

# Semi-Annual Report 2005/2006.

**Investment Fund under Luxembourg Law**

**Unaudited semi-annual report as of 31 May 2006**

UBS (Lux) Equity Fund – Health Care



# UBS (Lux) Equity Fund – Health Care

Semi-Annual Report as of 31 May 2006

## Most important figures

Date	ISIN	31.5.2006	30.11.2005	30.11.2004
Net assets in USD		343 294 938.40	300 278 808.33	202 064 088.46
<b>Class B</b>	<b>LU0085953304</b>			
Units outstanding		2 897 718.1400	2 603 651.1180	1 995 240.1810
Net asset value per unit in USD		118.47	115.33	101.27
<b>Class BG</b>	<b>LU0168506243</b>			
Units outstanding		N/A	109.7160	1 000.0000
Net asset value per unit in USD		N/A	11.24	10.09

## Structure of the Securities Portfolio

### Geographical Breakdown as a % of net assets

United States	60.96
Switzerland	20.77
United Kingdom	8.34
France	4.62
Japan	2.06
Germany	1.67
<b>Total</b>	<b>98.42</b>

### Economic Breakdown as a % of net assets

Pharmaceuticals, cosmetics & medical products	72.76
Biotechnology	13.92
Healthcare & social services	7.22
Finance & holding companies	2.82
Electronics & semiconductors	1.70
<b>Total</b>	<b>98.42</b>

## Statement of Net Assets

	<b>USD</b>
<b>Assets</b>	<b>31.5.2006</b>
Investments in securities, cost	301 326 486.65
Investments in securities, unrealized appreciation (depreciation)	36 540 578.25
<b>Total investments in securities (Note 1)</b>	<b>337 867 064.90</b>
Cash at banks, deposits on demand and deposit accounts	6 559 811.51
Receivable on subscriptions	1 054 039.25
Interest receivable on liquid assets	16 604.37
Receivable on dividends	528 137.37
<b>Total Assets</b>	<b>346 025 657.40</b>
<b>Liabilities</b>	
Payable on redemptions	–2 406 326.08
Provisions for all-in fee (Note 2)	–295 627.78
Provisions for tax d'abonnement (Note 3)	–28 765.14
<b>Total provisions</b>	<b>–324 392.92</b>
<b>Total Liabilities</b>	<b>–2 730 719.00</b>
<b>Net assets at the end of the period</b>	<b>343 294 938.40</b>

## Statement of Operations

	<b>USD</b>
<b>Income</b>	<b>1.12.2005–31.5.2006</b>
Net interest on liquid assets and bank overdraft	105 919.31
Dividends	2 130 047.48
Income on securities lending (Note 4)	68 870.38
<b>Total income</b>	<b>2 304 837.17</b>
<b>Expenses</b>	
All-in fee (Note 2)	–3 401 905.47
Taxe d'abonnement (Note 3)	–89 861.08
<b>Total expenses</b>	<b>–3 491 766.55</b>
<b>Net income on investments</b>	<b>–1 186 929.38</b>
<b>Realized gain (loss) (Note 1)</b>	
Realized gain (loss) on market-priced securities without options	7 394 164.27
Realized gain (loss) on options	447 480.00
<b>Total realized gain (loss) on investments</b>	<b>7 841 644.27</b>
Realized gain (loss) on foreign exchange	48 319.66
<b>Total realized gain (loss)</b>	<b>7 889 963.93</b>
<b>Net realized gain (loss) of the period</b>	<b>6 703 034.55</b>
<b>Changes in unrealized appreciation (depreciation)</b>	
Unrealized appreciation (depreciation) on market-priced securities without options	853 091.39
Unrealized appreciation (depreciation) on options	–471 000.00
<b>Total changes in unrealized appreciation (depreciation)</b>	<b>382 091.39</b>
<b>Net increase (decrease) in net assets as a result of operations</b>	<b>7 085 125.94</b>

## Statement of Changes in Net Assets

	<b>USD</b>
	<b>1.12.2005–31.5.2006</b>
Net assets at the beginning of the period	300 278 808.33
Subscriptions	109 500 271.18
Redemptions	-73 569 267.05
Total net subscriptions (redemptions)	35 931 004.13
Net income on investments	-1 186 929.38
Total realized gain (loss)	7 889 963.93
Total changes in unrealized appreciation (depreciation)	382 091.39
Net increase (decrease) in net assets as a result of operations	7 085 125.94
<b>Net assets at the end of the period</b>	<b>343 294 938.40</b>

## Development of the outstanding units

	<b>1.12.2005–31.5.2006</b>
<b>Class</b>	<b>B</b>
Number of units outstanding at the beginning of the period	2 603 651.1180
Number of units issued	904 680.7330
Number of units redeemed	-610 613.7110
<b>Number of units outstanding at the end of the period</b>	<b>2 897 718.1400</b>
<b>Class</b>	<b>BG</b>
Number of units outstanding at the beginning of the period	109.7160
Number of units issued	0.0000
Number of units redeemed	-109.7160
<b>Number of units outstanding at the end of the period</b>	<b>0.0000</b>

## Statement of Investments in Securities and other Net Assets as of 31 May 2006

Description	Quantity/ Nominal	Valuation in USD Unrealized gain (loss) on Futures/ Options/Forward Exchange Contracts (Note 1)	as a % of net assets
<b>Transferable securities listed on an official stock exchange</b>			
<b>Bearer shares</b>			
<b>France</b>			
EUR SANOFI AVENTIS SA	168 000.00	15 871 177.99	4.62
<b>Total France</b>		<b>15 871 177.99</b>	<b>4.62</b>
<b>Germany</b>			
EUR FRESENIUS MEDICAL CARE AG & CO. KGAA	51 000.00	5 726 617.57	1.67
<b>Total Germany</b>		<b>5 726 617.57</b>	<b>1.67</b>
<b>Japan</b>			
JPY TAKEDA PHARMACEUTICAL CO LTD	54 500.00	3 529 301.58	1.03
JPY TANABE SEIYAKU CO LTD	290 000.00	3 554 187.85	1.03
<b>Total Japan</b>		<b>7 083 489.43</b>	<b>2.06</b>
<b>Switzerland</b>			
CHF NOBEL BIOCARE HOLDING AG	26 000.00	6 328 806.58	1.85
CHF SYNTHES INC	37 000.00	4 543 539.09	1.32
<b>Total Switzerland</b>		<b>10 872 345.67</b>	<b>3.17</b>
<b>United Kingdom</b>			
GBP ASTRAZENECA PLC	170 000.00	8 983 737.04	2.62
GBP GLAXOSMITHKLINE PLC	520 000.00	14 401 524.80	4.19
GBP SMITH & NEPHEW PLC	643 197.00	5 253 777.50	1.53
<b>Total United Kingdom</b>		<b>28 639 039.34</b>	<b>8.34</b>
<b>United States</b>			
USD ABBOTT LABORATORIES	74 000.00	3 159 800.00	0.92
USD ALLERGAN INC	99 000.00	9 387 180.00	2.73
USD AMGEN INC	144 000.00	9 732 960.00	2.84
USD BIOMET INC	117 000.00	4 119 570.00	1.20
USD BRISTOL MYERS SQUIBB CO	617 000.00	15 147 350.00	4.41
USD CAREMARK RX INC	85 000.00	4 077 450.00	1.19
USD CEPHALON INC	156 000.00	9 316 320.00	2.71
USD ELI LILLY & CO	162 000.00	8 365 680.00	2.44
USD GENZYME CORP-GENERAL DIVISION	170 000.00	10 115 000.00	2.95
USD GILEAD SCIENCES INC	85 000.00	4 873 050.00	1.42
USD JOHNSON & JOHNSON	551 000.00	33 181 220.00	9.66
USD MEDCO HEALTH SOLUTIONS INC	123 000.00	6 629 700.00	1.93
USD MEDTRONIC INC	200 000.00	10 098 000.00	2.94
USD MYLAN LABORATORIES INC	149 000.00	3 115 590.00	0.91
USD OSI PHARMACEUTICALS INC	175 000.00	5 008 500.00	1.46
USD PDL BIOPHARMA INC	125 000.00	2 531 250.00	0.74
USD PFIZER INC	619 400.00	14 655 004.00	4.27
USD PHARMION CORP	37 327.00	731 982.47	0.21
USD UNITEDHEALTH GROUP INC	326 200.00	14 339 752.00	4.18
USD WATERS CORPORATION	140 000.00	5 831 000.00	1.70
USD WELLPOINT INC	89 000.00	6 370 620.00	1.86
USD WYETH	410 000.00	18 753 400.00	5.46
USD ZIMMER HOLDINGS INC	160 000.00	9 688 000.00	2.82
<b>Total United States</b>		<b>209 228 378.47</b>	<b>60.95</b>
<b>Total Bearer shares</b>		<b>277 421 048.47</b>	<b>80.81</b>
<b>Bonus shares</b>			
<b>Switzerland</b>			
CHF ROCHE HOLDING LTD	146 000.00	22 795 226.32	6.64
<b>Total Switzerland</b>		<b>22 795 226.32</b>	<b>6.64</b>
<b>Total Bonus shares</b>		<b>22 795 226.32</b>	<b>6.64</b>
<b>Registered shares</b>			
<b>Switzerland</b>			
CHF ACTELION LTD	47 000.00	5 489 135.80	1.60
CHF NOVARTIS AG	468 200.00	26 030 378.59	7.58
CHF STRAUMANN HOLDING AG	23 500.00	6 131 275.72	1.79
<b>Total Switzerland</b>		<b>37 650 790.11</b>	<b>10.97</b>
<b>Total Registered shares</b>		<b>37 650 790.11</b>	<b>10.97</b>
<b>Total Transferable securities listed on an official stock exchange</b>		<b>337 867 064.90</b>	<b>98.42</b>
<b>Total investments in securities</b>		<b>337 867 064.90</b>	<b>98.42</b>
<b>Cash at banks, deposits on demand and deposit accounts and other liquid assets</b>		<b>6 559 811.51</b>	<b>1.91</b>
<b>Other assets and liabilities</b>		<b>-1 131 938.01</b>	<b>-0.33</b>
<b>Total net assets</b>		<b>343 294 938.40</b>	<b>100.00</b>