

# Semi-Annual Report 2005/2006.

**Investment Fund under Luxembourg Law**

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

UBS (Lux) Equity Fund – Global Innovators



# UBS (Lux) Equity Fund – Global Innovators

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 EUR		216 409 098.28	68 529 139.79	21 392 837.61
<b>Class B</b>	<b>LU0130799603</b>			
Units outstanding		3 290 673.3970	1 228 877.2810	469 550.1010
Net asset value per unit in EUR		65.76	55.18	45.13
<b>Class BG</b>	<b>LU0168505948</b>			
Units outstanding		N/A	56 283.9330	19 168.0560
Net asset value per unit in EUR		N/A	12.87	10.57

## Structure of the Securities Portfolio

Geographical Breakdown as a % of net assets	
Germany	29.39
United States	13.48
Canada	12.79
Spain	7.83
Austria	6.35
Switzerland	4.80
United Kingdom	4.17
Italy	2.34
Bermudas	2.09
Japan	2.08
Denmark	2.03
France	1.95
Ireland	1.11
Singapore	1.09
Norway	0.72
Isle of Man	0.69
Australia	0.68
<b>Total</b>	<b>93.59</b>

Economic Breakdown as a % of net assets	
Energy & water supply	27.70
Environmental services & recycling	7.31
Building industry & materials	6.82
Miscellaneous services	6.70
Mechanical engineering & industrial equipment	6.04
Finance & holding companies	5.82
Electrical devices & components	5.59
Electronics & semiconductors	4.58
Healthcare & social services	4.49
Miscellaneous unclassified companies	3.48
Chemicals	3.44
Pharmaceuticals, cosmetics & medical products	2.97
Petroleum	2.32
Rubber & tyres	2.14
Packaging industry	1.67
Biotechnology	1.10
Various capital goods	0.94
Mining, coal & steel	0.33
Telecommunications	0.15
<b>Total</b>	<b>93.59</b>

## Statement of Net Assets

	<b>EUR</b>
<b>Assets</b>	<b>31.5.2006</b>
Investments in securities, cost	197 576 011.24
Investments in securities, unrealized appreciation (depreciation)	4 966 289.13
<b>Total investments in securities (Note 1)</b>	<b>202 542 300.37</b>
Cash at banks, deposits on demand and deposit accounts	9 128 984.81
Receivable on securities sales (Note 1)	4 940 936.13
Receivable on subscriptions	1 240 078.40
Interest receivable on liquid assets	49 831.17
Receivable on dividends	14 631.88
<b>Total Assets</b>	<b>217 916 762.76</b>
<b>Liabilities</b>	
Bank overdraft	-96 575.25
Interest payable on bank overdraft	-0.89
Payable on securities purchases (Note 1)	-627 796.30
Payable on redemptions	-567 871.43
Provisions for all-in fee (Note 2)	-197 287.39
Provisions for taxe d'abonnement (Note 3)	-18 133.22
<b>Total provisions</b>	<b>-215 420.61</b>
<b>Total Liabilities</b>	<b>-1 507 664.48</b>
<b>Net assets at the end of the period</b>	<b>216 409 098.28</b>

## Statement of Operations

	<b>EUR</b>
<b>Income</b>	<b>1.12.2005–31.5.2006</b>
Net interest on liquid assets and bank overdraft	100 347.32
Dividends	464 668.70
Income on securities lending (Note 4)	25 089.13
<b>Total income</b>	<b>590 105.15</b>
<b>Expenses</b>	
All-in fee (Note 2)	-1 371 122.05
Taxe d'abonnement (Note 3)	-41 724.58
<b>Total expenses</b>	<b>-1 412 846.63</b>
<b>Net income on investments</b>	<b>-822 741.48</b>
<b>Realized gain (loss) (Note 1)</b>	
Realized gain (loss) on market-priced securities without options	8 159 996.38
Realized gain (loss) on forward foreign exchange contracts	-15 137.88
<b>Total realized gain (loss) on investments</b>	<b>8 144 858.50</b>
Realized gain (loss) on foreign exchange	-18 375.23
<b>Total realized gain (loss)</b>	<b>8 126 483.27</b>
<b>Net realized gain (loss) of the period</b>	<b>7 303 741.79</b>
<b>Changes in unrealized appreciation (depreciation)</b>	
Unrealized appreciation (depreciation) on market-priced securities without options	292 048.83
<b>Total changes in unrealized appreciation (depreciation)</b>	<b>292 048.83</b>
<b>Net increase (decrease) in net assets as a result of operations</b>	<b>7 595 790.62</b>

## Statement of Changes in Net Assets

	<b>EUR</b>
	<b>1.12.2005–31.5.2006</b>
Net assets at the beginning of the period	68 529 139.79
Subscriptions	185 391 486.54
Redemptions	-45 107 318.67
Total net subscriptions (redemptions)	140 284 167.87
Net income on investments	-822 741.48
Total realized gain (loss)	8 126 483.27
Total changes in unrealized appreciation (depreciation)	292 048.83
Net increase (decrease) in net assets as a result of operations	7 595 790.62
<b>Net assets at the end of the period</b>	<b>216 409 098.28</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	1 228 877.2810
Number of units issued	2 742 945.9570
Number of units redeemed	-681 149.8410
<b>Number of units outstanding at the end of the period</b>	<b>3 290 673.3970</b>
<b>Class</b>	<b>BG</b>
Number of units outstanding at the beginning of the period	56 283.9330
Number of units issued	9 963.2590
Number of units redeemed	-66 247.1920
<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 EUR 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>Australia</b>			
GBP CERAMIC FUEL CELLS LTD	4 000 000.00	1 471 457.04	0.68
<b>Total Australia</b>		<b>1 471 457.04</b>	<b>0.68</b>
<b>Austria</b>			
EUR EVN A	35 000.00	2 774 100.00	1.28
EUR FRAUENTHAL HOLDING AG	16 701.00	4 141 848.00	1.92
EUR MAYR-MELNHOF KARTON AG	28 000.00	3 613 120.00	1.67
EUR ZUMTOBEL AG	186 171.00	3 211 449.75	1.48
<b>Total Austria</b>		<b>13 740 517.75</b>	<b>6.35</b>
<b>Bermudas</b>			
SGD BIO-TREAT TECHNOLOGY LTD	4 210 000.00	2 371 202.52	1.10
<b>Total Bermudas</b>		<b>2 371 202.52</b>	<b>1.10</b>
<b>Canada</b>			
CAD BIOTEQ ENVIRONMENTAL TECHNOLOGIES INC	2 376 900.00	3 025 510.16	1.40
CAD CANADIAN HYDRO DEVELOPERS INC	1 319 700.00	5 020 797.35	2.32
CAD CARMANAH TECHNOLOGIES CORP	710 000.00	1 847 657.07	0.85
CAD INTERMAP TECHNOLOGIES C.CORP-A	400 000.00	1 668 888.04	0.77
CAD NORSAT INTERNATIONAL INC	600 000.00	335 191.92	0.15
CAD QUESTAIR TECHNOLOGIES INC	2 905 100.00	2 978 820.19	1.38
CAD STANTEC INC	202 300.00	3 376 160.51	1.56
CAD VRB POWER SYSTEMS INC	2 000 000.00	1 060 733.93	0.49
CAD ZENON ENVIRONMENTAL INC	358 200.00	6 066 613.12	2.81
<b>Total Canada</b>		<b>25 380 372.29</b>	<b>11.73</b>
<b>Denmark</b>			
DKK VESTAS WIND SYSTEMS A/S	218 000.00	4 384 799.88	2.03
<b>Total Denmark</b>		<b>4 384 799.88</b>	<b>2.03</b>
<b>France</b>			
EUR BIOMERIEUX	90 039.00	4 227 331.05	1.95
<b>Total France</b>		<b>4 227 331.05</b>	<b>1.95</b>
<b>Germany</b>			
EUR CENTROTEC HOCHLEISTUNGSKUNSTSTOFFE AG	88 991.00	2 736 473.25	1.26
EUR CONERGY AG	12 000.00	1 822 920.00	0.84
EUR CURANUM AG	300 000.00	2 460 000.00	1.14
EUR ERSOL SOLAR ENERGY AG	39 500.00	2 026 350.00	0.94
EUR GEA GROUP AG	360 000.00	4 896 000.00	2.26
EUR INTERSEROH AG	172 926.00	5 260 408.92	2.43
EUR MASTERFLEX AG	176 270.00	4 634 138.30	2.14
EUR MVV ENERGIE AG	273 000.00	6 019 650.00	2.78
EUR Q-CELLS AG	110 000.00	6 622 000.00	3.06
EUR RATIONAL AG	19 147.00	2 812 694.30	1.30
EUR ROTH & RAU AG	33 300.00	1 265 067.00	0.58
EUR SOLAR MILLENNIUM AG	93 349.00	1 512 253.80	0.70
EUR SOLARWORLD AG	29 400.00	6 379 800.00	2.95
EUR SOLON AG FUER SOLARTECHNIK	51 000.00	2 014 500.00	0.93
EUR TECHEM AG	139 000.00	4 726 000.00	2.18
EUR THIELERT AG	47 846.00	1 069 358.10	0.49
EUR WACKER CHEMIE AG	51 969.00	4 703 194.50	2.17
EUR WAVELIGHT AG	64 000.00	594 560.00	0.27
<b>Total Germany</b>		<b>61 555 368.17</b>	<b>28.42</b>
<b>Isle of Man</b>			
GBP TRADING EMISSIONS PLC	799 743.00	1 503 025.58	0.69
<b>Total Isle of Man</b>		<b>1 503 025.58</b>	<b>0.69</b>
<b>Italy</b>			
EUR HERA SPA	2 000 000.00	5 065 000.00	2.34
<b>Total Italy</b>		<b>5 065 000.00</b>	<b>2.34</b>
<b>Japan</b>			
JPY KURITA WATER INDUSTRIES LTD	275 000.00	4 497 405.52	2.08
<b>Total Japan</b>		<b>4 497 405.52</b>	<b>2.08</b>
<b>Norway</b>			
NOK RENEWABLE ENERGY CORP AS	130 000.00	1 558 676.78	0.72
<b>Total Norway</b>		<b>1 558 676.78</b>	<b>0.72</b>
<b>Singapore</b>			
SGD HYFLUX LTD	1 990 000.00	2 359 641.46	1.09
<b>Total Singapore</b>		<b>2 359 641.46</b>	<b>1.09</b>
<b>Spain</b>			
EUR ABENGOA SA	192 583.00	4 071 204.62	1.88
EUR ENAGAS SA	293 000.00	4 869 660.00	2.25

Description	Quantity/ Nominal	Valuation in EUR Unrealized gain (loss) on Futures/ Options/Forward Exchange Contracts (Note 1)	as a % of net assets
EUR GAMESA CORPORACION TECNOLOGICA SA	270 538.00	4 409 769.40	2.04
EUR RED ELECTRICA DE ESPANA SA	133 000.00	3 591 000.00	1.66
<b>Total Spain</b>		<b>16 941 634.02</b>	<b>7.83</b>
<b>Switzerland</b>			
EUR BIOPETROL INDUSTRIES AG	207 382.00	4 583 142.20	2.12
CHF ZEHLER GROUP AG	1 954.00	2 397 727.68	1.11
<b>Total Switzerland</b>		<b>6 980 869.88</b>	<b>3.23</b>
<b>United Kingdom</b>			
GBP KELDA GROUP PLC	220 000.00	2 413 480.93	1.11
GBP LIPOXEN PLC	3 450 000.00	1 055 515.47	0.49
GBP RESEARCH NOW PLC	262 500.00	715 149.98	0.33
GBP SEVERN TRENT PLC	130 000.00	2 132 592.89	0.99
GBP TEG ENVIRONMENTAL PLC	1 853 700.00	1 984 965.68	0.92
<b>Total United Kingdom</b>		<b>8 301 704.95</b>	<b>3.84</b>
<b>United States</b>			
USD ACTIVE POWER INC	440 000.00	1 510 685.51	0.70
USD CREE INC	161 000.00	3 215 111.52	1.49
USD ENERGY CONVERSION DEVICES INC	50 000.00	1 547 354.90	0.72
USD HEADWATERS INC	210 000.00	4 487 913.11	2.07
USD INTERMAGNETICS GENERAL CORP	292 750.00	5 303 664.99	2.44
USD ITRON INC	30 000.00	1 396 706.76	0.65
USD MARTEK BIOSCIENCES CORP	111 000.00	2 190 704.19	1.01
USD ORMAT TECHNOLOGIES INC	68 000.00	1 973 109.11	0.91
USD UNITED SURGICAL PARTNERS INTERNATIONAL	182 000.00	4 408 127.99	2.04
USD VCA ANTECH INC	34 900.00	818 395.42	0.38
USD WEIGHT WATCHERS INTERNATIONAL INC	71 000.00	2 314 983.06	1.07
<b>Total United States</b>		<b>29 166 756.56</b>	<b>13.48</b>
<b>Total Bearer shares</b>		<b>189 505 763.45</b>	<b>87.56</b>
<b>Registered shares</b>			
<b>Germany</b>			
EUR REPOWER SYSTEMS AG	46 277.00	2 042 204.01	0.94
<b>Total Germany</b>		<b>2 042 204.01</b>	<b>0.94</b>
<b>Switzerland</b>			
CHF GEBERIT AG	3 300.00	2 803 909.44	1.30
CHF PRECIOUS WOODS HOLDING LTD	9 031.00	601 832.59	0.28
<b>Total Switzerland</b>		<b>3 405 742.03</b>	<b>1.58</b>
<b>Total Registered shares</b>		<b>5 447 946.04</b>	<b>2.52</b>
<b>Total Transferable securities listed on an official stock exchange</b>		<b>194 953 709.49</b>	<b>90.08</b>
<b>Transferable securities traded on another regulated market</b>			
<b>Bearer shares</b>			
<b>Bermudas</b>			
GBP CLEAN AIR POWER LTD	1 475 000.00	2 148 910.04	0.99
<b>Total Bermudas</b>		<b>2 148 910.04</b>	<b>0.99</b>
<b>Ireland</b>			
GBP ECOSECURITIES GROUP PLC	880 734.00	2 405 870.51	1.11
<b>Total Ireland</b>		<b>2 405 870.51</b>	<b>1.11</b>
<b>United Kingdom</b>			
GBP ZINCOX RESOURCES PLC	200 000.00	706 590.76	0.33
<b>Total United Kingdom</b>		<b>706 590.76</b>	<b>0.33</b>
<b>Total Bearer shares</b>		<b>5 261 371.31</b>	<b>2.43</b>
<b>Warrants on shares</b>			
<b>United Kingdom</b>			
GBP SUBSEA RESOURCES PLC CALL WARRANT 04-04.11.09	106 250.00	20 123.27	0.01
<b>Total United Kingdom</b>		<b>20 123.27</b>	<b>0.01</b>
<b>Total Warrants on shares</b>		<b>20 123.27</b>	<b>0.01</b>
<b>Total Transferable securities traded on another regulated market</b>		<b>5 281 494.58</b>	<b>2.44</b>

Description	Quantity/ Nominal	Valuation in EUR Unrealized gain (loss) on Futures/ Options/Forward Exchange Contracts (Note 1)	as a % of net assets
<b>Transferable securities not listed on an official stock exchange and not traded on another regulated market</b>			
<b>Bearer shares</b>			
<b>Canada</b>			
CAD EXCEL-TECH LTD	790 000.00	2 178 747.49	1.01
<b>Total Canada</b>		<b>2 178 747.49</b>	<b>1.01</b>
<b>Total Bearer shares</b>		<b>2 178 747.49</b>	<b>1.01</b>
<b>Warrants on shares</b>			
<b>Canada</b>			
CAD BIOTEQ ENVIRONMENTAL TECH INC CALL WARRANT 1.250 05-08.12.07	330 000.00	128 348.81	0.06
<b>Total Canada</b>		<b>128 348.81</b>	<b>0.06</b>
<b>Total Warrants on shares</b>		<b>128 348.81</b>	<b>0.06</b>
<b>Total Transferable securities not listed on an official stock exchange and not traded on another regulated market</b>		<b>2 307 096.30</b>	<b>1.07</b>
<b>Total investments in securities</b>		<b>202 542 300.37</b>	<b>93.59</b>
Cash at banks, deposits on demand and deposit accounts and other liquid assets		9 128 984.81	4.22
Bank overdraft and other short-term liabilities		-96 575.25	-0.04
Other assets and liabilities		4 834 388.35	2.23
<b>Total net assets</b>		<b>216 409 098.28</b>	<b>100.00</b>