financial asset values, which has helped to start a virtuous cycle of economic growth; as high as any level that has persisted since the start of the financial crisis. For these reasons, we continue to believe that the US is poised to lead global GDP growth in 2014.

* Source: Lipper-Hindsight. Performance is based on NAV prices with income reinvested net of basic tax rate and in sterling terms to 31 March 2014, based on Class A shares.

Percentage growth

	31/03/13 to 31/03/14 %	31/03/12 to 31/03/13 %	31/03/11 to 31/03/12 %	31/03/10 to 31/03/11 %	31/03/09 to 31/03/10 %
Class A - Accumulation Shares	13.06	11.75	12.43	10.94	44.55
Class B - Accumulation Shares	13.65	12.42	13.15	11.64	45.47
Class C - Accumulation Shares	13.92	14.94	-	-	-

Source: Lipper Hindsight is based on NAV prices with income reinvested net of basic rate tax and in sterling terms.

Launch date: Class A and B Shares: 3 November 2008; Class C Accumulation shares 15 August 2012.

UBS Global Asset Management Funds Ltd

24 June 2014

Performance record (unaudited)**1. Fund size**

Accounting year		Number of shares in issue	Total net asset value per share (p)*	Total net asset value (£)
31 March				
2012	Class A - Accumulation	44,191,343	90.9	40,159,719
	Class B - Accumulation	54,945,603	92.9	51,022,932
				£91,182,651
2013	Class A - Accumulation	83,984,824	101.6	85,292,633
	Class B - Accumulation	30,695,508	104.4	32,043,933
	Class C - Accumulation	29,428,409	57.6	16,936,106
				£134,272,672
2014	Class A - Accumulation	41,395,551	114.8	47,529,555
	Class B - Accumulation	10,116,542	118.6	12,001,413
	Class C - Accumulation	49,796,159	65.6	32,642,517
				£92,173,485

* rounded to one decimal place.

2. Ongoing charges figure

The ongoing charges figure (OCF) is the ratio of the Fund's annual operating expenses (excluding overdraft interest) to the average net assets of the Fund. It covers all aspects of operating the Fund during the year, including fees paid for investment management, administration, safeguarding the Fund's assets, depositary services and audit (net of any fee rebates if applicable). Where the Fund invests in other funds, the figure includes the impact of the charges made in those other funds.

Share class	31 Mar 14 (%)	31 Mar 13 (%)
Class A - Accumulation	1.67	1.64
Class B - Accumulation	1.17	1.14
Class C - Accumulation	0.92	0.89

3. Share dealing price range and distribution record

The Fund was launched on 3 November 2008 at a price of 50p for Class A Accumulation and B Accumulation shares. Class C Accumulation shares were launched on 15 August 2012 at a price of 50p.

Calendar year	Highest price (p)	Lowest price (p)	Distribution per share (net) (p)
Class A - Accumulation			
2009	69.11	45.73	0.00
2010	80.22	63.44	0.00
2011	85.98	78.81	0.00
2012	92.79	78.41	0.00
2013	116.25	87.81	0.00
2014 to 31 March	121.01	112.57	0.00
Class B - Accumulation			
2009	69.61	45.82	0.02
2010	81.31	64.11	0.00
2011	87.46	69.26	0.00
2012	94.82	80.00	0.00
2013	119.95	90.16	0.00
2014 to 31 March	125.00	116.22	0.00
Class C - Accumulation			
2012†	51.48	47.87	0.00
2013	66.24	49.67	0.02
2014 to 31 March	69.06	64.19	0.00

† covers period from 15 August 2012 to 31 December 2012

Past performance is not a guide to future performance. Investors are reminded that the price of shares and the revenue from them is not guaranteed and may go down as well as up.

Portfolio statement (unaudited)**As at 31 March 2014**

		Market value £	Percentage of total net assets %
	Holding		
United States of America - 97.48% (31 Mar 13: 98.40%)			
Aerospace & Defence - 5.85% (31 Mar 13: 5.37%)			
Precision Castparts	17,000	2,527,731	2.74
United Technologies	41,500	2,862,258	3.11
Beverages - 2.07% (31 Mar 13: 1.21%)			
Monster Beverage	45,700	1,908,240	2.07
Chemicals - 1.06% (31 Mar 13: 0.00%)			
Lyondellbasell Industries	18,400	976,940	1.06
Construction & Building Materials - 1.84% (31 Mar 13: 1.60%)			
Sherwin-Williams	14,500	1,696,052	1.84
Electronic & Electrical Equipment - 4.35% (31 Mar 13: 3.87%)			
Ametek	52,000	1,602,932	1.74
Danaher	54,300	2,409,273	2.61
Financial Services - 8.40% (31 Mar 13: 8.72%)			
American Express	31,500	1,711,849	1.86
Discover Financial Services	44,000	1,519,986	1.65
MasterCard 'A'	48,900	2,149,990	2.33
Visa 'A'	18,500	2,356,577	2.56
Food & Drug Retailers - 0.00% (31 Mar 13: 2.28%)			
Food Producers - 3.60% (31 Mar 13: 0.00%)			
Hain Celestial Group	24,800	1,332,840	1.45
Kellogg	53,100	1,982,077	2.15

		Market value £	Percentage of total net assets %
	Holding		
General Retailers - 7.51% (31 Mar 13: 11.07%)			
Amazon	12,800	2,601,918	2.82
Home Depot	11,700	553,363	0.60
Priceline.com	2,800	2,005,545	2.18
Starbucks	39,800	1,762,325	1.91
Health Care Equipment & Services - 2.29% (31 Mar 13: 3.39%)			
Intuitive Surgical	5,375	1,404,341	1.52
UnitedHealth Group	14,500	710,972	0.77
Household Goods & Home Construction - 1.25% (31 Mar 13: 0.83%)			
Mohawk Industries	14,200	1,149,516	1.25
Industrial Engineering - 1.26% (31 Mar 13: 1.56%)			
Cummins	13,200	1,157,875	1.26
Industrial Transportation - 1.97% (31 Mar 13: 2.18%)			
Canadian Pacific Railways	20,400	1,816,902	1.97
Media - 3.51% (31 Mar 13: 2.06%)			
Liberty Global 'A'	35,300	875,394	0.95
Viacom 'B'	36,300	1,846,628	2.00
Yelp	11,300	518,963	0.56
Mobile Telecommunications - 2.09% (31 Mar 13: 1.70%)			
Crown Castle International	42,900	1,922,535	2.09
Nonlife Insurance - 0.00% (31 Mar 13: 1.05%)			
Oil Equipment, Services & Distribution - 2.64% (31 Mar 13: 3.56%)			
Schlumberger	41,500	2,432,595	2.64

		Market value £	Percentage of total net assets %
	Holding		
Oil & Gas Producers - 1.92% (31 Mar 13: 3.55%)			
Concho Resources	23,700	1,770,735	1.92
Personal Goods - 7.37% (31 Mar 13: 10.35%)			
Estee Lauder 'A'	50,000	2,004,567	2.17
Michael Kors	23,700	1,320,575	1.43
Nike 'B'	54,400	2,404,230	2.61
Ralph Lauren	11,200	1,064,612	1.16
Pharmaceuticals & Biotechnology - 8.58% (31 Mar 13: 7.21%)			
Allergan	25,400	1,847,384	2.00
Biogen	10,700	1,890,985	2.05
Gilead Sciences	55,300	2,277,196	2.47
Regeneron Pharmaceuticals	10,550	1,901,751	2.06
Real Estate Investment & Services - 0.52% (31 Mar 13: 0.00%)			
Realogy	18,100	477,461	0.52
Software & Computer Services - 16.96% (31 Mar 13: 14.69%)			
Catamaran	59,300	1,584,231	1.72
Facebook 'A'	76,000	2,739,599	2.97
Google	7,999	5,381,132	5.84
Salesforce.com	71,900	2,408,188	2.61
ServiceNow	30,280	1,053,668	1.14
Vmware 'A'	38,700	2,470,317	2.68
Support Services - 1.26% (31 Mar 13: 0.00%)			
LinkedIn	10,100	1,156,930	1.26
Technology Hardware & Equipment - 8.78% (31 Mar 13: 10.00%)			
Altera	59,600	1,269,213	1.38
Apple	15,850	5,111,963	5.55
Qualcomm	35,800	1,705,028	1.85

		Market value £	Percentage of total net assets %
	Holding		
Travel & Leisure - 2.40% (31 Mar 13: 2.15%)			
Las Vegas Sands	47,100	2,214,340	2.40
<hr/>			
Investment assets		89,849,722	97.48
Net other assets		2,323,763	2.52
<hr/>			
Net assets		£92,173,485	100.00

All holdings are ordinary shares or stock units and admitted to official stock exchange listings unless otherwise stated.

Portfolio movements (unaudited)
For the year ended 31 March 2014

	Cost £
Major purchases	
Google	3,144,544
Kellogg	3,017,026
Catamaran	2,512,741
Apple	2,498,656
Ametek	2,400,208
Viacom 'B' Non-Voting	2,028,659
Regeneron Pharmaceuticals	2,003,591
Canadian Pacific Railways	1,984,096
Realogy	1,963,483
Amazon	1,886,856
Salesforce.com	1,880,332
Schlumberger	1,850,106
Starbucks	1,819,063
American Express	1,787,134
Vmware 'A'	1,758,934
Visa 'A'	1,723,109
Yelp	1,670,124
Hain Celestial Group	1,496,520
United Technologies	1,457,445
MasterCard 'A'	1,420,169
Total for the year (Note 14)	£72,353,845

	Proceeds £
Major sales	
Visa 'A'	5,217,308
eBay	4,459,850
Qualcomm	4,375,651
MercadoLibre	4,168,815
Apple	4,030,269
Union Pacific	4,023,524
Google	3,869,866
Priceline.com	3,814,693
Cardinal Health	3,666,254
Amazon	3,624,149
Gilead Sciences	3,570,302
UnitedHealth Group	3,476,917
Michael Kors	3,326,625
FMC Technologies	3,208,001
Facebook 'A'	2,966,208
Vmware 'A'	2,931,360
MasterCard 'A'	2,766,646
Salesforce.com	2,683,707
Precision Castparts	2,640,050
United Technologies	2,598,754
Total for the year (Note 14)	£126,241,186

Statement of total return
For the year ended 31 March 2014

			31 Mar 14	31 Mar 13
	Notes	£	£	£
Income				
Net capital gains	2		11,332,194	17,517,844
Revenue	3	597,224		1,083,915
Expenses	4	(1,323,284)		(1,616,919)
Finance costs: Interest	6	(10)		(51)
Net expense before taxation		(726,070)		(533,055)
Taxation	5	(82,845)		(159,770)
Net expense after taxation			(808,915)	(692,825)
Total return before distributions			10,523,279	16,825,019
Finance costs: Distributions	6		-	(1,745)
Change in net assets attributable to shareholders from investment activities			£10,523,279	£16,823,274

Statement of change in net assets attributable to shareholders
For the year ended 31 March 2014

		31 Mar 14	31 Mar 13
	£	£	£
Opening net assets attributable to shareholders		134,272,672	91,182,651
Amounts receivable on issue of shares	48,807,897		94,418,533
Amounts payable on cancellation of shares	(101,430,363)		(68,160,615)
		(52,622,466)	26,257,918
Change in net assets attributable to shareholders from investment activities (see Statement of total return)		10,523,279	16,823,274
Retained distribution on accumulation shares		-	8,829
Closing net assets attributable to shareholders		£92,173,485	£134,272,672

Balance sheet**As at 31 March 2014**

	Notes	As at 31 Mar 14 £	As at 31 Mar 13 £
ASSETS			
Investment assets		89,849,722	132,123,707
Debtors	7	757,200	3,579,691
Cash and bank balances	8	2,440,563	2,394,027
Total other assets		3,197,763	5,973,718
Total assets		93,047,485	138,097,425
LIABILITIES			
Creditors	9	874,000	3,824,753
Total other liabilities		874,000	3,824,753
Total liabilities		874,000	3,824,753
Net assets attributable to shareholders		£92,173,485	£134,272,672

Notes to the financial statements

1. Accounting policies

Accounting policies of the Fund are as set out on pages 10 to 12.

2. Net capital gains

	31 Mar 14 £	31 Mar 13 £
Currency (losses)/gains	(330,001)	150,146
Derivative contracts	56,387	129,155
Forward currency contracts	2,891	-
Non-derivative securities	11,613,362	17,251,381
Transaction charges	(10,445)	(12,838)
Net capital gains	£11,332,194	£17,517,844

3. Revenue

	31 Mar 14 £	31 Mar 13 £
Bank interest	921	1,526
Overseas dividends	596,303	1,082,389
	£597,224	£1,083,915

4. Expenses

	31 Mar 14 £	31 Mar 13 £
<i>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</i>		
Authorised Corporate Director's fees	1,177,301	1,503,726
Registration fees	92,701	79,138
	1,270,002	1,582,864
<i>Payable to the Depositary, associates of the Depositary and agents of either of them:</i>		
Depositary's fees	9,856	12,375
	9,856	12,375
<i>Payable to other related parties and third parties:</i>		
Administration fees	31,505	9,114
Audit fees*	9,185	7,758
Price publication fees	2,726	-
Safe custody fees	(994)	3,811
Taxation fees	1,004	997
	43,426	21,680
	£1,323,284	£1,616,919

*The audit fee (ex VAT) accrued during the year was £6,500 (31 March 2013: £7,050).

5. Taxation

(a) Analysis of tax charge

	31 Mar 14 £	31 Mar 13 £
Overseas tax suffered	82,845	159,770
Total tax charge	£82,845	£159,770

(b) Factors affecting current tax charge

The tax charged for the year is higher than the standard 20% rate of corporation tax applicable to the revenue received by open-ended investment companies (31 March 2013: 20%).

The differences are explained below:

	31 Mar 14 £	31 Mar 13 £
Net expenses before taxation	(726,070)	(533,055)
Corporation tax at 20%	(145,214)	(106,611)
<i>Effects of:</i>		
Dividends not subject to corporation tax	(119,261)	(216,467)
Movement in excess expenses	264,475	323,078
Overseas tax suffered	82,845	159,770
	228,059	266,381
Total tax charge (5.a)	£82,845	£159,770

Open-ended investment companies are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation

(c) Deferred tax assets

At 31 March 2014 the Fund had excess management expenses of £4,349,100 (31 March 2013: £3,026,727). The deferred tax in respect of this would be £869,820 (31 March 2013: £605,345). It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised.

6. Finance costs

The distributions take account of amounts added on the issue of shares and amounts deducted on the cancellation of shares, and comprise:

	31 Mar 14 £	31 Mar 13 £
Interim	-	-
Final	-	8,829
	-	8,829
Add: Amounts deducted on cancellation of shares	1	54
Deduct: Amounts added on issue of shares	(1)	(2,327)
Deduct: Equalisation on conversions	-	(4,811)
Net distributions	-	1,745
Interest	10	51
Total finance costs	£10	£1,796
Net expense after taxation	(808,915)	(692,825)
Add: Shortfall transfer to capital	807,398	696,087
Add: Revenue brought forward	1,517	-
Deduct: Revenue carried forward	-	(1,517)
Net distributions as above	-	£1,745

Details of the distributions per share are set out in the table on page 113.

7. Debtors

	As at 31 Mar 14 £	As at 31 Mar 13 £
Accrued revenue	29,800	80,931
Amounts receivable on issue of shares	504,087	535,261
Sales awaiting settlement	223,313	2,963,499
	£757,200	£3,579,691

8. Cash & bank balances

	As at 31 Mar 14 £	As at 31 Mar 13 £
Cash and bank balances	2,440,563	2,394,027
	£2,440,563	£2,394,027

9. Creditors

	As at 31 Mar 14 £	As at 31 Mar 13 £
Amounts payable on cancellation of shares	49,626	3,446,713
Expense accruals	126,843	175,961
Purchases awaiting settlement	697,531	202,079
	£874,000	£3,824,753

10. Equalisation

This applies only to shares purchased during the distribution period (Group 2 shares). The average amount of revenue included in the purchase price of Group 2 shares is shown in the Distribution table and is refunded to the holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

11. Contingent liabilities

At 31 March 2014 there were no contingent liabilities or commitments at the current or prior year ends.

12. Related party transactions

UBS Global Asset Management Funds Ltd, as the Authorised Corporate Director (ACD), is considered to be a related party. Both management fees and registration fees charged by the ACD are shown in note 4.

At 31 March 2014 the amounts included in creditors in respect of management fees and registration fees due to the ACD are £94,115 and £7,946 respectively (31 March 2013: £137,785, £10,679).

UBS Global Asset Management Funds Ltd acts as principal in respect of all transactions of shares in the Fund. The aggregate monies received through issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to shareholders.

All dealing in the investment portfolio of the Fund was carried out through UBS Global Asset Management (UK) Ltd. During the year no dealing commission was paid to UBS Global Asset Management (UK) Ltd.

The ACD has appointed UBS Global Asset Management (UK) Ltd to provide investment management services to the ACD in respect of the Fund. During the year no dealing commission was paid to UBS Global Asset Management (UK) Ltd.

UBS Global Asset Management Funds Ltd and UBS Global Asset Management (UK) Ltd are subsidiaries of UBS Global Asset Management Holdings Ltd.

13. Financial instruments

The Authorised Corporate Director's policy and approach to managing the risks associated with financial instruments are included in the Risk Profile on page 17 and 18.

(a) Interest rate risk profile of financial assets and financial liabilities

At the year end 2.65% (31 March 2013: 1.78%) of the Fund's net assets by value were interest bearing. The floating rate financial assets earn interest which is based on the London Inter Bank Offer Rate (LIBOR) or its overseas equivalent.

(b) Currency exposure

The majority of the net assets of the Fund's investments are denominated in currencies other than sterling, with the effect that currency movements can significantly affect the balance sheet and total return.

Numerical disclosures are as follows:

Currency	Monetary exposures £	Non- monetary exposures £	Total £
31 Mar 14			
Canadian Dollar	3,281	-	3,281
Euro	2,428	-	2,428
US Dollar	1,526,908	89,849,722	91,376,630
	1,532,617	89,849,722	91,382,339
Sterling	791,146	-	791,146
	£2,323,763	£89,849,722	£92,173,485
31 Mar 13			
Euro	2,481	-	2,481
US Dollar	4,618,385	132,123,707	136,742,092
	4,620,866	132,123,707	136,744,573
Sterling	(2,471,901)	-	(2,471,901)
	£2,148,965	£132,123,707	£134,272,672

(c) Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and financial liabilities, as shown in the balance sheet, and their fair value.

14. Portfolio transaction costs

		31 Mar 14		31 Mar 13
Analysis of total purchase costs	£	£	£	£
Purchases in year before transaction costs		72,326,079		124,153,946
Commissions & taxes	27,766		64,911	
Total purchase costs		27,766		64,911
Gross purchase total		£72,353,845		£124,218,857

		31 Mar 14		31 Mar 13
Analysis of total sale costs	£	£	£	£
Gross sales in year before transaction costs		126,295,665		99,589,707
Commissions & taxes	(54,479)		(55,013)	
Total sale costs		(54,479)		(55,013)
Total sales net of transaction costs		£126,241,186		£99,534,694

Distribution table**For the year ended 31 March 2014 (in pence per share)****Final dividend distribution**

Group 1: Shares purchased prior to 1 October 2013

Group 2: Shares purchased between 1 October 2013 and 31 March 2014

	Net revenue (p)	Equalisation (note 10) (p)	Distribution payable 31/05/14 (p)	<i>Distribution paid 31/05/13 (p)</i>
Class A - Accumulation				
Group 1	0.00	-	0.00	<i>0.00</i>
Group 2	0.00	0.00	0.00	<i>0.00</i>
Class B - Accumulation				
Group 1	0.00	-	0.00	<i>0.00</i>
Group 2	0.00	0.00	0.00	<i>0.00</i>
Class C - Accumulation				
Group 1	0.00	-	0.00	<i>0.03</i>
Group 2	0.00	0.00	0.00	<i>0.03</i>

Interim dividend distribution

Group 1: Shares purchased prior to 1 April 2013

Group 2: Shares purchased between 1 April 2013 and 30 September 2013

	Net revenue (p)	Equalisation (note 10) (p)	Distribution paid 30/11/13 (p)	<i>Distribution paid 30/11/12 (p)</i>
Class A - Accumulation				
Group 1	0.00	-	0.00	<i>0.00</i>
Group 2	0.00	0.00	0.00	<i>0.00</i>
Class B - Accumulation				
Group 1	0.00	-	0.00	<i>0.00</i>
Group 2	0.00	0.00	0.00	<i>0.00</i>
Class C - Accumulation				
Group 1	0.00	-	0.00	<i>0.00</i>
Group 2	0.00	0.00	0.00	<i>0.00</i>

Details of the Company and other information

Authorised status

UBS Investment Funds ICVC II is an open-ended investment company with variable capital incorporated in England and Wales under registered number IC000307 and is authorised by the Financial Conduct Authority with effect from 21 May 2004. The Company has been certified under the Undertaking for Collective Investment in Transferable Securities (UCITS) directive.

Structure of the Company

The Company is structured as an umbrella company, in that different Funds may be established from time to time by the ACD with the approval of the Financial Conduct Authority. The assets of each Fund will be treated as separate from those of every other Fund and will be invested in accordance with the investment objective and investment policy applicable to that Fund.

Liability of the Company and Funds

Under the OEIC Regulations, each Fund is a segregated portfolio of assets and those assets can only be used to meet the liabilities of, or claims against, that Fund. Whilst the OEIC Regulations provide for segregated liability between Funds, the concept of segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known whether a foreign court would give effect to the segregated liability and cross-investment provisions contained in the OEIC Regulations. Therefore, it is not possible to be certain that the assets of a Fund will always be completely insulated from the liabilities of another Fund of the Company in every circumstance.

Changes to the Prospectus

There were no changes made to the Prospectus since the last report.

Buying and selling shares

Dealing is on a forward basis and share prices are calculated daily at 12 p.m.

K and J shares in all Funds, where they are available, can be bought either by sending a completed application form to the transfer agent, J.P. Morgan Europe Limited, or by telephoning J.P. Morgan Europe Limited on 020 7742 1018.

All Funds other shares can be bought by sending an application form to the administrator, International Financial Data Services (UK) Ltd (IFDS) or by telephoning IFDS on 0800 587 2112.

Synthetic Risk and Reward Indicator (SRRI)

The SRRI is a numerical indicator of the risk and return profile of the Fund. This indicator is disclosed in the Key Investor Information document (KIID) for each shareclass which can be found on the website www.ubs.com/retailfunds.

The values range from 1 through to 7 in a non-linear manner, where 1 denotes the lowest risk and therefore typically the lower rewards, while a 7 denotes the highest risk and therefore typically higher rewards.

The SRRI is based on return volatility over the last five years. Historical data may not be a reliable indication for the future. The risk category shown is not guaranteed and may vary over time. The lowest category does not mean 'risk free'.

	Current SRRI
UBS Asian Consumption Fund	6
UBS Emerging Markets Equity Income Fund	6
UBS US Growth Fund	6

SRRI's at fund level above are consistent across shareclasses within each Fund.

Minimum investments

		Minimum initial lump-sum investment (£)	Minimum subsequent investment (£)
UBS Asian Consumption Fund	Class A* & B shares	£1,000	£500
	Class C shares	£1,000,000	£10,000
	Class K shares	£50,000	£10,000
UBS Emerging Markets Equity Income Fund	Class A* & B shares	£1,000	£500
	Class C shares	£1,000,000	£10,000
	Class K shares	£50,000	£10,000
UBS US Growth Fund	Class A* & B shares	£1,000	£500
	Class C shares	£1,000,000	£10,000

*For Class A Shares purchased through a regular savings plan, the minimum regular subscription is £50 per month.

Minimum holdings

Class A & B Shares - The minimum holding is £500.

Class C Shares - The minimum holding is £500,000.

Class J Shares - The minimum holding is £50,000. Investments in Class J shares are restricted to companies within the UBS AG Group and to clients of companies within the UBS AG Group (and others at the discretion of the ACD).

Class K Shares - The minimum holding is £50,000. Investments in Class K shares are restricted to companies within the UBS AG Group and to clients of companies within the UBS AG Group (and others at the discretion of the ACD).

Class Z Shares - The minimum holding is £500,000. Investments in Class Z shares are restricted to companies within the UBS AG Group and to clients of companies within the UBS AG Group (and others at the discretion of the ACD).

The ACD may at its discretion accept subscriptions and/or holdings lower than the minimum amounts.

If following a redemption a holding in any class of share should fall below the minimum holding for that class, the ACD has a discretion to require redemption of that shareholder's entire holding in that class of share.

Shareholder funds

Several classes of share may be issued in respect of the Fund. The annual management charge on each share class is shown below.

		Management fee (%)
UBS Asian Consumption Fund	Class A shares	1.50
	Class B shares	1.00
	Class C shares	0.75
UBS Emerging Markets Equity Income Fund	Class A shares	1.50
	Class B shares	1.00
	Class C shares	0.75
	Class K shares	0.00
UBS US Growth Fund	Class A shares	1.50
	Class B shares	1.00
	Class C shares	0.75

For all Funds (with the exception of UBS Emerging Markets Equity Income Fund) the annual management fee is taken from income.

The net asset value of each share class in issue, the net asset value per share and the number of shares in each share class in issue are shown in the Performance table of the fund.

Dealing charges**Initial charge**

The ACD may impose a charge on the purchase of shares in each Class. The current initial charge as a percentage of the amount subscribed and the permitted maximum initial charge allowable as a percentage of the amount subscribed are shown in the table below:

		Current charge
UBS Asian Consumption Fund	Class A shares	4.00%
	Class B, C & K shares	0.00%
UBS Emerging Markets Equity Income Fund	Class A shares	4.00%
	Class B, C & K shares	0.00%
UBS US Growth Fund	Class A shares	4.00%
	Class B & C shares	0.00%

Charges on switching

The Company is permitted to impose a charge for switching of shares between Funds or classes. The charge will not exceed an amount equal to the prevailing initial charge for new shares. The current charges on switching between Funds or classes in the Company are detailed below.

	Switching charge %
Class A shares to Class B, C, J or, K shares in the same Fund or another Fund	0.00%
Class A shares of any Fund to Class A shares of another Fund	0.25%
Class B, C, J or K shares of any Fund to Class B, C, J or K shares in the same Fund or another Fund	0.00%
Class B, C, J or K shares to Class A shares in the same Fund or another Fund*	0.25%

* where the minimum holding for Class B, C, J or K shares is not maintained the ACD may switch Class B, C, J or K shares into Class A shares, and a charge on switching of 0.25% will be charged, although the ACD may offer a waiver or a partial waiver of the initial charge.

Directors of UBS Global Asset Management Funds Ltd

I Barnes	D S Carter
R Beechey	A J Davies

The company and Head Office

UBS Investment Funds ICVC II
21 Lombard Street
London EC3V 9AH

Authorised Corporate Director and Registrar

UBS Global Asset Management Funds Ltd
21 Lombard Street
London EC3V 9AH

Authorised and regulated by the Financial Conduct Authority

Transfer Agent and Registrar for J and K Shares (where available)

J. P. Morgan Europe Limited
PO Box 70719
1 Angel Court
London
EC2P 2LJ

Transfer Agent and Registrar for all funds other shares

International Financial Data Services (UK) Ltd
IFDS House
St. Nicholas Lane
Basildon
Essex SS15 5FS

Depository

National Westminster Bank plc
Younger Building
3 Redheughs Avenue
Edinburgh EH12 9RH

Authorised and regulated by the Financial Conduct Authority

Investment Manager

UBS Global Asset Management (UK) Ltd
21 Lombard Street
London EC3V 9AH

Authorised and regulated by the Financial Conduct Authority
All telephone calls are recorded

Custodian

JP Morgan Chase Bank
125 London Wall
London EC27 5AH

Auditor

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Ten George Street
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