UBS Exchange Traded Funds

Interim Financial Report
For the half-year ended 31 December 2018

This interim financial report covers the following UBS Exchange Traded Funds:

UBS IQ Morningstar Australia Quality ETF (ASX code: ETF)
ARSN 159 571 534

UBS IQ Morningstar Australia Dividend Yield ETF (ASX code: DIV)
ARSN 161 570 574

UBS IQ MSCI Australia Ethical ETF (ASX code: UBA)
ARSN 166 219 601

UBS IQ MSCI Asia APEX 50 Ethical ETF (ASX code: UBP)
ARSN 603 812 826

UBS IQ MSCI Europe Ethical ETF (ASX code: UBE)
ARSN 603 813 949

UBS IQ MSCI Japan Ethical ETF (ASX Code: UBJ)
ARSN 603 812 451

UBS IQ MSCI USA Ethical ETF (ASX Code: UBU)
ARSN 603 812 246

UBS IQ MSCI World ex Australia Ethical ETF (ASX code: UBW)
ARSN 603 812 040

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

UBS Exchange Traded Funds
Interim Financial Report
For the half-year ended 31 December 2018

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

Directors' Report

The directors of UBS Asset Management (Australia) Ltd (ABN 31 003 146 290) (AFS Licence No. 222 605), the Responsible Entity of the UBS IQ Morningstar Australia Quality ETF, UBS IQ Morningstar Australia Dividend Yield ETF, UBS IQ MSCI Australia Ethical ETF, UBS IQ MSCI Asia APEX 50 Ethical ETF, UBS IQ MSCI Europe Ethical ETF, UBS IQ MSCI Japan Ethical ETF, UBS IQ MSCI USA Ethical ETF and UBS IQ MSCI World ex Australia Ethical ETF ("the Funds"), present their report together with the interim financial report of the Funds for the half-year ended 31 December 2018.

Funds' information

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

Directors

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

B J Doherty, Chairman
A L Anderson
J D Males (Resigned 12 December 2018)
A L Flockart (Resigned 16 November 2018)
R Buehlmann (Resigned 31 January 2019)
G Rice (Appointed 31 January 2019)

Principal Activities

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

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

There were no significant changes in the nature of the Funds' activities during the half-year or since the end of the half-year and up to the date of this report.

Review and results of operations

There have been no significant changes to the operations of the Funds since the previous financial year. The Funds continued to invest in accordance with target asset allocations as set out in the governing documents of the Funds and in accordance with the provisions of the Funds' Constitutions.

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Directors' Report (continued)

Review and results of operations (continued)

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

	UBS IQ Morningstar Australia Quality ETF		UBS IQ Morningstar Australia Dividend Yield ETF	
	Half-year ended		Half-year ended	
	31 December 2018	31 December 2017	**31 December 2018**	31 December 2017
	$	$	**$**	$
Profit/(loss) before finance costs attributable to unitholders	**(597,413)**	456,911	**(968,073)**	1,977,675
Distributions - quoted class				
Total distribution paid	**-**	294,495	**124,577**	475,476
Total distribution payable	**197,339**	155,210	**84,089**	153,877
Total distribution (cents per unit)	**47.93**	52.14	**43.54**	45.13
Distributions - unquoted class				
Total distribution paid	**-**	-	**-**	-
Total distribution payable	**-**	-	**-**	-
Total distribution (cents per unit)	**-**	-	**-**	-

	UBS IQ MSCI Australia Ethical ETF		UBS IQ MSCI Asia APEX 50 Ethical ETF	
	Half-year ended		Half-year ended	
	31 December 2018	31 December 2017	**31 December 2018**	31 December 2017
	$'000	$'000	**$**	$
Profit/(loss) before finance costs attributable to unitholders	**(12,730)**	13,396	**(981,472)**	305,135
Distributions - quoted class				
Total distribution paid	**-**	-	**-**	-
Total distribution payable	**5,399**	4,754	**-**	-
Total distribution (cents per unit)	**59.46**	54.35	**-**	-
Distributions - unquoted class				
Total distribution paid	**-**	-	**-**	-
Total distribution payable	**-**	-	**-**	-
Total distribution (cents per unit)	**-**	-	**-**	-

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Directors' Report (continued)

Review and results of operations (continued)

	UBS IQ MSCI Europe Ethical ETF		UBS IQ MSCI Japan Ethical ETF	
	Half-year ended		Half-year ended	
	31 December 2018	31 December 2017	**31 December 2018**	31 December 2017
	$'000	$'000	**$**	$
Profit/(loss) before finance costs attributable to unitholders	**(835)**	565	**(295,415)**	347,727
Distributions - quoted class				
Total distribution paid	**-**	-	**-**	-
Total distribution payable	**-**	-	**-**	-
Total distribution (cents per unit)	**-**	-	**-**	-
Distributions - unquoted class				
Total distribution paid	**-**	-	**-**	-
Total distribution payable	**-**	-	**-**	-
Total distribution (cents per unit)	**-**	-	**-**	-

	UBS IQ MSCI USA Ethical ETF		UBS IQ MSCI World ex Australia Ethical ETF	
	Half-year ended		Half-year ended	
	31 December 2018	31 December 2017	**31 December 2018**	31 December 2017
	$	$	**$'000**	$'000
Profit/(loss) before finance costs attributable to unitholders	**(187,004)**	521,009	**(2,283)**	3,383
Distributions - quoted class				
Total distribution paid	**-**	-	**-**	-
Total distribution payable	**-**	-	**-**	-
Total distribution (cents per unit)	**-**	-	**-**	-
Distributions - unquoted class				
Total distribution paid	**-**	-	**-**	-
Total distribution payable	**-**	-	**-**	-
Total distribution (cents per unit)	**-**	-	**-**	-

Significant changes in the state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Funds that occurred during the reporting period, other than those changes identified in the financial statements for the half-year ended 31 December 2018.

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Directors' Report (continued)

Likely developments and expected results of operations

The Funds will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Funds and in accordance with the provisions of the Funds' Constitutions.

Further information on likely developments in the operations of the Funds and the expected results of those operations have not been included in this report because the Responsible Entity believes it would be likely to result in unreasonable prejudice to the Funds.

Events occurring after reporting period

No matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect:

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

Indemnification and insurance of officers and auditors

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

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

Environmental regulation

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

Single set of financial reports

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

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

Rounding of amounts

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

Directors' Report (continued)

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 7.

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

B J Doherty
Chairman

A L Anderson
Director

Sydney
7 March 2019

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Auditor's Independence Declaration for UBS Exchange Traded Funds

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

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

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

As lead auditor for the review of the Funds for the half-year ended 31 December 2018, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

Ernst & Young

Graeme McKenzie
Partner
7 March 2019

Statements of Comprehensive Income

	Notes	UBS IQ Morningstar Australia Quality ETF Half-year ended **31 December 2018** **$**	 31 December 2017 $	UBS IQ Morningstar Australia Dividend Yield ETF Half-year ended **31 December 2018** **$**	 31 December 2017 $
Investment income					
Dividend/Trust distribution income		**198,981**	450,696	**230,178**	639,059
Interest income		**9**	-	**13**	72
Net gains/(losses) on financial instruments at fair value through profit or loss		**(783,330)**	39,377	**(1,182,678)**	1,385,648
Total Investment income/(loss)		**(584,340)**	490,073	**(952,487)**	2,024,779
Expenses					
Responsible Entity's fees		**12,577**	30,232	**15,072**	43,097
Transaction costs		**485**	2,930	**502**	4,007
Other expenses		**11**	-	**12**	-
Total Expenses		**13,073**	33,162	**15,586**	47,104
Profit/(loss) before finance costs attributable to unitholders		**(597,413)**	456,911	**(968,073)**	1,977,675
Finance costs attributable to unitholders					
Distributions to unitholders	4	**197,339**	449,708	**208,666**	629,353
Increase/(decrease) in net assets attributable to unitholders	3	**(794,752)**	7,203	**(1,176,739)**	1,348,322
Profit/(loss) for the half-year attributable to unitholders		**-**	-	**-**	-
Other comprehensive income for the half-year attributable to unitholders		**-**	-	**-**	-
Total comprehensive income for the half-year attributable to unitholders		**-**	-	**-**	-

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

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Statements of Comprehensive Income (continued)

	Notes	UBS IQ MSCI Australia Ethical ETF Half-year ended **31 December 2018** **$'000**	UBS IQ MSCI Australia Ethical ETF Half-year ended 31 December 2017 $'000	UBS IQ MSCI Asia APEX 50 Ethical ETF Half-year ended **31 December 2018** **$**	UBS IQ MSCI Asia APEX 50 Ethical ETF Half-year ended 31 December 2017 $
Investment income					
Dividend/Trust distribution income		**4,448**	3,963	**136,452**	65,969
Interest income		**1**	1	**2**	2
Net gains/(losses) on financial instruments at fair value through profit or loss		**(17,015)**	9,584	**(1,066,545)**	286,745
Net foreign exchange gains/(losses)		**-**	(1)	**(13,954)**	(37,118)
Other income		**-**	-	**7,241**	22,563
Total Investment income/(loss)		**(12,566)**	13,547	**(936,804)**	338,161
Expenses					
Responsible Entity's fees		**162**	148	**22,581**	13,224
Transaction costs		**2**	1	**1,672**	11,817
Other expenses		**-**	2	**20,415**	7,985
Total Expenses		**164**	151	**44,668**	33,026
Profit/(loss) before finance costs attributable to unitholders		**(12,730)**	13,396	**(981,472)**	305,135
Finance costs attributable to unitholders					
Distributions to unitholders	4	**5,399**	4,754	**-**	-
Increase/(decrease) in net assets attributable to unitholders	3	**(18,129)**	8,642	**(981,472)**	305,135
Profit/(loss) for the half-year attributable to unitholders		**-**	-	**-**	-
Other comprehensive income for the half-year attributable to unitholders		**-**	-	**-**	-
Total comprehensive income for the half-year attributable to unitholders		**-**	-	**-**	-

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

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Statements of Comprehensive Income (continued)

	Notes	UBS IQ MSCI Europe Ethical ETF Half-year ended **31 December 2018** **$'000**	31 December 2017 $'000	UBS IQ MSCI Japan Ethical ETF Half-year ended **31 December 2018** **$**	31 December 2017 $
Investment income					
Dividend/Trust distribution income		**90**	66	**50,278**	34,373
Net gains/(losses) on financial instruments at fair value through profit or loss		**(900)**	517	**(331,857)**	312,625
Net foreign exchange gains/(losses)		**3**	5	**342**	11,550
Other income		**1**	4	**-**	162
Total Investment income/(loss)		**(806)**	592	**(281,237)**	358,710
Expenses					
Responsible Entity's fees		**22**	17	**9,085**	7,306
Transaction costs		**1**	5	**21**	206
Other expenses		**6**	5	**5,072**	3,471
Total Expenses		**29**	27	**14,178**	10,983
Profit/(loss) before finance costs attributable to unitholders		**(835)**	565	**(295,415)**	347,727
Finance costs attributable to unitholders					
Distributions to unitholders	4	**-**	-	**-**	-
Increase/(decrease) in net assets attributable to unitholders	3	**(835)**	565	**(295,415)**	347,727
Profit/(loss) for the half-year attributable to unitholders		**-**	-	**-**	-
Other comprehensive income for the half-year attributable to unitholders		**-**	-	**-**	-
Total comprehensive income for the half-year attributable to unitholders		**-**	-	**-**	-

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

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Statements of Comprehensive Income (continued)

	Notes	UBS IQ MSCI USA Ethical ETF Half-year ended **31 December 2018** **$**	UBS IQ MSCI USA Ethical ETF Half-year ended 31 December 2017 $	UBS IQ MSCI World ex Australia Ethical ETF Half-year ended **31 December 2018** **$'000**	UBS IQ MSCI World ex Australia Ethical ETF Half-year ended 31 December 2017 $'000
Investment income					
Dividend/Trust distribution income		**68,848**	58,175	**467**	397
Interest income		**11**	4	**-**	-
Net gains/(losses) on financial instruments at fair value through profit or loss		**(237,596)**	477,137	**(2,599)**	3,111
Net foreign exchange gains/(losses)		**1,233**	128	**(1)**	(4)
Other income		**226**	230	**3**	2
Total Investment income/(loss)		**(167,278)**	535,674	**(2,130)**	3,506
Expenses					
Responsible Entity's fees		**7,088**	6,041	**84**	73
Transaction costs		**40**	12	**2**	2
Other expenses		**12,598**	8,612	**67**	48
Total Expenses		**19,726**	14,665	**153**	123
Profit/(loss) before finance costs attributable to unitholders		**(187,004)**	521,009	**(2,283)**	3,383
Finance costs attributable to unitholders					
Distributions to unitholders	4	**-**	-	**-**	-
Increase/(decrease) in net assets attributable to unitholders	3	**(187,004)**	521,009	**(2,283)**	3,383
Profit/(loss) for the half-year attributable to unitholders		**-**	-	**-**	-
Other comprehensive income for the half-year attributable to unitholders		**-**	-	**-**	-
Total comprehensive income for the half-year attributable to unitholders		**-**	-	**-**	-

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

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Statements of Financial Position

	Notes	UBS IQ Morningstar Australia Quality ETF As at 31 December 2018 $	UBS IQ Morningstar Australia Quality ETF As at 30 June 2018 $	UBS IQ Morningstar Australia Dividend Yield ETF As at 31 December 2018 $	UBS IQ Morningstar Australia Dividend Yield ETF As at 30 June 2018 $
Assets					
Cash and cash equivalents		**147,400**	261,616	**146,795**	378,417
Receivables		**172,944**	68,639	**65,613**	38,856
Financial assets at fair value through profit or loss	5	**7,471,989**	8,229,681	**7,927,377**	10,998,688
Total assets		**7,792,333**	8,559,936	**8,139,785**	11,415,961
Liabilities					
Distributions payable	4	**197,339**	139,616	**84,089**	253,569
Payables		**3,281**	58,606	**3,581**	59,492
Total liabilities (excluding net assets attributable to unitholders)		**200,620**	198,222	**87,670**	313,061
Net assets attributable to unitholders	3	**7,591,713**	8,361,714	**8,052,115**	11,102,900

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

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Statements of Financial Position (continued)

	Notes	UBS IQ MSCI Australia Ethical ETF As at 31 December 2018 $'000	UBS IQ MSCI Australia Ethical ETF As at 30 June 2018 $'000	UBS IQ MSCI Asia APEX 50 Ethical ETF As at 31 December 2018 $	UBS IQ MSCI Asia APEX 50 Ethical ETF As at 30 June 2018 $
Assets					
Cash and cash equivalents		**1,141**	447	**3,632**	73,091
Receivables		**418**	1,885	**30,080**	62,688
Financial assets at fair value through profit or loss	5	**175,169**	203,889	**9,956,792**	8,905,079
Total assets		**176,728**	206,221	**9,990,504**	9,040,858
Liabilities					
Distributions payable	4	**5,399**	2,783	**-**	91,730
Payables		**28**	30	**10,573**	10,913
Total liabilities (excluding net assets attributable to unitholders)		**5,427**	2,813	**10,573**	102,643
Net assets attributable to unitholders	3	**171,301**	203,408	**9,979,931**	8,938,215

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

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Statements of Financial Position (continued)

	Notes	UBS IQ MSCI Europe Ethical ETF As at 31 December 2018 $'000	UBS IQ MSCI Europe Ethical ETF As at 30 June 2018 $'000	UBS IQ MSCI Japan Ethical ETF As at 31 December 2018 $	UBS IQ MSCI Japan Ethical ETF As at 30 June 2018 $
Assets					
Cash and cash equivalents		**61**	360	**6,696**	19,430
Receivables		**65**	59	**6,969**	119,269
Financial assets at fair value through profit or loss	5	**10,197**	11,029	**4,232,059**	4,517,394
Total assets		**10,323**	11,448	**4,245,724**	4,656,093
Liabilities					
Distributions payable	4	**-**	300	**-**	83,757
Payables		**14**	24	**7,556**	45,436
Financial liabilities at fair value through profit or loss	6	**3**	3	**-**	-
Total liabilities (excluding net assets attributable to unitholders)		**17**	327	**7,556**	129,193
Net assets attributable to unitholders	3	**10,306**	11,121	**4,238,168**	4,526,900

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

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Statements of Financial Position (continued)

	Notes	UBS IQ MSCI USA Ethical ETF As at 31 December 2018 $	UBS IQ MSCI USA Ethical ETF As at 30 June 2018 $	UBS IQ MSCI World ex Australia Ethical ETF As at 31 December 2018 $'000	UBS IQ MSCI World ex Australia Ethical ETF As at 30 June 2018 $'000
Assets					
Cash and cash equivalents		**19,057**	108,096	**191**	626
Receivables		**8,909**	30,351	**100**	189
Financial assets at fair value through profit or loss	5	**6,538,628**	6,749,566	**46,132**	44,614
Total assets		**6,566,594**	6,888,013	**46,423**	45,429
Liabilities					
Distributions payable	4	**-**	139,454	**-**	916
Payables		**2,676**	10,681	**27**	91
Financial liabilities at fair value through profit or loss	6	**-**	-	**7**	4
Total liabilities (excluding net assets attributable to unitholders)		**2,676**	150,135	**34**	1,011
Net assets attributable to unitholders	3	**6,563,918**	6,737,878	**46,389**	44,418

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

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Statements of Changes in Equity

	UBS IQ Morningstar Australia Quality ETF		UBS IQ Morningstar Australia Dividend Yield ETF	
	Half-year ended		Half-year ended	
	31 December 2018	31 December 2017	**31 December 2018**	31 December 2017
	$	$	**$**	$
Total equity at the beginning of the half-year	**-**	-	**-**	-
Profit/(loss) for the half-year attributable to unitholders	**-**	-	**-**	-
Other comprehensive income for the half-year attributable to unitholders	**-**	-	**-**	-
Total comprehensive income for the half-year attributable to unitholders	**-**	-	**-**	-
Transactions with owners in their capacity as owners	**-**	-	**-**	-
Total equity at the end of the half-year	**-**	-	**-**	-

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

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

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

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Statements of Changes in Equity (continued)

	UBS IQ MSCI Australia Ethical ETF		UBS IQ MSCI Asia APEX 50 Ethical ETF	
	Half-year ended		Half-year ended	
	31 December 2018	31 December 2017	**31 December 2018**	31 December 2017
	$'000	$'000	**$**	$
Total equity at the beginning of the half-year	**-**	-	**-**	-
Profit/(loss) for the half-year attributable to unitholders	**-**	-	**-**	-
Other comprehensive income for the half-year attributable to unitholders	**-**	-	**-**	-
Total comprehensive income for the half-year attributable to unitholders	**-**	-	**-**	-
Transactions with owners in their capacity as owners	**-**	-	**-**	-
Total equity at the end of the half-year	**-**	-	**-**	-

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

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

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

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Statements of Changes in Equity (continued)

	UBS IQ MSCI Europe Ethical ETF		UBS IQ MSCI Japan Ethical ETF	
	Half-year ended		Half-year ended	
	31 December 2018	31 December 2017	**31 December 2018**	31 December 2017
	$'000	$'000	**$**	$
Total equity at the beginning of the half-year	**-**	-	**-**	-
Profit/(loss) for the half-year attributable to unitholders	**-**	-	**-**	-
Other comprehensive income for the half-year attributable to unitholders	**-**	-	**-**	-
Total comprehensive income for the half-year attributable to unitholders	**-**	-	**-**	-
Transactions with owners in their capacity as owners	**-**	-	**-**	-
Total equity at the end of the half-year	**-**	-	**-**	-

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

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

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

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Statements of Changes in Equity (continued)

	UBS IQ MSCI USA Ethical ETF		UBS IQ MSCI World ex Australia Ethical ETF	
	Half-year ended		Half-year ended	
	31 December 2018	31 December 2017	**31 December 2018**	31 December 2017
	$	$	**$'000**	$'000
Total equity at the beginning of the half-year	**-**	-	**-**	-
Profit/(loss) for the half-year attributable to unitholders	**-**	-	**-**	-
Other comprehensive income for the half-year attributable to unitholders	**-**	-	**-**	-
Total comprehensive income for the half-year attributable to unitholders	**-**	-	**-**	-
Transactions with owners in their capacity as owners	**-**	-	**-**	-
Total equity at the end of the half-year	**-**	-	**-**	-

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

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

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

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Statements of Cash Flows

	UBS IQ Morningstar Australia Quality ETF		UBS IQ Morningstar Australia Dividend Yield ETF	
	Half-year ended		Half-year ended	
	31 December 2018	31 December 2017	**31 December 2018**	31 December 2017
	$	$	**$**	$
Cash flows from operating activities				
Proceeds from sale of financial instruments at fair value through profit or loss	**2,064,644**	5,271,411	**1,959,041**	7,904,927
Purchase of financial instruments at fair value through profit or loss	**(2,274,753)**	(5,560,798)	**(2,117,329)**	(8,272,823)
Dividends/Trust distributions received	**223,770**	598,791	**240,875**	717,286
Interest received	**22**	-	**27**	84
Other income received	**68**	-	**1,797**	170
Responsible Entity's fees paid	**(12,647)**	(33,430)	**(15,791)**	(42,423)
Payments for other expenses	**(455)**	(1,902)	**(1,770)**	(3,798)
Net cash inflows/(outflows) from operating activities	**649**	274,072	**66,850**	303,423
Cash flows from financing activities				
Proceeds from applications by unitholders(i)	**-**	-	**2**	-
Payments for redemptions by unitholders(i)	**-**	-	**(418)**	-
Distributions paid	**(114,865)**	(416,813)	**(298,056)**	(190,196)
Net cash inflows/(outflows) from financing activities	**(114,865)**	(416,813)	**(298,472)**	(190,196)
Net increase/(decrease) in cash and cash equivalents	**(114,216)**	(142,741)	**(231,622)**	113,227
Cash and cash equivalents at the beginning of the half-year	**261,616**	300,028	**378,417**	104,891
Cash and cash equivalents at the end of the half-year	**147,400**	157,287	**146,795**	218,118

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

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

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Statements of Cash Flows (continued)

	UBS IQ MSCI Australia Ethical ETF		UBS IQ MSCI Asia APEX 50 Ethical ETF	
	Half-year ended		Half-year ended	
	31 December 2018	31 December 2017	**31 December 2018**	31 December 2017
	$'000	$'000	**$**	$
Cash flows from operating activities				
Proceeds from sale of financial instruments at fair value through profit or loss	**4,503**	1,285	**479,666**	3,322,871
Purchase of financial instruments at fair value through profit or loss	**(9,409)**	(5,025)	**(2,580,884)**	(8,050,232)
Dividends/Trust distributions received	**5,915**	5,098	**133,758**	61,087
Interest received	**1**	1	**2**	2
Net foreign exchange gains/(losses)	**-**	(1)	**(14,020)**	(37,176)
Other income received	**-**	-	**7,133**	24,397
Responsible Entity's fees paid	**(165)**	(144)	**(22,224)**	(10,433)
Payments for other expenses	**(1)**	-	**(4,414)**	(12,063)
Net cash inflows/(outflows) from operating activities	**844**	1,214	**(2,000,983)**	(4,701,547)
Cash flows from financing activities				
Proceeds from applications by unitholders(i)	**2**	-	**2,013,512**	7,904,218
Payments for redemptions by unitholders(i)	**(40)**	-	**-**	(3,187,563)
Distributions paid	**(112)**	(101)	**(82,054)**	(13,899)
Net cash inflows/(outflows) from financing activities	**(150)**	(101)	**1,931,458**	4,702,756
Net increase/(decrease) in cash and cash equivalents	**694**	1,113	**(69,525)**	1,209
Cash and cash equivalents at the beginning of the half-year	**447**	464	**73,091**	6,324
Effects of foreign exchange rate changes on cash and cash equivalents	**-**	-	**66**	58
Cash and cash equivalents at the end of the half-year	**1,141**	1,577	**3,632**	7,591

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

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

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Statements of Cash Flows (continued)

	UBS IQ MSCI Europe Ethical ETF		UBS IQ MSCI Japan Ethical ETF	
	Half-year ended		Half-year ended	
	31 December 2018	31 December 2017	**31 December 2018**	31 December 2017
	$'000	$'000	**$**	$
Cash flows from operating activities				
Proceeds from sale of financial instruments at fair value through profit or loss	**241**	272	**166,082**	84,357
Purchase of financial instruments at fair value through profit or loss	**(328)**	(2,259)	**(138,530)**	(1,008,180)
Dividends/Trust distributions received	**87**	57	**45,441**	29,368
Net foreign exchange gains/(losses)	**2**	6	**177**	11,412
Other income received	**1**	3	**166**	55
Responsible Entity's fees paid	**(23)**	(16)	**(9,161)**	(6,855)
Payments for other expenses	**-**	(4)	**-**	-
Net cash inflows/(outflows) from operating activities	**(20)**	(1,941)	**64,175**	(889,843)
Cash flows from financing activities				
Proceeds from applications by unitholders(i)	**-**	2,089	**-**	919,471
Distributions paid	**(280)**	(182)	**(77,074)**	(44,029)
Net cash inflows/(outflows) from financing activities	**(280)**	1,907	**(77,074)**	875,442
Net increase/(decrease) in cash and cash equivalents	**(300)**	(34)	**(12,899)**	(14,401)
Cash and cash equivalents at the beginning of the half-year	**360**	72	**19,430**	15,436
Effects of foreign exchange rate changes on cash and cash equivalents	**1**	(1)	**165**	138
Cash and cash equivalents at the end of the half-year	**61**	37	**6,696**	1,173

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

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

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Statements of Cash Flows (continued)

	UBS IQ MSCI USA Ethical ETF		UBS IQ MSCI World ex Australia Ethical ETF	
	Half-year ended		Half-year ended	
	31 December 2018	31 December 2017	**31 December 2018**	31 December 2017
	$	$	**$'000**	$'000
Cash flows from operating activities				
Proceeds from sale of financial instruments at fair value through profit or loss	**150,488**	165,656	**664**	2,750
Purchase of financial instruments at fair value through profit or loss	**(163,020)**	(93,186)	**(4,752)**	(4,465)
Dividends/Trust distributions received	**57,493**	49,214	**405**	341
Interest received	**11**	4	**-**	-
Net foreign exchange gains/(losses)	**1,042**	274	**(4)**	(3)
Other income received	**199**	226	**3**	2
Responsible Entity's fees paid	**(7,085)**	(5,939)	**(83)**	(71)
Payments for other expenses	**(1,948)**	(216)	**(9)**	(1)
Net cash inflows/(outflows) from operating activities	**37,180**	116,033	**(3,776)**	(1,447)
Cash flows from financing activities				
Proceeds from applications by unitholders(i)	**-**	-	**3,873**	3,810
Payments for redemptions by unitholders(i)	**-**	-	**-**	(2,000)
Distributions paid	**(126,410)**	(114,650)	**(535)**	(341)
Net cash inflows/(outflows) from financing activities	**(126,410)**	(114,650)	**3,338**	1,469
Net increase/(decrease) in cash and cash equivalents	**(89,230)**	1,383	**(438)**	22
Cash and cash equivalents at the beginning of the half-year	**108,096**	7,570	**626**	132
Effects of foreign exchange rate changes on cash and cash equivalents	**191**	(146)	**3**	(1)
Cash and cash equivalents at the end of the half-year	**19,057**	8,807	**191**	153

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

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

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1 General Information

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

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

The financial statements of the Funds for the half-year ended 31 December 2018 were authorised for issue in accordance with a resolution of the directors of the Responsible Entity dated 7 March 2019. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

The financial statements are presented in Australian dollars.

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

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

2 Basis of preparation of interim financial report

These general purpose financial statements for the half-year ended 31 December 2018 have been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standard AASB 134 *Interim Financial Reporting.*

The interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2018 and any continuous disclosure requirements of the *Corporations Act 2001*.

(a) New accounting standards and interpretations

The accounting policies in these interim financial statements are the same as those applied in the Funds' financial statements for the year ended 30 June 2018.

The Funds apply, for the first time, AASB 9 *Financial Instruments* and AASB 15 *Revenue from Contracts with Customers.* Accounting implications resulting from the application AASB9 and AASB15 are disclosed below.

- AASB 9 *Financial Instruments*

AASB 9 *Financial Instruments* became effective for financial years commencing on or after 1 January 2018. AASB 9 replaces AASB 139 *Financial Instruments: Recognition and Measurement,* including the following three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting. The Funds do not hold debt securities.

2 Basis of preparation of interim financial report (continued)

(a) New accounting standards and interpretations (continued)

(i) Classification and measurement

Classification and measurement of debt securities is driven by the Funds' business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

A debt instrument is measured at amortised cost if the objective of the business model is to hold the financial asset for the collection of the contractual cash flows and the contractual cash flows under the instrument represent solely payments of principal and interest (SPPI).

A debt instrument is measured at fair value through other comprehensive income if the objective of the business model is to hold the financial asset both to collect contractual cash flows from SPPI and to sell.

All other debt instruments must be recognised at fair value through profit or loss. A Fund may however, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

Derivative and equity instruments are measured at fair value through profit or loss unless, for equity instruments not held for trading, an irrevocable option is taken to measure at fair value through other comprehensive income.

Assets

The Funds classify their investments based on their business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The Funds' portfolio of financial assets is managed and performance is evaluated on a fair value basis in accordance with the Funds' documented investment strategy. The Responsible Entity evaluates the information about these financial assets on a fair value basis together with other related financial information.

For equity securities and derivatives such as futures and foreign currency contracts, the contractual cash flows of these instruments do not represent solely payments of principal and interest. Consequently, these investments are measured at fair value through profit or loss.

The Funds hold equity securities and unit trusts which had previously been designated at fair value through profit or loss. On adoption of AASB 9 these securities are mandatorily classified as fair value through profit or loss.

The Funds hold derivatives which had previously been held for trading. On adoption of AASB 9 these securities are mandatorily classified as fair value through profit or loss.

For other receivables and payables, including amounts due to/from brokers, these balances are classified at amortised cost as they are deemed to be held in a business model with the objective to collect contractual cash flows through to maturity, and whose terms meet the SPPI criterion by virtue of the fact that payments pertain to only principal and/or simple interest and have a maturity of less than 12 months.

Liabilities

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

The Funds hold derivatives which had previously been held for trading. On adoption of AASB 9 these securities are mandatorily classified as fair value through profit or loss.

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2 Basis of preparation of interim financial report (continued)

(a) New accounting standards and interpretations (continued)

(i) Classification and measurement (continued)

Measurement

At initial recognition, the Funds measure financial assets and financial liabilities at fair value, plus in the case of a financial asset or liability not measured at fair value through profit or loss, transaction costs.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the financial assets or financial liabilities at fair value through profit or loss category are presented in the Statement of Comprehensive Income within 'Net gains/(losses) on financial instruments at fair value through profit or loss' in the period in which they arise.

For further details on how the fair values of financial instruments are determined please see note 7 to the financial statements.

Subsequent to initial recognition, financial assets and liabilities measured at amortised cost will use the effective interest rate method and are presented net of provisions for impairment.

(ii) Impairment

AASB 9 also introduces a new expected credit loss (ECL) approach to recognise and measure impairment, which replaces AASB 139's incurred loss approach. AASB 9 require the Funds to record an allowance for ECLs for all financial assets not held at fair value through profit or loss.

The ECL approach is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Funds expect to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

For receivables, due from brokers, margin accounts and applications receivable, the Funds have applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Funds have established a provision matrix that is based on the Funds' historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Funds consider a financial asset in default when contractual payment are 90 days past due. However, in certain cases, the Funds may also consider a financial asset to be in default when internal or external information indicates that the Funds are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Funds.

There was no material impact to the Funds upon adoption of the ECL requirements of AASB 9.

(iii) Hedge accounting

The Funds do not apply hedge accounting.

(iv) Investment income

Interest income from financial assets at amortised cost is recognised on a time-proportionate basis using the effective interest method and includes interest from cash and cash equivalents.

Dividend and distribution income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income within Dividend and distribution income when the Funds' right to receive payments is established.

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2 Basis of preparation of interim financial report (continued)

(a) New accounting standards and interpretations (continued)

(v) Derecognition

Accounting for derecognition of financial instruments remain unchanged from the requirements of AASB 139.

- AASB 15 *Revenue from Contracts with Customers*

AASB 15 replaces AASB 118 *Revenue* which covers contracts for goods and services and AASB 111 *Construction Contracts* which covers construction contracts. AASB 15 is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The notion of control replaces the existing notion of risks and rewards.

The Funds' main sources of income include interest, dividend/distribution and gains on financial instruments held at fair value through profit or loss. All of these are outside the scope of the new revenue standard. As a consequence, the adoption of AASB 15 does not have a significant impact on the Funds' accounting policies or the amounts recognised in the financial statements.

Compliance with International Financial Reporting Standards

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

Comparative information

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

Rounding of amounts

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

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3 Net assets attributable to unitholders

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

	Half-year ended			
	31 December 2018	31 December 2017	**31 December 2018**	31 December 2017
UBS IQ Morningstar Australia Quality ETF	**No.**	No.	**$**	$
Net assets attributable to unitholders - quoted class				
Opening balance	**410,483**	1,351,517	**8,361,714**	27,460,668
Redemptions*	**-**	(850,000)	**-**	(16,930,268)
Units issued upon reinvestment of distributions	**1,214**	7,917	**24,751**	161,846
Increase/(decrease) in net assets attributable to unitholders	**-**	-	**(794,752)**	7,203
Closing balance	**411,697**	509,434	**7,591,713**	10,699,449
Total net assets attributable to unitholders			**7,591,713**	10,699,449

	Half-year ended			
	31 December 2018	31 December 2017	**31 December 2018**	31 December 2017
UBS IQ Morningstar Australia Dividend Yield ETF	**No.**	No.	**$**	$
Net assets attributable to unitholders - quoted class				
Opening balance	**547,447**	1,356,749	**11,102,900**	27,548,842
Applications*	**50,000**	50,000	**936,100**	1,014,409
Redemptions*	**(150,000)**	(100,000)	**(2,890,234)**	(2,119,990)
Units issued upon reinvestment of distributions	**3,952**	26,238	**80,088**	523,776
Increase/(decrease) in net assets attributable to unitholders	**-**	-	**(1,176,739)**	1,348,322
Closing balance	**451,399**	1,332,987	**8,052,115**	28,315,359
Total net assets attributable to unitholders			**8,052,115**	28,315,359

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3 Net assets attributable to unitholders (continued)

	Half-year ended			
	31 December 2018	31 December 2017	**31 December 2018**	31 December 2017
UBS IQ MSCI Australia Ethical ETF	**No. '000**	No. '000	**$'000**	$'000
Net assets attributable to unitholders - quoted class				
Opening balance	**9,752**	8,289	**203,408**	159,456
Applications*	**100**	500	**2,060**	9,726
Redemptions*	**(900)**	(150)	**(18,709)**	(2,967)
Units issued upon reinvestment of distributions	**129**	109	**2,671**	2,084
Increase/(decrease) in net assets attributable to unitholders	**-**	-	**(18,129)**	8,642
Closing balance	**9,081**	8,748	**171,301**	176,941
Total net assets attributable to unitholders			**171,301**	176,941

	Half-year ended			
	31 December 2018	31 December 2017	**31 December 2018**	31 December 2017
UBS IQ MSCI Asia APEX 50 Ethical ETF	**No.**	No.	**$**	$
Net assets attributable to unitholders - quoted class				
Opening balance	**350,075**	175,058	**8,938,215**	3,870,209
Applications	**80,000**	300,000	**2,013,512**	7,904,218
Redemptions	**-**	(125,000)	**-**	(3,187,563)
Units issued upon reinvestment of distributions	**378**	17	**9,676**	378
Increase/(decrease) in net assets attributable to unitholders	**-**	-	**(981,472)**	305,135
Closing balance	**430,453**	350,075	**9,979,931**	8,892,377
Total net assets attributable to unitholders			**9,979,931**	8,892,377

	Half-year ended			
	31 December 2018	31 December 2017	**31 December 2018**	31 December 2017
UBS IQ MSCI Europe Ethical ETF	**No. '000**	No. '000	**$'000**	$'000
Net assets attributable to unitholders - quoted class				
Opening balance	**517**	376	**11,121**	7,579
Applications	**-**	100	**-**	2,089
Units issued upon reinvestment of distributions	**1**	1	**20**	13
Increase/(decrease) in net assets attributable to unitholders	**-**	-	**(835)**	565
Closing balance	**518**	477	**10,306**	10,246
Total net assets attributable to unitholders			**10,306**	10,246

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3 Net assets attributable to unitholders (continued)

	Half-year ended			
	31 December 2018	31 December 2017	**31 December 2018**	31 December 2017
UBS IQ MSCI Japan Ethical ETF	**No.**	No.	**$**	$
Net assets attributable to unitholders - quoted class				
Opening balance	**190,436**	150,224	**4,526,900**	3,178,178
Applications	**-**	40,000	**-**	919,471
Units issued upon reinvestment of distributions	**284**	212	**6,683**	4,472
Increase/(decrease) in net assets attributable to unitholders	**-**	-	**(295,415)**	347,727
Closing balance	**190,720**	190,436	**4,238,168**	4,449,848
Total net assets attributable to unitholders			**4,238,168**	4,449,848

	Half-year ended			
	31 December 2018	31 December 2017	**31 December 2018**	31 December 2017
UBS IQ MSCI USA Ethical ETF	**No.**	No.	**$**	$
Net assets attributable to unitholders - quoted class				
Opening balance	**250,398**	250,147	**6,737,878**	5,790,727
Units issued upon reinvestment of distributions	**479**	251	**13,044**	5,842
Increase/(decrease) in net assets attributable to unitholders	**-**	-	**(187,004)**	521,009
Closing balance	**250,877**	250,398	**6,563,918**	6,317,578
Total net assets attributable to unitholders			**6,563,918**	6,317,578

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3 Net assets attributable to unitholders (continued)

	Half-year ended			
	31 December 2018	31 December 2017	**31 December 2018**	31 December 2017
UBS IQ MSCI World ex Australia Ethical ETF	**No. '000**	No. '000	**$'000**	$'000
Net assets attributable to unitholders - quoted class				
Opening balance	**1,162**	875	**29,175**	19,429
Applications	**150**	165	**3,857**	3,791
Units issued upon reinvestment of distributions	**3**	2	**67**	35
Increase/(decrease) in net assets attributable to unitholders	**-**	-	**(1,580)**	1,831
Closing balance	**1,315**	1,042	**31,519**	25,086
Net assets attributable to unitholders - Unquoted class				
Opening balance	**607**	791	**15,243**	17,545
Applications	**1**	1	**16**	19
Redemptions	**-**	(82)	**-**	(2,000)
Units issued upon reinvestment of distributions	**12**	15	**314**	339
Increase/(decrease) in net assets attributable to unitholders	**-**	-	**(703)**	1,552
Closing balance	**620**	725	**14,870**	17,455
Total net assets attributable to unitholders			**46,389**	42,541

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

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

Two classes of units in the Funds may be offered. One class is quoted and traded on the AQUA market of the ASX. This is reflected in the current Product Disclosure Statements. The other class is an unquoted class that is available to wholesale investors only. As at 31 December 2018 and 31 December 2017, the unquoted class of investors were nil for UBS IQ Morningstar Australia Quality ETF, UBS IQ Morningstar Australia Dividend Yield ETF, UBS IQ MSCI Australia Ethical ETF, UBS IQ MSCI Asia APEX 50 Ethical ETF, UBS IQ MSCI Europe Ethical ETF, UBS IQ MSCI Japan Ethical ETF and UBS IQ MSCI USA Ethical ETF.

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4 Distributions to unitholders

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

	Half-year ended			
	31 December 2018	**31 December 2018**	31 December 2017	31 December 2017
UBS IQ Morningstar Australia Quality ETF	**$**	**CPU**	$	CPU
Distributions - quoted class				
11 October	**-**	**-**	294,497	21.67
31 December (payable)	**197,339**	**47.93**	155,211	30.47
	197,339	**47.93**	449,708	52.14
Total distributions	**197,339**		449,708	

	Half-year ended			
	31 December 2018	**31 December 2018**	31 December 2017	31 December 2017
UBS IQ Morningstar Australia Dividend Yield ETF	**$**	**CPU**	$	CPU
Distributions - quoted class				
30 September	**124,577**	**24.91**	475,476	33.59
31 December (payable)	**84,089**	**18.63**	153,877	11.54
	208,666	**43.54**	629,353	45.13
Total distributions	**208,666**		629,353	

	Half-year ended			
	31 December 2018	**31 December 2018**	31 December 2017	31 December 2017
UBS IQ MSCI Australia Ethical ETF	**$'000**	**CPU**	$'000	CPU
Distributions - quoted class				
31 December (payable)	**5,399**	**59.46**	4,754	54.35
	5,399	**59.46**	4,754	54.35
Total distributions	**5,399**		4,754	

	Half-year ended			
	31 December 2018	**31 December 2018**	31 December 2017	31 December 2017
UBS IQ MSCI Asia APEX 50 Ethical ETF*	**$**	**CPU**	$	CPU
Distributions - quoted class				
	-	**-**	-	-
Total distributions	**-**		-	

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4 Distributions to unitholders (continued)

	Half-year ended			
	31 December 2018	**31 December 2018**	31 December 2017	31 December 2017
UBS IQ MSCI Europe Ethical ETF*	**$'000**	**CPU**	$'000	CPU
Distributions - quoted class				
	-	**-**	-	-
Total distributions	**-**		-	

	Half-year ended			
	31 December 2018	**31 December 2018**	31 December 2017	31 December 2017
UBS IQ MSCI Japan Ethical ETF*	**$**	**CPU**	$	CPU
Distributions - quoted class				
	-	**-**	-	-
Total distributions	**-**		-	

	Half-year ended			
	31 December 2018	**31 December 2018**	31 December 2017	31 December 2017
UBS IQ MSCI USA Ethical ETF*	**$**	**CPU**	$	CPU
Distributions - quoted class				
	-	**-**	-	-
Total distributions	**-**		-	

	Half-year ended			
	31 December 2018	**31 December 2018**	31 December 2017	31 December 2017
UBS IQ MSCI World ex Australia Ethical ETF*	**$'000**	**CPU**	$'000	CPU
Distributions - quoted class				
	-	**-**	-	-
Distributions - Unquoted class				
	-	**-**	-	-
Total distributions	**-**		-	

* UBS IQ MSCI Asia APEX 50 Ethical ETF, UBS IQ MSCI Europe Ethical ETF, UBS IQ MSCI Japan Ethical ETF, UBS IQ MSCI USA Ethical ETF and UBS IQ MSCI World ex Australia Ethical ETF distribute on annual basis as per current Product Disclosure Statements. As a result, there is no distribution for the half-year ended 31 December 2018.

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5 Financial assets at fair value through profit or loss

	UBS IQ Morningstar Australia Quality ETF		UBS IQ Morningstar Australia Dividend Yield ETF	
	As at		As at	
	31 December 2018	30 June 2018	**31 December 2018**	30 June 2018
	$	$	**$**	$
Financial assets at fair value through profit or loss				
Derivatives	**375**	2,600	**375**	2,600
Listed equities	**6,256,725**	7,214,509	**7,927,002**	10,996,088
Listed unit trusts	**1,214,889**	1,012,572	**-**	-
Total financial assets at fair value through profit or loss	**7,471,989**	8,229,681	**7,927,377**	10,998,688

	UBS IQ MSCI Australia Ethical ETF		UBS IQ MSCI Asia APEX 50 Ethical ETF	
	As at		As at	
	31 December 2018	30 June 2018	**31 December 2018**	30 June 2018
	$'000	$'000	**$**	$
Financial assets at fair value through profit or loss				
Derivatives	**1**	28	**-**	4
Listed equities	**163,184**	191,111	**9,956,792**	8,905,075
Listed unit trusts	**11,984**	12,750	**-**	-
Total financial assets at fair value through profit or loss	**175,169**	203,889	**9,956,792**	8,905,079

	UBS IQ MSCI Europe Ethical ETF		UBS IQ MSCI Japan Ethical ETF	
	As at		As at	
	31 December 2018	30 June 2018	**31 December 2018**	30 June 2018
	$'000	$'000	**$**	$
Financial assets at fair value through profit or loss				
Derivatives	**-**	-	**-**	273
Listed equities	**10,109**	10,924	**4,177,957**	4,467,241
Listed unit trusts	**88**	105	**54,102**	49,880
Total financial assets at fair value through profit or loss	**10,197**	11,029	**4,232,059**	4,517,394

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

	UBS IQ MSCI USA Ethical ETF		UBS IQ MSCI World ex Australia Ethical ETF	
	As at		As at	
	31 December 2018	30 June 2018	**31 December 2018**	30 June 2018
	$	$	**$'000**	$'000
Financial assets at fair value through profit or loss				
Derivatives	**-**	5	**-**	-
Listed equities	**6,334,462**	6,550,330	**45,044**	43,608
Listed unit trusts	**204,166**	199,231	**1,088**	1,006
Total financial assets at fair value through profit or loss	**6,538,628**	6,749,566	**46,132**	44,614

6 Financial liabilities at fair value through profit or loss

	UBS IQ Morningstar Australia Quality ETF		UBS IQ Morningstar Australia Dividend Yield ETF	
	As at		As at	
	31 December 2018	30 June 2018	**31 December 2018**	30 June 2018
	$	$	**$**	$
Financial liabilities at fair value through profit or loss				
Total financial liabilities at fair value through profit or loss	**-**	-	**-**	-

	UBS IQ MSCI Australia Ethical ETF		UBS IQ MSCI Asia APEX 50 Ethical ETF	
	As at		As at	
	31 December 2018	30 June 2018	**31 December 2018**	30 June 2018
	$'000	$'000	**$**	$
Financial liabilities at fair value through profit or loss				
Total financial liabilities at fair value through profit or loss	**-**	-	**-**	-

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

	UBS IQ MSCI Europe Ethical ETF		UBS IQ MSCI Japan Ethical ETF	
	As at		As at	
	31 December 2018	30 June 2018	**31 December 2018**	30 June 2018
	$'000	$'000	**$**	$
Financial liabilities at fair value through profit or loss				
Derivatives	**3**	3	**-**	-
Total financial liabilities at fair value through profit or loss	**3**	3	**-**	-

	UBS IQ MSCI USA Ethical ETF		UBS IQ MSCI World ex Australia Ethical ETF	
	As at		As at	
	31 December 2018	30 June 2018	**31 December 2018**	30 June 2018
	$	$	**$'000**	$'000
Financial liabilities at fair value through profit or loss				
Derivatives	**-**	-	**7**	4
Total financial liabilities at fair value through profit or loss	**-**	-	**7**	4

7 Fair value measurement

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

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

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

(a) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

(b) Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly; and

(c) Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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7 Fair value measurement (continued)

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

All fair value measurements disclosed are recurring fair value measurements.

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

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

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

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

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

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

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

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

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

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

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

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

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7 Fair value measurement (continued)

Recognised fair value measurement

The table below sets out the Funds' financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at 31 December 2018 and 30 June 2018.

UBS IQ Morningstar Australia Quality ETF

	As at 31 December 2018				As at 30 June 2018			
	Level 1	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
	$	**$**	**$**	**$**	$	$	$	$
Financial assets at fair value through profit or loss								
Australian share price index futures	**375**	**-**	**-**	**375**	2,600	-	-	2,600
Listed equities	**6,256,725**	**-**	**-**	**6,256,725**	7,214,509	-	-	7,214,509
Listed unit trusts	**1,214,889**	**-**	**-**	**1,214,889**	1,012,572	-	-	1,012,572
Total	**7,471,989**	**-**	**-**	**7,471,989**	8,229,681	-	-	8,229,681

UBS IQ Morningstar Australia Dividend Yield ETF

	As at 31 December 2018				As at 30 June 2018			
	Level 1	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
	$	**$**	**$**	**$**	$	$	$	$
Financial assets at fair value through profit or loss								
Australian share price index futures	**375**	**-**	**-**	**375**	2,600	-	-	2,600
Listed equities	**7,927,002**	**-**	**-**	**7,927,002**	10,996,088	-	-	10,996,088
Total	**7,927,377**	**-**	**-**	**7,927,377**	10,998,688	-	-	10,998,688

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7 Fair value measurement (continued)

Recognised fair value measurement (continued)

UBS IQ MSCI Australia Ethical ETF

	As at 31 December 2018				As at 30 June 2018			
	Level 1	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
	$'000	**$'000**	**$'000**	**$'000**	$'000	$'000	$'000	$'000
Financial assets at fair value through profit or loss								
Australian share price index futures	**1**	**-**	**-**	**1**	28	-	-	28
Listed equities	**163,184**	**-**	**-**	**163,184**	191,111	-	-	191,111
Listed unit trusts	**11,984**	**-**	**-**	**11,984**	12,750	-	-	12,750
Total	**175,169**	**-**	**-**	**175,169**	203,889	-	-	203,889

UBS IQ MSCI Asia APEX 50 Ethical ETF

	As at 31 December 2018				As at 30 June 2018			
	Level 1	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
	$	**$**	**$**	**$**	$	$	$	$
Financial assets at fair value through profit or loss								
Foreign currency contracts	**-**	**-**	**-**	**-**	-	4	-	4
Listed equities	**9,956,792**	**-**	**-**	**9,956,792**	8,905,075	-	-	8,905,075
Total	**9,956,792**	**-**	**-**	**9,956,792**	8,905,075	4	-	8,905,079

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7 Fair value measurement (continued)

Recognised fair value measurement (continued)

UBS IQ MSCI Europe Ethical ETF

	As at 31 December 2018				As at 30 June 2018			
	Level 1 $'000	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets at fair value through profit or loss								
Listed equities	**10,109**	**-**	**-**	**10,109**	10,924	-	-	10,924
Listed unit trusts	**88**	**-**	**-**	**88**	105	-	-	105
Total	**10,197**	**-**	**-**	**10,197**	11,029	-	-	11,029
Financial liabilities at fair value through profit or loss								
International share price index futures	**3**	**-**	**-**	**3**	3	-	-	3
Total	**3**	**-**	**-**	**3**	3	-	-	3

UBS IQ MSCI Japan Ethical ETF

	As at 31 December 2018				As at 30 June 2018			
	Level 1 $	**Level 2 $**	**Level 3 $**	**Total $**	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets at fair value through profit or loss								
Foreign currency contracts	**-**	**-**	**-**	**-**	-	273	-	273
Listed equities	**4,177,957**	**-**	**-**	**4,177,957**	4,467,241	-	-	4,467,241
Listed unit trusts	**54,102**	**-**	**-**	**54,102**	49,880	-	-	49,880
Total	**4,232,059**	**-**	**-**	**4,232,059**	4,517,121	273	-	4,517,394

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7 Fair value measurement (continued)

Recognised fair value measurement (continued)

	UBS IQ MSCI USA Ethical ETF							
	As at 31 December 2018				As at 30 June 2018			
	Level 1	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
	$	**$**	**$**	**$**	$	$	$	$
Financial assets at fair value through profit or loss								
Foreign currency contracts	**-**	**-**	**-**	**-**	-	5	-	5
Listed equities	**6,334,462**	**-**	**-**	**6,334,462**	6,550,330	-	-	6,550,330
Listed unit trusts	**204,166**	**-**	**-**	**204,166**	199,231	-	-	199,231
Total	**6,538,628**	**-**	**-**	**6,538,628**	6,749,561	5	-	6,749,566

	UBS IQ MSCI World ex Australia Ethical ETF							
	As at 31 December 2018				As at 30 June 2018			
	Level 1	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
	$'000	**$'000**	**$'000**	**$'000**	$'000	$'000	$'000	$'000
Financial assets at fair value through profit or loss								
Listed equities	**45,044**	**-**	**-**	**45,044**	43,608	-	-	43,608
Listed unit trusts	**1,088**	**-**	**-**	**1,088**	1,006	-	-	1,006
Total	**46,132**	**-**	**-**	**46,132**	44,614	-	-	44,614
Financial liabilities at fair value through profit or loss								
International share price index futures	**7**	**-**	**-**	**7**	4	-	-	4
Total	**7**	**-**	**-**	**7**	4	-	-	4

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

(i) Transfers between levels

There have been no transfers between levels for the half-year ended 31 December 2018 and year ended 30 June 2018. There were also no changes made to any of the valuation techniques applied as at 30 June 2018.

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

The Funds did not hold any financial instruments with fair value measurements using significant unobservable inputs during the half-year ended 31 December 2018 or year ended 30 June 2018.

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7 Fair value measurement (continued)

Recognised fair value measurement (continued)

(iii) Fair values of other financial instruments

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

8 Events occurring after the reporting period

No significant events have occurred since 31 December 2018 and up to the date of this report that the Funds have not otherwise dealt within the financial report that has significantly affected or may significantly affect the Funds (30 June 2018: Nil).

9 Contingent assets and liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 31 December 2018 (30 June 2018: Nil).

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Directors' Declaration

In the opinion of the directors of the Responsible Entity:

(a) the financial statements and notes set out on pages 8 to 42 are in accordance with the *Corporations Act 2001*, including:

  (i) complying with AASB 134 *Interim Financial Reporting,* the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

  (ii) giving a true and fair view of the Funds' financial position as at 31 December 2018 and of their performance, as represented by the results of their operations and cash flows, for the half-year ended on that date.

(b) there are reasonable grounds to believe that the Funds will be able to pay their debts as and when they become due and payable.

(c) the financial statements are in accordance with the Funds' Constitutions.

(d) the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as disclosed in Note 2.

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

B J Doherty
Chairman

A L Anderson
Director

Sydney
7 March 2019

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Review Report for the UBS Exchange Traded Funds

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

Report on the Half-Year Financial Report

For the following Funds

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

Conclusion

We have reviewed the accompanying half-year financial report of the Funds, which comprises the Statements of Financial Position as at 31 December 2018, the Statements of Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' Declaration.

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

a) giving a true and fair view of the Funds' financial positions as at 31 December 2018 and of their financial performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Funds' financial positions as at 31 December 2018 and their financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Funds, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Ernst & Young

Graeme McKenzie
Partner
Sydney
7 March 2019

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