

Reporting

SF (Lux) Sicav 1 –BMI Protected Global Growth Fund (USD)

Investment objective

The BMI Protected Global Growth Fund (the "Fund" or "BMI Global") is an open-ended fund designed to provide investors with protected participation in the growth potential of global stock markets via a combination of actively managed funds and cash whilst limiting the downside risk.

The Fund is designed to ensure that the investment should be worth at least 80% of the highest NAV achieved at any point in time over the life of the Fund*. Therefore, in order to achieve these objectives the participation in the basket of UBS Global Asset Management equity & fixed income funds (the 'Equity Component') can vary between 0% and 100%:

- As the value of the Equity Component rises the Fund will increase its exposure to the Equity Component;
- As the value of the Equity Component falls the Fund will decrease its exposure to the Equity Component in favour of cash;
- The maximum exposure to the Equity Component will be 100%;
- In extremely adverse conditions the minimum exposure to the basket of funds could be zero and therefore returns will reflect prevailing interest rates.

The Equity Component

The Fund returns are provided from a managed basket of UBS Global Asset Management funds (the Equity Component) and cash.

Initial Fund weightings:

| | |
|---|-----|
| • UBS (Lux) Key Selection Sicav - US Equities (USD) B | 53% |
| • UBS (Lux) Equity Fund - Japan B | 7% |
| • UBS (Lux) Equity Fund - Great Britain B | 5% |
| • UBS (Lux) Key Selection Sicav - European Equities B | 25% |
| • UBS (Lux) Equity Fund - Emerging Markets (USD) B | 5% |
| • UBS (Lux) Equity Fund - Greater China B | 5% |

Every three months, funds can be dropped and added and the basket can be reweighted.

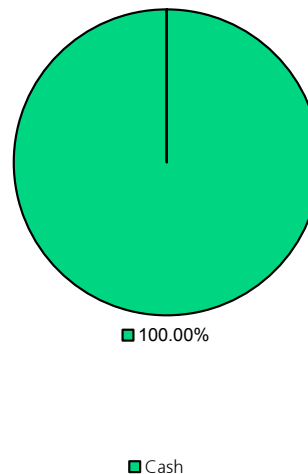
Current Theoretical* Fund weightings:

| | |
|---|-----|
| • UBS (Lux) Key Selection Sicav - US Equities (USD) B | 35% |
| • UBS (Lux) Equity Fund - Japan B | 7% |
| • UBS (Lux) Equity Fund - Great Britain B | 11% |
| • UBS (Lux) Equity Fund - Emerging Markets (USD) B | 10% |
| • UBS (Lux) Equity Fund - Euro Countries ** | 14% |
| • UBS (Lux) Equity Sicav - USA Growth B | 8% |
| • UBS (Lux) Key Selection Sicav - Global Equities (USD) B | 15% |

*As there is zero allocation to the "Active Asset" ("Fund Units"), this shows the theoretical Fund weightings within the "Active Asset" if the Fund was not cashlocked

** Fund replaced due to merger

Exposure of the Fund*** as at 31st May 2010



***As of 16th February 2009 the allocation to the "Active Asset" (or "Fund Units") within the "Dynamic Portfolio" was reduced down to zero. As of this date there is 100% allocation to the "Reserve Asset".

Valuation of the Fund as at end of May 2010

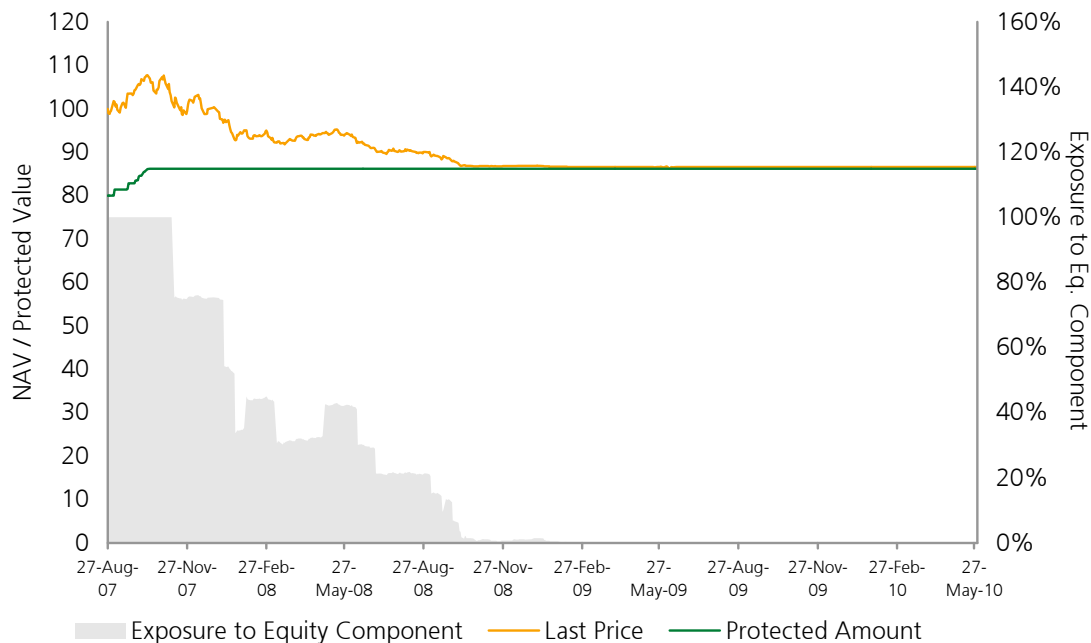
| | |
|--------------------------------|-----------|
| NAV | USD 86.58 |
| Protected Value | USD 86.20 |
| Year-to-date return | 0.00% |
| Return since launch | -13.42% |
| Annualised return since launch | -5.08% |
| Launch Date | 27-Aug-07 |
| Monthly performance | 0.00% |

Performance to end May 2010

The Fund NAV has fallen 13.42% since inception. The Fund NAV has remained stable over the month.

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Performance to end May 2010



Past performance is no guarantee of future trends or performance. Performance since launch (27 August 2007).

The Equity Component** (commentary from UBS Global AM):

- May was quite a bad month in terms of equity market performance. The equity component of the portfolio returned -10.10% over this period.
- Global equity markets performed negatively in May with -9.58% (in USD) over the month. UBS (Lux) Key Selection Sicav – Global Equities (USD) P-acc underperformed by -0.9% compared to the benchmark (MSCI World).
- The MSCI USA posted a loss of -8.12% in May. The UBS (Lux) Key Selection Sicav – US Equities (USD) P-acc was behind the benchmark (MSCI USA) and underperformed by -1.36% over the month.
- In May, US growth stocks outperformed general US stocks. The Russell 1000 Growth Index returned -7.69% vs. -8.12% of the MSCI USA. However, the relative performance of UBS (Lux) Equity Sicav – USA Growth (USD) P-acc was negative, with the Fund underperforming its benchmark (Russell 1000 Growth) by -0.20%.
- The MSCI EMU returned -5.87% (in EUR) in May. UBS (Lux) Equity Fund – Euro Countries Equities (EUR) P-acc underperformed the benchmark (MSCI EMU) by -0.19% over this period.
- The MSCI UK returned -6.12% (in GBP) in May. During the same period, the UBS (Lux) Equity Fund – Great Britain (GBP) P-acc returned -6.88%.
- In May, the MSCI Japan posted a loss of -11.00% (in JPY). Stock selection of UBS (Lux) Equity Fund – Japan (JPY) P-acc was slightly negative, with the Fund returning -0.07% less than the benchmark (MSCI Japan).
- In May, emerging market equities performed less than developed country equities. The MSCI Emerging Markets Free Index returned -8.80% during the month. Stock selection of UBS (Lux) Equity Fund – Emerging Market (USD) P-acc was negative with the Fund returning -9.07% during the month.

** As there is zero allocation to the "Active Asset" ("Fund Units"), this provides the equity component commentary if the Fund was not cashlocked

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