

# UBS Investment Funds



**Product Disclosure Statement  
Issue No. 7, dated 28 April 2010**

Offered by UBS Global Asset Management (Australia) Ltd  
ABN 31 003 146 290  
AFS Licence No. 222605

# Important Information

This Product Disclosure Statement is dated 28 April 2010. The offer to which this Product Disclosure Statement relates is only available to persons receiving a copy (paper copy or otherwise) in Australia. Note that this Product Disclosure Statement may be available electronically. Applications can only be accepted if we receive a completed, current application form which accompanied the electronic or paper copy. Paper copies are available free on request.

UBS Global Asset Management (Australia) Ltd (ABN 31 003 146 290) (AFS Licence No. 222605) is the Responsible Entity of the Fund. If you require the Australian Business Number (ABN) for a Fund, it is available from Client Services on (02) 9324 3222 or freecall on 1800 023 043.

This is an important document. You should read it carefully before completing the application form. The information in this Product Disclosure Statement is general information only. In preparing this Product Disclosure Statement, UBS Global Asset Management (Australia) Ltd has not taken into account any individual investor's investment objectives, tax and financial situation or particular needs. Investors should seek professional advice before investing.

**UBS Global Asset Management (Australia) Ltd is the issuer of this Product Disclosure Statement. No member company of UBS other than UBS Global Asset Management (Australia) Ltd makes any statement or representation in this document. Neither UBS Global Asset Management (Australia) Ltd nor any other member company of UBS, nor National Australia Bank Limited (ABN 12 004 044 937) (AFS Licence No. 230686) - as custodian and service provider to the Funds, guarantees the capital value, payment of income or performance of any Fund.**

**Your investment in a Fund does not represent deposits or other liabilities of UBS or any member company of UBS. Your investment is subject to investment risk, including possible delays in repayment and loss of income and capital invested.**

**Information in this Product Disclosure Statement is subject to change from time to time. If the change is not materially adverse, the information may be updated by means described in this Product Disclosure Statement. The updated information can be obtained at any time by visiting our website [www.ubs.com/australia](http://www.ubs.com/australia) or by calling Client Services on (02) 9324 3222 or freecall on 1800 023 043. A paper copy of any updated information will be given to a person without charge on request.**

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The distribution of this PDS outside Australia may be restricted by law. If you come into possession of this PDS, you should observe any restrictions and seek your own advice on such restrictions. Any failure to comply with these restrictions may violate securities laws.

No action has been taken to register or qualify the Funds or to otherwise permit a public offering of interests in the Funds outside Australia.

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# Fund features at a glance

<b>Features</b>	<b>Page 30</b>
Initial Investment	\$20,000 each Fund
Additional Investment	\$1,000 per Fund
Switching	\$1,000 (minimum switch to or from currently held UBS Funds) or \$20,000 (minimum switch to a new UBS Fund)
Minimum Balance	Not applicable
Withdrawals	No minimum
<b>Fees</b>	<b>Refer to pages 33-38</b>
Entry Fee	Nil
Management Costs	0.22%pa to 1.35%pa inclusive of GST (depending on the Fund invested)
Buy/Sell Spread	0.00% to 1.00% (depending on the Fund invested)
Switching Fee	Nil
Exit Fee	Nil
<b>Distributions</b>	
Payment Options	To your nominated bank account or by cheque (No third party payments allowed) Reinvested back into the Fund
Frequency	Monthly, quarterly or half yearly depending on the Fund selected, if of an economic size
<b>Reporting</b>	
Transaction Confirmations	For investments, switches, transfers and withdrawals
Regular Reporting	Semi-annual report (via website)
Annual Reporting	Annual financial report (via website) and yearly tax statement
Unit Pricing	Daily (via website)
Performance	Updated monthly (via website)
Investment Portfolio	Latest composition of the funds is available (via website)
<b>Contact details</b>	
By Mail	National Australia Bank Limited (NAB) Attn: Registry Services GPO Box 4364 Melbourne VIC 3001
By Telephone	Client Services (02) 9324 3222 or freecall 1800 023 043 9am to 5pm (Sydney time) Monday to Friday on Sydney business days
By Fax	1300 365 601
By Email	ClientServices-UBSAM@ubs.com
Website	www.ubs.com/australia

# About UBS Global Asset Management

**We offer a wide range of investment products and services from boutique - like capabilities delivered through a global structure.**

**We aim to offer a diverse range of simple, transparent investment strategies with consistent results for our clients.**



UBS Global Asset Management, a business division of UBS, provides a diverse range of traditional, alternative, real estate, infrastructure and private equity investment solutions to private clients, financial intermediaries and institutional investors around the globe. Our aim is to deliver consistent, long-term investment results to our clients from distinctive and innovative products and services.

UBS Global Asset Management is a large scale asset manager with well diversified businesses across regions, capabilities and distribution channels. Invested assets totalled some \$A626 billion as at 31 December 2009, with around 60% from institutional clients and around 40% from the wholesale intermediary market. With around 3,500 employees located in 25 countries, we are a truly global firm. Headquartered in London, our other main offices are in Chicago, Frankfurt, Hartford, Hong Kong, New York, Paris, Sydney, Tokyo, Toronto and Zurich. We combine financial strength with a reputation for security, stability and innovation.

## **Depth and breadth of investment capabilities and services**

We believe our strengths lie in our diverse range of investment capabilities and styles, our boutique-like capability structure and our disciplined investment processes, which encourage entrepreneurial leadership. The expertise and diversity of our employees, as well as in the quality and responsiveness of our client service and mandate execution are all key to our success.

UBS Global Asset Management has a history of leadership, delivery and execution in the investment management industry.

We aim to combine the latest in portfolio construction, risk management, product development and investment knowledge.

## **Global resources – local client services & delivery**

We seek to deliver our capabilities to clients, providing quality client servicing by combining local knowledge with our global network. The experience of our people creates value for our clients and we are committed to attracting, developing and retaining those with the skills, talent and integrity required to understand and meet our clients' needs.

We aim to provide our clients with investment management products and services to meet their needs through our combination of investment expertise, risk management and local delivery.

You can access our capabilities through the comprehensive range of investment solutions outlined in this Product Disclosure Statement.

# Our investment capabilities

## Fixed Income

Our Fixed Income capability offers a diverse range of global and local market-based investment strategies based on a disciplined investment philosophy and process. The investment process is anchored in the fundamental analysis applied to every level of a portfolio, which forms the basis of broader strategic themes as well as sector and security selection decisions. Rigorous fundamental research is supplemented by market behaviour analysis to identify attractive investments, allowing our globally resourced investment teams to evaluate and exploit opportunities. Our state-of-the-art risk management seeks to ensure that portfolio construction captures compensated risks to generate returns.

## Our Cash, Cash Enhanced and Fixed Income Funds

### Cash and Cash Enhanced

UBS Cash Fund  
UBS Cash-Plus Fund

### Fixed Income

UBS Australian Bond Fund  
UBS Diversified Fixed Income Fund  
UBS Diversified Credit Fund

## Global Real Estate (GRE)

Our Global Real Estate capability actively manages direct and listed real estate investments across major sectors in Asia, Europe and the US. In Australia, the GRE capability provides actively managed portfolios that invest in global and domestic listed real estate securities. The investment philosophy is based on our belief that real estate securities are hybrid investments, reflecting the influence primarily of the real estate markets but also reflecting the influence of stock and bond markets. GRE's listed property investment process leverages off our 25 years of experience as a global equities and direct real estate investment manager, with locally based experienced property specialists backed by global resources.

## Our Property Funds

UBS Property Securities Fund  
UBS Global Property Securities Fund

## Equities

Our Equities capability offers a broad range of domestic and global equity strategies across a broad spectrum of investment styles with varying risk and return objectives, developed to meet our clients' needs.

Core refers to our price to intrinsic value investment philosophy which pays great attention to investment fundamentals and expected cash flows when assessing investments. We use disciplined, repeatable processes to apply our philosophy systematically. Our commitment to this philosophy keeps us grounded in fundamentals and creates opportunities to outperform.

Our global growth managers offer a distinct emerging market growth strategy. Strict adherence to a disciplined investment process, as well as independent fundamental research and distinct portfolio construction techniques, results in consistent application of the growth style.

## Our Equity Funds

### Australian Equities

UBS Australian Share Fund  
UBS Australian Small Companies Fund

### Global Equities

UBS International Share Fund  
UBS Emerging Markets Equity Fund (AUD)

## Global Investment Solutions (GIS)

Our Global Investment Solutions capability offers asset allocation, currency, risk management and advisory services. We manage a wide array of domestic, regional and global multi-asset class funds and absolute return strategies. GIS aims to deliver portfolios that manage risk exposures in three dynamic dimensions: market, currency and security selection, with the primary objective of achieving returns that properly compensate for the risk taken. The investment process employs a fundamental price to intrinsic value analysis of asset classes, currencies and security selection, and then uses market behaviour analysis to understand reasoning in the marketplace for prevailing levels of market pricing.

## Our Multi Assets Funds

UBS Defensive Investment Fund  
UBS Balanced Investment Fund  
UBS Absolute Return Fund (AUD)



# Benefits and risks of investing in the Funds



## Benefits of investing in the Funds

The UBS Investment Funds have a number of benefits, including (among others) the following:

The pooling of assets in each Fund provides investors with access to investment opportunities and diversification that is not available to an individual investor.

Each Fund (depending on the composition of its investment portfolio) provides investors access to the returns available from investing in a broad range or mix of asset classes, markets, industries, securities and currencies through professionally managed vehicles.

Each Fund will aim to achieve total returns (after ongoing fees) that exceed its stated benchmark over the relevant investment period.

Flexibility to separate and manage different sources of investment risks to ensure that each Fund takes risks only when and where it expects to be compensated.

Each Fund is managed by a team of experienced professionals with access to investment and risk management systems and processes which ordinary investors would not usually have. We are distinguished by our truly integrated global investment platform and our significant research

contributions to the industry, including pioneering work in asset allocation, quantitative asset management and risk management.

## Risks of investing in the Funds

Investment in the Funds carries risks, including volatility of returns and/or loss of capital. Volatility refers to the degree to which returns may fluctuate around their longer-term average.

Each asset class, whether it is cash, fixed interest, property, Australian or international shares, or alternatives has associated investment risks and the return achieved by each will vary accordingly. The degree of investment risk for each Fund is determined largely by the Fund's exposure to higher risk assets - shares, property securities, foreign currencies and some credit exposure. The exposure to higher risk assets will vary over time in line with changing investment strategies.

Typically higher risk assets such as international and Australian shares, on average produce higher long-term returns than lower risk investments such as fixed interest or cash.

The returns of all these assets and related derivatives are affected by risk factors including general risks and asset class specific risks.

## General risks

### Market risk

Changes in legal, tax and economic conditions, political events, investor sentiment and market variables such as interest rates, exchange rates and equity indices can all directly or indirectly influence the value of your investments.

### Company specific risk

The value of investments can vary because of changes to management, product distribution or the company's business environment.

### Interest rate risk

Changes in official interest rates can directly and indirectly impact on investment returns.

### Currency rate risk

Currency movements relative to the Australian dollar can cause changes in the value of your investments. A rise in the Australian dollar against the relevant currency will lead to a fall in the value of international assets held by any of the Funds in that currency. Conversely, a fall in the Australian dollar against the relevant currency will lead to a rise in the value of international assets held by any of the Funds in that currency.

Currency rate risk may also be generated by active currency positions held separately to underlying asset or market exposures. These can be

managed to seek to add portfolio performance either against the Australian dollar or cross currency.

#### **Foreign investment risk**

Additional risks may arise when investing overseas, including changes in foreign exchange control regulations, foreign tax legislation and withholding tax and government policy. Additionally, differences in accounting, legal, securities trading and settlement procedures can also impact the value of a Fund's investment.

#### **Regulatory and tax risk**

The Fund may be affected by future changes in applicable laws, including tax laws and regulations.

#### **Liquidity risk**

Some investments may be thinly traded or illiquid and unable to be traded in reasonable sizes and therefore may be sold in small lots over longer periods or even at a discount.

Under extraordinary or extreme market conditions, generally liquid investments can become illiquid which may result in a loss when such assets need to be sold within a certain time frame. Illiquidity of investments can also result in a delay on the payment of redemption requests.

#### **Derivative risk**

Derivatives may be used to gain or reduce exposure to markets and currencies as well as to manage risk. Derivatives are not used to leverage the Funds unless specifically stated. Fluctuations in the price of a derivative will reflect movements in the underlying assets, reference rate or index to which the derivatives relate. The use of derivative positions to hedge the risk of physical securities will involve "basis risk", which refers to the possibility that the derivative positions may not move perfectly in line with the physical security. As a consequence, the derivative position cannot always be expected

to perfectly hedge the risk of the physical security.

#### **Credit risk**

The issuer of a credit transaction may fail to meet its obligation to repay the principal or the interest payment. This risk is primarily managed by monitoring the creditworthiness of the issuer.

#### **Counterparty risk**

A counterparty may fail to perform contractual obligations, either in whole or in part. This risk is primarily managed by ensuring counterparties, together with the respective credit limits, are approved with stringent criteria and ensuring, where possible transactions are undertaken with a number of counterparties.

The UBS Defensive Investment Fund, the UBS Balanced Investment Fund and the UBS Absolute Return Fund (AUD) may make significant investments indirectly through derivative instruments such as options or swaps. These derivative instruments may be held with a single or relatively few counterparties. This results in a higher level of counterparty risk relative to Funds that do not invest in this way.

#### **Performance risk**

A Fund may fail to perform as expected in which case the Fund's investment objective may not be achieved.

#### **Asset allocation risk**

The risk that a Fund may allocate money to an asset category that underperforms other asset categories. For example, a Fund may hold a high proportion of equity securities when the stock market is falling and the fixed income market is rising or vice versa.

#### **Short selling risk**

Short selling means that a Fund sells a security, derivative contract or currency exposure it does not own aiming to profit from a decrease in the value of that investment. This may involve borrowing the security or simply acquiring a short exposure via a market transaction. The short selling of a security, derivative or currency exposure may, but need not necessarily, involve a greater risk of investment than buying that same security, derivative or currency exposure. In the instance of security short selling, there can be no guarantee that the securities necessary to cover a short position will be available for purchase. There may also be interest and other costs associated with borrowing securities for sale. Short selling is designed to benefit portfolio value when markets are falling but may detract from portfolio value if markets rise. There is no short selling in a Fund unless specifically stated in the investment policy of the Fund.

#### **Leverage risk**

A Fund may borrow money from banks to purchase investments for the Fund, which is a form of leverage. If a Fund borrows money to purchase securities and the Fund's investments decrease in value, the Fund's losses will be greater than if the Fund did not borrow money for investment purposes. In addition, if the return on an investment purchased with borrowed money is not sufficient to cover the cost of borrowing, then the net income of the Fund will be less than if borrowing were not used. Certain derivatives that a Fund may use may also create leverage. Derivative instruments that involve leverage can result in losses to the Fund that exceeds the amount originally invested in the derivative instruments. There is no leverage in a Fund unless specifically stated in the investment policy of the Fund.

# Benefits and risks of investing in the Funds

Continued



## **Fund of Fund risk**

The investment performance of a Fund investing in other funds is affected by the investment performance of the underlying funds in which the Fund invests. Through its investment in the underlying funds, the Fund is subject to the risks of the underlying funds' investments and subject to the underlying funds' expenses.

## **Non-diversification risk**

The risk that a Fund will be more volatile than a more diversified fund because the Fund invests in a smaller number of issuers. The gains and losses on a single security may, therefore, have a greater impact on the Fund's net asset value.

## **Business risk**

Business risk includes those risks arising from carrying on a complex business. The operation of the Funds requires us, the Custodian and other service providers to implement sophisticated systems and procedures. The Funds have systems in place designed to minimise these risks, such as compliance systems and risk management processes.

## **Investment time horizon**

Another factor that affects risk is the length of time you plan to invest in the Fund. Historically, growth assets have achieved the highest returns over the long run with the greatest risk in the short term.

## **Fund termination risk**

The Constitution of each Fund, read subject to the Corporations Act, allows us to terminate a Fund at any time if we believe it is in the best interests of members. This may occur for a variety of reasons including, but not limited to, the Fund no longer being able to satisfy its investment objectives or strategy. While we will only terminate a Fund if we believe it is in the best interests of members as a whole, consequences for individual members (for example in relation to taxation) may vary depending on their own circumstances at the time that the relevant Fund is terminated.

## **Asset class specific risks**

### **Fixed income (Domestic and international)**

The capital value of fixed income securities will rise and fall as a consequence of changes in interest rates. If interest rates rise, the value of a fixed income security falls; if interest rates fall, its value rises. The magnitude of these changes depends mainly on the term to maturity of the security. In general, a security with a longer term to maturity is more affected by interest rate changes. When investing in fixed income securities it is also necessary to consider the impact of credit risk. Credit risk refers to the issuer of a debt instrument failing to meet an obligation to pay periodic interest or to repay the principal sum at maturity. In the case of fixed income securities which are of investment grade credit quality, the risk of default is considered to be low.

Fixed income securities which are below investment grade credit quality (commonly referred to as "High Yield" fixed income securities) have a much higher risk of default. Similarly, emerging markets debt which is normally below investment grade quality has a much higher risk of default.

Investment returns from international bonds (and related derivatives) are also affected by fluctuations in exchange rates. Generally, (unless the investment policy allows), the foreign currency exposure is hedged to the Australian dollar. Due to the nature of some markets, there may be a residual unhedged exposure.

### **Equities**

#### **(Domestic and international)**

The returns of listed securities are affected by various factors including the underlying strength of cash flows, balance sheets and management. These factors may impact the ability of the company to meet the challenges of fluctuating economic growth, structural change and competitive forces and the ability to pay dividends to shareholders.

Investment returns of international shares (and related derivatives) are also affected by fluctuations in exchange rates. The currency exposure of international funds may be hedged to the Australian dollar.

Investments into shares listed in less developed countries, commonly referred to as Emerging Markets are riskier due to the more volatile nature of their fundamentals. Emerging markets are generally at an early stage of development which can typically result in a higher level of price volatility. These markets also provide less liquidity than their developed market counterparts. Similarly, investments into Private Equity afford limited liquidity to the investor, due to the fact that they are unlisted.



### **Property securities (Domestic and international)**

The capital value of property securities and any income generated will rise and fall as a consequence of changes in a number of factors including, but not limited to rental income, interest rates and stock price movements in differing regions.

Many property securities are also involved in property development and construction which can be more volatile than passive property investments.

The returns of property securities entities are affected by factors including the underlying strength of the company or trust's cash flows, balance sheet strength and management. In addition, the returns of listed property securities are affected by the supply and demand for property and the level of income that the properties produce.

Investment returns from global property securities (and related derivatives) are also affected by fluctuations in exchange rates. Generally, (unless the investment policy allows), the foreign currency exposure is hedged to the Australian dollar however due to the nature of some markets, there may be a residual unhedged exposure.

### **Alternative strategies**

Alternative strategies may include but are not limited to investments in hedge funds, infrastructure, private equity, real property and commodities. They may involve allocations to any Fund, asset class or capability that does not fit the definition of the standard asset classes set out above. The returns from alternative assets are affected by many of the same factors that affect traditional asset classes such as project specific factors and economic, regulatory and financial market factors.

Certain alternative assets may be subject to a lower level of liquidity than the standard asset classes. Due to this liquidity risk, certain alternative strategies may provide a lower level of liquidity to the investor.

### **Multi-Asset (Diversified) Funds**

The degree of investment risk faced by the multi-asset funds; the UBS Defensive Investment Fund, the UBS Balanced Investment Fund and the UBS Absolute Return Fund (AUD), is determined by factors such as their asset allocation, currency exposure and security selection exposures. In general, over the long term, the greater the exposure to higher risk assets such as equities, property, credit and certain forms of alternative assets, the greater the expected risk and return of each Fund. Exposure to defensive assets such as cash and Government bonds will tend to reduce risk.

A principle feature of risk control within all multi-asset funds is the diversification of asset exposure across multiple asset classes, securities and currencies. This can provide greater diversification benefits when compared with funds that only invest in a single asset (for more information regarding diversification, see "Diversify investments" below).

**All of the Funds in this PDS are subject to some or all of these risks. You should consult your financial adviser before making an investment decision.**

## **Ways to reduce risk**

**Diversify investments.** Investment risk can be significantly reduced by investing in a range of assets in different asset classes, securities and currencies. Generally speaking, this reduces risk by ensuring that investors' returns are dependant on a broader range of factors which should reduce the volatility of their portfolio.

**Seek professional advice.** Doing so will assist you in understanding your current financial situation, setting your investment objectives and establishing a plan as to how best to achieve these objectives.

**Invest for at least the recommended time frame.** Historically, growth assets have achieved the highest returns over the long run and experience greater volatility in the short term.

**Plan your investment strategy** (together with your financial adviser) taking into account:

- your risk profile (that is, how much risk you are prepared to tolerate);
- how long you want to invest for;
- what level of return you require;
- whether you are investing for income or growth;
- the timing and amount of tax payable in respect of your investment; and
- your current financial situation.

# Fund summary

	Suggested Investment Time Frame	Return Objective (after management costs) <sup>1</sup>
UBS Cash Fund	Short Term 6-12 months	Seeks to return equivalent to UBS Bank Bill Index (before management costs)
UBS Cash-Plus Fund	Medium Term 1+ year	Seeks to return in excess of the UBS Bank Bill Index
UBS Australian Bond Fund	Medium to Long Term 3+ years	Seeks to return in excess of UBS Composite Bond Index 0+YR
UBS Diversified Fixed Income Fund	Medium to Long Term 3+ years	Seeks to return in excess of relevant debt market indices
UBS Diversified Credit Fund	Medium to Long Term 3+ years	Seeks to return in excess of relevant debt market indices
UBS Property Securities Fund	Long Term 5+ years	Seeks to return in excess of 85% S&P/ASX Property Accumulation Index/15% FTSE EPRA/NAREIT Developed Index (hedged in \$A)
UBS Global Property Securities Fund	Long Term 5+ years	Seeks to return in excess of FTSE EPRA/NAREIT Developed Index (hedged in \$A)
UBS Australian Share Fund	Long Term 5+ years	Seeks to return in excess of the S&P/ASX 300 Accumulation Index
UBS Australian Small Companies Fund	Long Term 5+ years	Seeks to return in excess of the S&P/ASX Small Ordinaries Accumulation Index
UBS International Share Fund	Long Term 5+ years	Seeks to return in excess of the MSCI Accumulation Index ex Australia (in \$A)
UBS Emerging Markets Equity Fund (AUD)	Long Term 5+ years	Seeks to return in excess of the MSCI Emerging Markets Index (in \$A)
UBS Defensive Investment Fund	Medium to Long Term 3-5 years	Seeks to return in excess of its Neutral Allocation, as measured by relevant market indices
UBS Balanced Investment Fund	Medium to Long Term 3-5 years	Seeks to return in excess of its Neutral Allocation, as measured by relevant market indices
UBS Absolute Return Fund (AUD)	Medium to Long Term 3-5 years	Seeks an absolute return of 3-5% return above UBS Bank Bill Index (before management costs)

<sup>1</sup> For more information about investment time horizon and costs please refer to the Investment objective for each Fund.

<sup>2</sup> Income, if of an economic size, is distributed as shown, or at any other time at our discretion.

<sup>3</sup> Inclusive GST. We reserve the right to vary these fees during the life of the PDS. We will notify you in writing should there be any fee changes.

Volatility/ Risk Level	Income Distribution Frequency <sup>2</sup>	Management Costs (pa) <sup>3</sup>	Buy/Sell spread <sup>4</sup>	Date of Inception	ARSN	APIR
Very Low	Monthly	0.22%	0.00%	11/05/89	090 431 039	SBC0811AU
Low to Medium	Quarterly	0.30%	+0.00%/- 0.10%	06/04/93	090 428 121	SBC0812AU
Low to Medium	Quarterly	0.40%	+0.00%/- 0.05%	30/11/89	090 427 571	SBC0813AU
Low to Medium	Quarterly	0.42%	+0.05%/- 0.10%	31/01/97	090 428 372	SBC0007AU
Medium	Quarterly	0.70%	+0.30%/- 0.50%	15/03/02	094 218 498	UBS0003AU
High	Quarterly	0.85%	+/-0.30%	03/02/93	090 431 271	SBC0816AU
High	Quarterly	0.95%	+/-0.35%	01/09/05	110 631 171	UBS0008AU
High	Quarterly	0.80%	+/-0.25%	21/07/92	090 427 213	SBC0817AU
High	Quarterly	1.10%	+/-0.40%	31/03/04	107 739 873	UBS0004AU
High	Half Yearly	0.90%	+/-0.30%	26/11/92	090 431 735	SBC0822AU
High	Half Yearly	1.25%	+/-1.00%	02/04/07	121 926 458	UBS0012AU
Medium	Quarterly	0.65%	+/-0.15%	15/06/92	090 430 881	SBC0814AU
Medium to High	Quarterly	0.70%	+/-0.20%	03/11/92	090 430 210	SBC0815AU
Medium to High	Quarterly	1.35%	+/-0.35%	18/06/07	124 993 666	UBS0013AU

<sup>4</sup> We may vary the buy/sell spreads from time to time provided that the spreads stay within the maximum limits indicated on page 38. Updated details are available on our website [www.ubs.com/australia](http://www.ubs.com/australia) or by contacting our Client Services on (02) 9324 3222 or freecall on 1800 023 043. The buy/sell spreads shown here are applicable as at the date of this PDS. Please see page 37 for additional information.

# Our Cash, Cash Enhanced and Fixed Income Funds

## Cash and Cash Enhanced

UBS Cash Fund

UBS Cash-Plus Fund

## Fixed Income

UBS Australian Bond Fund

UBS Diversified Fixed Income Fund

UBS Diversified Credit Fund



# UBS Cash Fund



## Investment objective

This Fund aims to provide a return (before management costs) equivalent to the UBS Bank Bill Index (Benchmark) when measured over rolling 12 month periods.

## Investor suitability

The Fund is best suited to investors who seek an investment that provides stable income and preservation of capital through investment in short dated securities that provide a high level of liquidity and security. The Fund is a very low risk investment and should be viewed over at least a six to 12 month period.

## Investment policy

The Fund is an actively managed \$A portfolio of high quality short term call deposits, cash equivalent securities - such as treasury notes, bank bills of exchange, semi-government, corporate and asset backed promissory notes, and interest rate investment contracts (or equivalent). The Fund may also invest in financial derivatives to gain or reduce exposure to relevant markets and manage investment risk.

## Investment risk

The risks associated with these investments are set out in the section "Risks of investing in the Funds" on page 6-9.

## Fund size

\$1,277.84m (as at 26 February 2010)

## Income distribution

Monthly (if of an economic size)

## Management costs

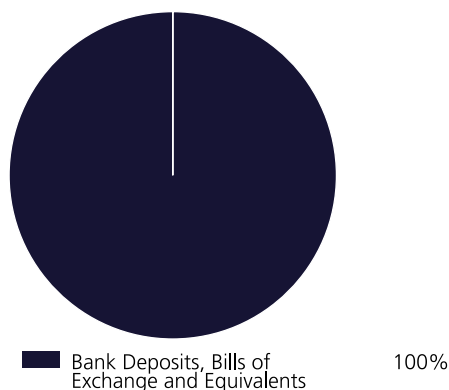
0.22% pa. (see page 33-38)

## Buy/sell spread

0.00%

## Investment portfolio

The composition of the Fund as at 26 February 2010 is shown below.



Monthly performance data and the latest portfolio composition for this Fund are available on our website: [www.ubs.com/australia](http://www.ubs.com/australia)

# UBS Cash-Plus Fund



## Investment objective

This Fund aims to provide a total return (after management costs) in excess of the UBS Bank Bill Index (Benchmark) when measured over rolling 12 month periods.

## Investor suitability

The Fund is best suited to investors who seek an investment that provides stable income with the potential to achieve returns greater than cash. The Fund will be managed with the intention of avoiding negative monthly returns although investors should be prepared to accept some variability in returns. The Fund is a low to medium risk investment and should be viewed over at least a one year period.

## Investment policy

The Fund is an actively managed \$A portfolio of high quality short term deposits, cash equivalent securities, fixed income securities and interest rate investment contracts (or equivalent). The Fund will invest in longer dated fixed income securities when we are confident that these investments will achieve superior risk adjusted returns compared with bank bills. The Fund may also invest in financial derivatives to gain or reduce exposure to relevant markets and manage investment risk.

## Investment risk

The risks associated with these investments are set out in the section "Risks of investing in the Funds" on page 6-9.

## Fund size

\$125.54m (as at 26 February 2010)

## Income distribution

31 March, 30 June, 30 September, 31 December  
(if of an economic size)

## Management costs

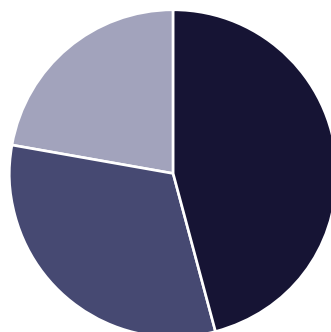
0.30% pa. (see page 33-38)

## Buy/sell spread

+0.00%/-0.10%

## Investment portfolio

The composition of the Fund as at 26 February 2010 is shown below.



Bank Deposits, Bills of Exchange and Equivalents	46%
Corporate Floating Rate Notes	32%
Securitised	22%

Monthly performance data and the latest portfolio composition for this Fund are available on our website: [www.ubs.com/australia](http://www.ubs.com/australia)

# UBS Australian Bond Fund



## Investment objective

This Fund aims to provide a total return (after management costs) in excess of the UBS Composite Bond Index 0+YR (Benchmark) when measured over rolling three year periods.

## Investor suitability

The Fund is best suited to investors who seek a diversified portfolio of investment grade fixed income and cash equivalent assets. Investment returns will fluctuate over the shorter term and may even be negative. The Fund is a low to medium risk investment and should be viewed over at least a three year period.

## Investment policy

The Fund is an actively managed \$A portfolio of investment grade fixed income and cash equivalent securities. Investments of the Fund may include government, semi-government and corporate bonds; mortgage and other asset backed securities; structured fixed income securities; and interest rate investment contracts (or equivalent). The Fund may also invest in financial derivatives to gain or reduce exposure to relevant markets and manage investment risk. Derivative holdings may result in notional exposures that are greater than the underlying value of the assets in the Fund.

## Investment risk

The risks associated with these investments are set out in the section "Risks of investing in the Funds" on page 6-9.

## Fund size

\$747.12m (as at 26 February 2010)

## Income distribution

31 March, 30 June, 30 September, 31 December (if of an economic size)

## Management costs

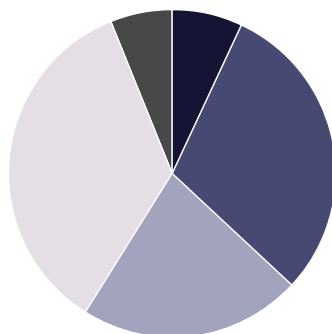
0.40% pa. (see page 33-38)

## Buy/sell spread

+0.00%/-0.05%

## Investment portfolio

The composition of the Fund as at 26 February 2010 is shown below.



Bank Bills and Cash	7%
Semi-Government Bonds	30%
Government Related Bonds	22%
Corporate Bonds	35%
Securitized	6%

Monthly performance data and the latest portfolio composition for this Fund are available on our website: [www.ubs.com/australia](http://www.ubs.com/australia)

# UBS Diversified Fixed Income Fund



## Investment objective

This Fund aims to provide investors with a total return (after management costs) in excess of the returns measured by relevant debt market indices, over rolling three year periods.

## Investor suitability

The Fund is best suited to investors who seek to diversify their fixed income exposure through investment in a mix of domestic and international securities and across the fixed income asset class. Investment returns will fluctuate over the shorter term and may even be negative. The Fund is a low to medium risk investment and should be viewed over at least a three year period.

## Investment policy

The Fund is an actively managed portfolio of cash and Australian and international fixed income securities. The Fund may gain its asset sector exposure by investing in UBS managed funds or direct securities and financial derivatives.

The fixed income assets of the Fund are predominantly of investment grade quality.

Non- investment grade fixed income assets (High Yield and Emerging Market debt) will generally not exceed 30% of the total portfolio. The Fund may invest in derivatives to gain or reduce exposure to relevant markets and currencies and to manage investment risk. The Fund is managed to a minimum 90% \$A exposure. Derivative holdings may result in notional exposures that are greater than the underlying value of the assets in the Fund.

## Investment risk

The risks associated with these investments are set out in the section "Risks of investing in the Funds" on page 6-9.

## Fund size

\$319.51m (as at 26 February 2010)

## Income distribution

31 March, 30 June, 30 September, 31 December (if of an economic size)

## Management costs

0.42% pa. (see page 33-38)

## Buy/sell spread

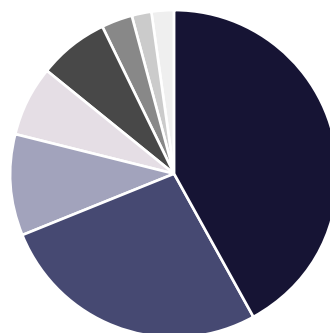
+0.05% /-0.10%

## Asset allocation

Asset sector	Neutral weights %	Typical Asset allocation range %
Australian bonds and cash	50	20-80
International bonds and cash (\$A hedged)	50	20-80
Foreign Currency Exposure	0	0-10

## Investment portfolio

The composition of the Fund as at 26 February 2010 is shown below.



Australian Cash & Fixed Income	42%
Global Credit	27%
Diversified Credit Income Fund	10%
Global Asset Backed Securities	7%
Strategic Fixed Income Opportunities Fund	7%
Australian Inflation-linked Securities	3%
Direct Credit Securities	2%
Emerging Markets Debt	2%

Monthly performance data and the latest portfolio composition for this Fund are available on our website: [www.ubs.com/australia](http://www.ubs.com/australia)

# UBS Diversified Credit Fund\*



## Investment objective

This Fund aims to provide investors with a total return (after management costs) in excess of the returns measured by relevant debt market indices, over rolling three year periods

## Investor suitability

The Fund is best suited to investors who seek a diversified portfolio of Australian and international securities to gain exposure to credit markets. It is a medium risk investment and should be viewed over at least a three year period. The Fund will be managed with the intention of maximising total return (income plus growth). Investment returns will fluctuate over the shorter term, particularly in response to the performance of corporate debt markets. There is the possibility of a negative return in some periods.

## Investment policy

The Fund is an actively managed portfolio of Australian and international investment grade and non-investment grade securities. Securities held include domestic and European hybrids, domestic and international high yield securities, investment grade corporate bonds, emerging market debt and securitised assets. The Fund may invest in derivatives to gain or reduce exposure to relevant markets and currencies and manage investment risk. Derivative holdings may result in notional exposures that are greater than the underlying value of assets in the Fund. The Fund is managed to a minimum 90% \$A exposure.

The Fund may also invest in other UBS managed funds to gain exposure to certain eligible securities.

## Investment risk

The risks associated with these investments are set out in the section "Risks of investing in the Funds" on page 6-9.

## Fund size

\$283.87m (as at 26 February 2010)

## Income distribution

31 March, 30 June, 30 September, 31 December (if of an economic size)

## Management costs

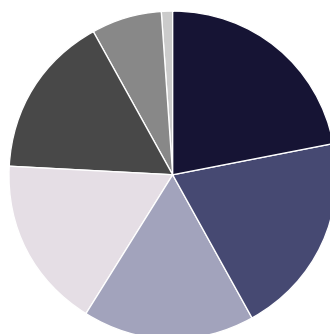
0.70% pa. (see page 33-38)

## Buy/sell spread

+0.30%/-0.50%

## Investment portfolio

The composition of the Fund as at 26 February 2010 is shown below.



■ AUD Domestic Hybrid	22%
■ AUD Investment Grade FRN	20%
■ AUD Securitised	17%
■ AUD Investment Grade Fixed Rate	17%
■ Physical Cash/Bank Bills	16%
■ US/EU High Yield	7%
■ Asian High Yield	1%

Monthly performance data and the latest portfolio composition for this Fund are available on our website: [www.ubs.com/australia](http://www.ubs.com/australia)

\*Prior to 28 April 2010, this Fund was named UBS Diversified Credit Income Fund

# Our Property and Equity Funds

## Property Securities

UBS Property Securities Fund  
UBS Global Property Securities Fund

## Australian Share

UBS Australian Share Fund  
UBS Australian Small Companies Fund

## Global Share

UBS International Share Fund  
UBS Emerging Markets Equity Fund (AUD)



# UBS Property Securities Fund



## Investment objective

The Fund aims to provide investors with a total return (after management costs) in excess of the benchmark\* which is 85% the S&P/ASX 300 Property Accumulation Index and 15% the FTSE EPRA/NAREIT Developed Index Total Return (\$A hedged), when measured over rolling five year periods.

## Investor suitability

The Fund is best suited to investors who seek a well diversified portfolio of mainly Australian property securities with some global property securities. Investment returns will fluctuate and may even be negative in some periods. The Fund is a high risk investment and should be viewed over at least a five year period.

## Investment policy

The Fund is an actively managed portfolio of property securities listed on Australian and international recognised exchanges or those we reasonably expect to list within six months. The Fund may invest in financial derivatives to adjust exposure to property securities or to manage investment risk. The Fund can hold a maximum of 20% international property securities. All foreign currency exposure is hedged to \$A.

UBS Global Asset Management Group's worldwide offices advise the overall structure of the Fund.

## Investment risk

The risks associated with these investments are set out in the section "Risks of investing in the Funds" on page 6-9.

## Fund size

\$379.12m (as at 26 February 2010)

## Income distribution

31 March, 30 June, 30 September, 31 December (if of an economic size)

## Management costs

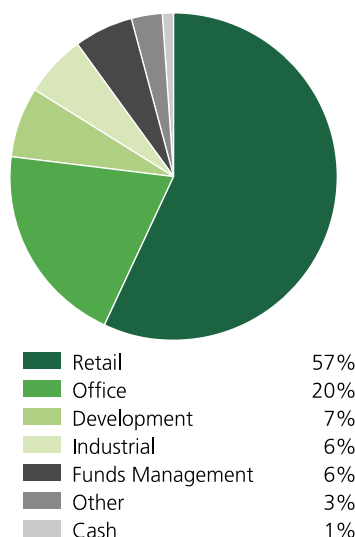
0.85% pa. (see page 33-38)

## Buy/sell spread

+/- 0.30%

## Investment portfolio

The composition of the Fund as at 26 February 2010 is shown below.



Monthly performance data and the latest portfolio composition for this Fund are available on our website: [www.ubs.com/australia](http://www.ubs.com/australia)

\*On and before 30 April 2010, the benchmark of this Fund will still be the S&P/ASX 300 Property Accumulation Index

# UBS Global Property Securities Fund



## Investment objective

This Fund aims to provide investors with a total return (after management costs) in excess of the FTSE EPRA/NAREIT Developed Index\* total return (\$A hedged) (Benchmark) when measured over rolling five year periods.

## Investor suitability

The Fund is best suited to investors who seek a well-diversified portfolio of global property securities with foreign currency exposures. Investment returns will fluctuate and may even be negative in some periods. The Fund is a high risk investment and should be viewed over at least a five year period.

## Investment policy

The Fund is an actively managed portfolio of global property securities listed on recognised internationally recognised exchanges, or those we reasonably expect to list within six months. The Fund may also invest in derivatives to adjust exposure to markets or to manage investment risk. The Fund is generally diversified across 10-20 countries. The Fund will generally hold at least 40-90 securities. The Fund can hold a maximum of 20% of its assets in cash. All foreign currency exposure is hedged to \$A.

UBS Global Asset Management Group's worldwide offices advise on the overall structure of the Fund.

## Investment risk

The risks associated with these investments are set out in the section "Risks of investing in the Funds" on page 6-9.

## Fund size

\$48.39m (as at 26 February 2010)

## Income distribution

31 March, 30 June, 30 September, 31 December (if of an economic size)

## Management costs

0.95% pa. (see page 33-38)

## Buy/sell spread

+/- 0.35%

## Asset allocation

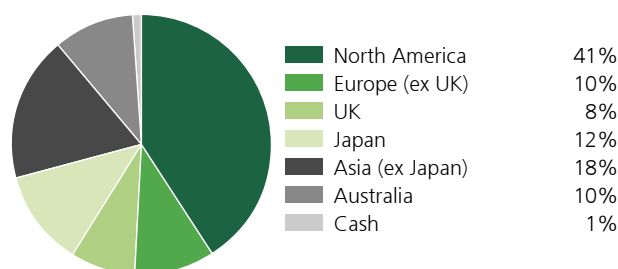
Region	Market range %*
North America	30-80
Japan	0-40
Europe (ex-UK)	0-30
United Kingdom	0-30
Asia (ex-Japan)	0-40
Australia & NZ	0-30

\*Strategy is expected to fall in this range with 95% frequency. Foreign Currency Exposure 0-100%

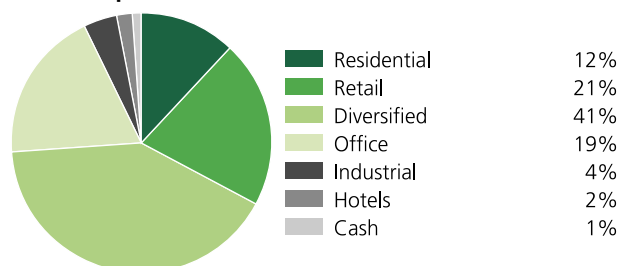
## Investment portfolio

The composition of the Fund as at 26 February 2010 is shown below.

### Regional exposure



### Sector exposure



Monthly performance data and the latest portfolio composition for this Fund are available on our website: [www.ubs.com/australia](http://www.ubs.com/australia)

\*The FTSE EPRA/NAREIT Developed Index is designed to track the performance of listed real estate companies and REITs worldwide.

# UBS Australian Share Fund



## Investment objective

This Fund aims to provide investors with a total return (after management costs) in excess of the S&P/ASX 300 Accumulation Index (Benchmark) when measured over rolling five year periods.

## Investor suitability

The Fund is best suited to investors who seek a well diversified portfolio of securities listed on the Australian Stock Exchange. Due to the inherent volatility of share markets, investment returns will fluctuate and may even be negative in some periods. The Fund is a high risk investment and should be viewed over at least a five year period.

## Investment policy

The Fund is an actively managed portfolio of securities listed on the Australian Stock Exchange or those we reasonably expect to list within six months. The Fund may also invest indirectly in listed Australian securities via investments in other UBS managed funds, including the UBS Australian Small Companies Fund which includes companies which may be listed in New Zealand but not in Australia - this exposure is likely to be small. The Fund may invest in financial derivatives to gain exposure to the Australian sharemarket or to manage investment risk.

Normally the Fund will hold between 30 and 60 stocks/sub funds with at least 75% of the Fund invested in stocks that comprise the S&P/ASX 100 Index. The Fund can hold a maximum of 10% in cash.

## Investment risk

The risks associated with these investments are set out in the section "Risks of investing in the Funds" on page 6-9.

## Fund size

\$1,376.56m (as at 26 February 2010)

## Income distribution

31 March, 30 June, 30 September, 31 December (if of an economic size)

## Management costs

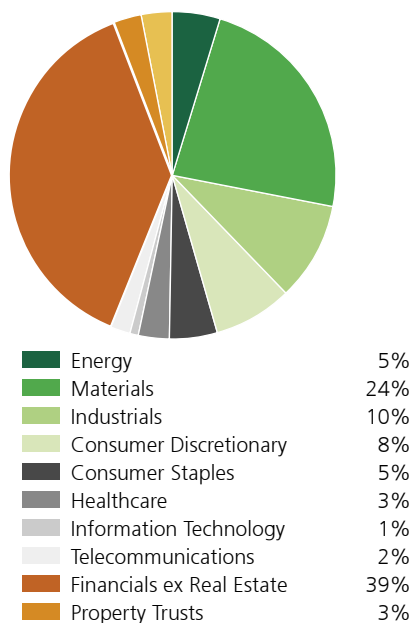
0.80% pa. (see page 33-38)

## Buy/sell spread

+/- 0.25%

## Investment portfolio

The composition of the Fund as at 26 February 2010 is shown below.



Monthly performance data and the latest portfolio composition for this Fund are available on our website: [www.ubs.com/australia](http://www.ubs.com/australia)

# UBS Australian Small Companies Fund



## Investment objective

This Fund aims to provide investors with a total return (after management costs) in excess of the S&P/ASX Small Ordinaries Accumulation Index when measured over rolling five year periods.

## Investor suitability

The Fund is best suited to investors who seek a well diversified portfolio of small capitalisation securities. Due to the inherent volatility of share markets, and in particular smaller capitalisation companies, investment returns will fluctuate and may even be negative in some periods. The Fund is a high risk investment and should be viewed over at least a five year period.

## Investment policy

The Fund is an actively managed portfolio of securities listed on recognised exchanges in Australia and New Zealand, or those we reasonably expect to list within six months. The Fund may also invest indirectly in listed Australian and New Zealand securities through investments in other relevant UBS managed funds. The Fund may invest in financial derivatives to gain exposure to the Australian sharemarket or to manage investment risk. Normally the Fund will hold between 30 and 90 stocks/sub funds with the majority of investments to be made in securities not in the S&P/ASX 100 Index. The Fund can hold a maximum of 10% in cash.

## Investment risk

The risks associated with these investments are set out in the section "Risks of investing in the Funds" on page 6-9.

## Fund size

\$126.62 (as at 26 February 2010)

## Income distribution

31 March, 30 June, 30 September, 31 December  
(if of an economic size)

## Management costs

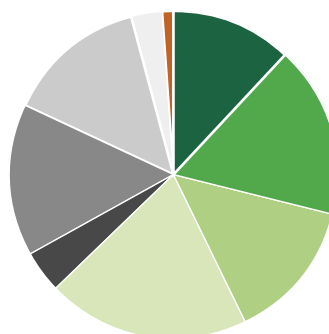
1.10% pa. (see page 33-38)

## Buy/sell spread

+/- 0.40%

## Investment portfolio

The composition of the Fund as at 26 February 2010 is shown below.



Energy	12%
Materials	17%
Industrials	14%
Consumer Discretionary	20%
Healthcare	4%
Information Technology	15%
Financials ex Property Trusts	14%
Property Trusts	3%
Cash	1%

Monthly performance data and the latest portfolio composition for this Fund are available on our website: [www.ubs.com/australia](http://www.ubs.com/australia)

# UBS International Share Fund



## Investment objective

This Fund aims to provide a total return (after management costs) in excess of the MSCI World Equity Accumulation Index ex-Australia (in \$A) (Benchmark) when measured over rolling five year periods.

## Investor suitability

The Fund is best suited to investors who seek a diversified portfolio of international equity securities with foreign currency exposure. Investment returns will fluctuate and may even be negative in some periods. The Fund is a high risk investment and should be viewed over at least a five year period.

## Investment policy

The Fund is an actively managed portfolio of securities listed on recognised international exchanges, or those we reasonably expect to list within six months and currency exposures. The Fund may also invest in derivatives to gain exposure to markets and currencies or to manage risk. The Fund seeks to invest across a wide number of countries and currencies in order to deliver a diversified investment strategy aimed at achieving the objectives of the Fund. The Fund can hold a maximum of 10% in cash.

Currency allocation is a separate, although related decision to that of country allocation. Currency allocation is actively managed.

UBS Global Asset Management Group's worldwide offices advise on the overall structure of the Fund.

## Investment risk

The risks associated with these investments are set out in the section "Risks of investing in the Funds" on page 6-9.

## Fund size

\$163.55m (as at 26 February 2010)

## Income distribution

30 June, 31 December  
(if of an economic size)

## Management costs

0.90% pa. (see page 33-38)

## Buy/sell spread

+/- 0.30%

## Market and currency

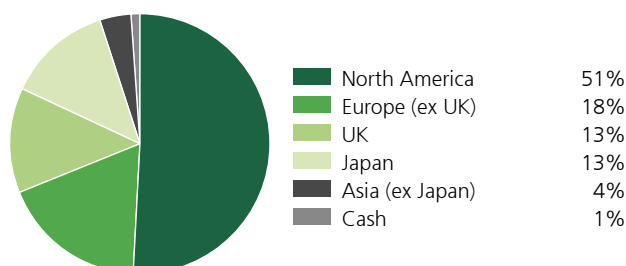
Region	Market range %*	Currency range %*
North America	35-80	35-80
Japan	0-30	0-30
Europe	10-50	10-50
Asia (ex-Japan)	0-20	0-20
Australia & NZ	0-5	0-100

\*Strategy will fall in this range with 95% frequency.

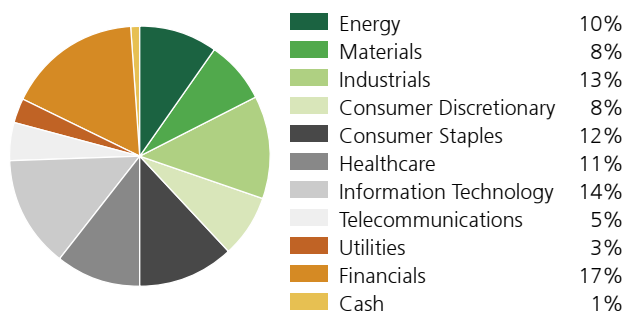
## Investment portfolio

The composition of the Fund as at 26 February 2010 is shown below.

### Regional exposure



### Sector exposure



Monthly performance data and the latest portfolio composition for this Fund are available on our website: [www.ubs.com/australia](http://www.ubs.com/australia)

# UBS Emerging Markets Equity Fund (AUD)



## Investment objective

This Fund aims to provide investors with a total return (after management costs) in excess of the MSCI Emerging Markets Net Dividends Reinvested Index (in \$A) (Benchmark) when measured over a full market cycle (usually three to five years).

## Investor suitability

The Fund is best suited to investors who seek a diversified portfolio of global emerging markets equity securities and related investments including foreign currency exposure. Investment returns will fluctuate over the shorter term and may even be negative in some periods. The Fund is a high risk investment and should be viewed over at least a five year period.

## Investment policy

The Fund is an actively managed portfolio of securities principally invested in emerging markets growth companies and funds which are listed on recognised global exchanges, or those we reasonably expect to list within six months and currency exposure. The Fund focuses on an investable universe of securities that exhibit strong growth characteristics and seeks to invest in companies undergoing positive, sustainable fundamental change driving a period of above average earnings growth. The Fund may also invest in derivatives to gain exposure to markets and currencies or to manage risk. The Fund seeks to invest across a wide number of countries and currencies in order to deliver a diversified investment strategy aimed at achieving the objective of the Fund. Investments may be made either directly or indirectly through a range of instruments.

The products that the Fund may invest in include, without any limitation:

- Securities in companies such as ordinary shares, preferred shares, and convertible shares (whether by way of a private placement or an offer to the public);
- Financial products that give a right to securities in companies such as warrants and options;
- Instruments that give the Fund the opportunity to obtain a return based on the return of an underlying security without owning the security, such as depository receipts, depository shares and equity linked notes;
- Securities issued by real estate investment trusts, which use the capital of investors to purchase and manage real estate;
- Pooled investment funds or structured products investing primarily in the securities listed above, including exchange traded funds, country funds, participation notes and unit investment trusts;
- Exchange traded and over the counter derivatives; and
- Cash and other liquid investments.

## Investment risk

The risks associated with these investments are set out in the section "Risks of investing in the Funds" on page 6-9.

## Fund size

\$42.66m (as at 26 February 2010)

## Income distribution

30 June, 31 December  
(if of an economic size)

## Management costs

1.25% pa. (see page 33-38)

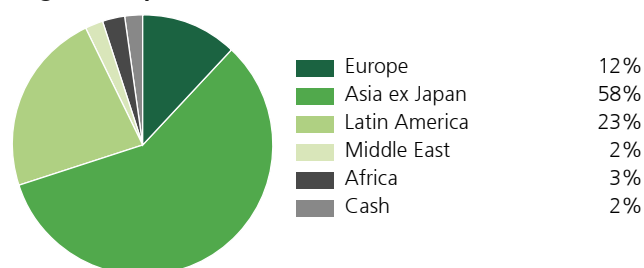
## Buy/sell spread

+/- 1.00%

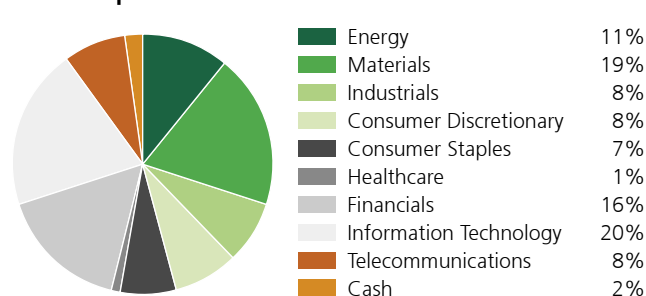
## Investment portfolio

The composition of the Fund as at 26 February 2010 is shown below.

### Regional exposure



### Sector exposure



Monthly performance data and the latest portfolio composition for this Fund are available on our website: [www.ubs.com/australia](http://www.ubs.com/australia)

# Our Multi Asset Funds

UBS Defensive Investment Fund  
UBS Balanced Investment Fund  
UBS Absolute Return Fund (AUD)



# UBS Defensive Investment Fund



## Investment objective

This Fund aims to provide a total return (after management costs) in excess of its Neutral Allocation (measured by relevant market indices), over rolling five year periods. Over a full investment cycle (usually three to five years), this Neutral Allocation displays performance characteristics of CPI plus 4.5-6.5% pa on average.

## Investor suitability

The Fund is best suited to investors who seek to enhance the returns from a diversified portfolio of income assets through a limited investment in growth and alternative assets. Investment returns will fluctuate and may even be negative in some periods. The Fund is managed to seek to mitigate the incidence and magnitude of such periods of negative returns. This is a medium risk investment and should be viewed over at least a three to five year period.

## Investment policy

The Fund may maintain its asset allocation anywhere within the allowable range to differing asset classes consistent with the risk and return objectives indicated above. The Fund normally gains its asset sector exposure by investing in other relevant UBS managed funds and third-party funds either directly or indirectly through a range of instruments. The Fund may also invest directly in securities. Derivatives may also be used to gain or hedge exposure to securities, markets, asset classes and currencies. Derivative holdings may result in notional exposures that are greater than the underlying value of assets in the Fund. The long term neutral (or average) exposure to traditional growth and income assets is expected to be around 30% and 60% respectively of the total portfolio. The remaining 10% is expected to be allocated on average to various alternative asset strategies which are likely to provide a combination of both income and growth potential.

## Investment risk

The risks associated with these investments are set out in the section "Risks of investing in the Funds" on page 6-9.

## Fund size

\$217.03m (as at 26 February 2010)

## Income distribution

31 March, 30 June, 30 September, 31 December (if of an economic size)

## Management costs

0.65% pa. (see page 33-38)

## Buy/sell spread

+/- 0.15%

## Asset allocation

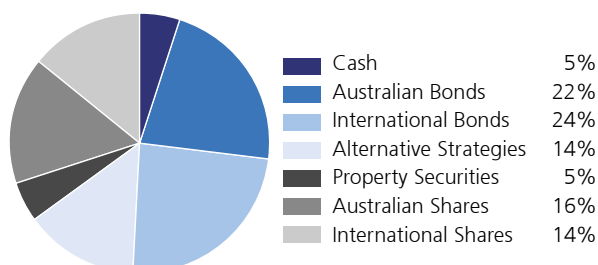
Asset sector	Neutral weights%	Asset allocation range %
<b>Income assets</b>		
Cash		0-50
Australian Bonds		0-80
International Bonds		0-80
TOTAL	60	30-90
<b>Growth assets</b>		
Property Securities/REITs		0-20
Australian Shares		0-40
International Shares		0-40
TOTAL	30	0-50
<b>Alternative Strategies</b>		
Foreign Currency Exposure	10	0-40*

\*may exceed the upper limit of this range for extended periods due to market movements or significant cash flows.

The neutral asset position represents the likely expected long term average exposure of the portfolio to various asset classes in order to meet its investment objective over a full investment cycle. At any point in time the actual asset weighting of the portfolio may be set away from the neutral position, although still consistent with the asset allocation range, reflecting the views of the portfolio manager.

## Investment portfolio

The composition of the Fund as at 26 February 2010 is shown below.



Monthly performance data and the latest portfolio composition for this Fund are available on our website: [www.ubs.com/australia](http://www.ubs.com/australia)

# UBS Balanced Investment Fund



## Investment objective

This Fund aims to provide a total return (after management costs) in excess of its Neutral Allocation (measured by relevant market indices), over rolling five year periods. Over a full investment cycle (usually three to five years), this Neutral Allocation displays performance characteristics of CPI plus 6-8% pa on average.

## Investor suitability

The Fund is best suited to investors who seek to achieve returns from a mix of growth, income and alternative assets. Investment returns will fluctuate and may even be negative in some periods. The Fund is a medium to high risk investment and should be viewed over at least a three to five year period.

## Investment policy

The Fund may maintain its asset allocation anywhere within the allowable range to differing asset classes consistent with the risk and return objectives indicated above. The Fund normally gains its underlying security selection exposure by investing in other relevant UBS managed funds and third-party funds either directly or indirectly through a range of instruments. The Fund may also invest directly in securities. Derivatives may also be used to gain or hedge exposure to securities, markets, asset classes and currencies. Derivative holdings may result in notional exposures that are greater than the underlying value of assets in the Fund. The long term neutral (or average) to traditional growth and income assets is expected to be around 65% and 25% respectively of the total portfolio. The remaining 10% is expected to be allocated on average to various alternative asset strategies which are likely to provide a combination of both income and growth potential.

## Investment risk

The risks associated with these investments are set out in the section "Risks of investing in the Funds" on page 6-9.

## Fund size

\$775.14m (as at 26 February 2010)

## Income distribution

31 March, 30 June, 30 September, 31 December (if of an economic size)

## Management costs

0.70% pa. (see page 33-38)

## Buy/sell spread

+/- 0.20%

## Asset allocation

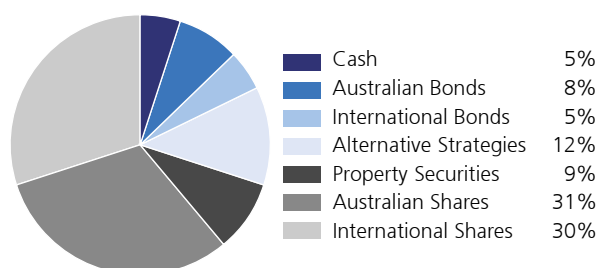
Asset sector	Neutral weights%	Asset allocation range %
<b>Income assets</b>		
Cash		0-30
Australian Bonds		0-60
International Bonds		0-60
TOTAL	25	0-70
<b>Growth assets</b>		
Property Securities/REITs		0-30
Australian Shares		0-60
International Shares		0-60
TOTAL	65	20-95
<b>Alternative Strategies</b>		
Foreign Currency Exposure	10	0-40*
	30	0-95

\*may exceed the upper limit of this range for extended periods due to market movements or significant cash flows.

The neutral asset position represents the likely expected long term average exposure of the portfolio to various asset classes in order to meet its investment objective over a full investment cycle. At any point in time the actual asset weighting of the portfolio may be set away from the neutral position, although still consistent with the asset allocation range, reflecting the views of the portfolio manager.

## Investment portfolio

The composition of the Fund as at 26 February 2010 is shown below.



Monthly performance data and the latest portfolio composition for this Fund are available on our website: [www.ubs.com/australia](http://www.ubs.com/australia)

# UBS Absolute Return Fund (AUD)



## Investment objective

This Fund seeks to achieve an absolute return over a full market cycle (usually three to five years) of 3.5%-5.5% pa gross return above the UBS Bank Bill Index. This is similar to an absolute return of CPI + 6-8% pa.

In net return terms this objective is equivalent to an absolute return over a full market cycle of 2.15%-4.15% pa above the UBS Australian Bank Bill Index.

## Investor suitability

The Fund is best suited to investors who seek to achieve returns from a core portfolio solution that is globally diversified across multiple asset classes but shows relatively lower volatility than traditional multi asset investments. Investment returns will and may even be negative in some periods. The Fund is a medium to high risk investment and should be viewed over at least a three to five year period.

## Investment policy

The Fund will seek to achieve its investment objective primarily by investing in an underlying UBS managed investment scheme.\*

A wide range of financial instruments, securities and products may be used to gain investment and asset exposure. These may include for example investment in the following asset classes - global equity, global fixed income, cash equivalent markets, global currencies, commodities, private equity, property, infrastructure, hedge funds and other traditional and alternative asset classes. However, this list is not exhaustive and does not limit our scope and range. Changes, along with details of the Fund's composition will be available on our website. The Fund may also invest into third-party funds either directly or indirectly through a range of instruments.

We attempt to generate positive returns through active security and market selection, currency overlay management and tactical asset allocation. These decisions are a function of analysis of global market and economic conditions.

Derivative instruments may, but are not required to be, used for risk management purposes or as part of the investment strategies.

The strategies are implemented using our risk management systems in a highly risk controlled manner ensuring excessive risk is not introduced to the portfolio inconsistent with the risk budget.

Derivatives may be used to earn income and enhance returns, to manage or adjust investment profile, to replace more traditional direct investments, or to obtain exposure to certain markets. Through the use of derivatives we have the flexibility to manage market ('Beta') and security selection ('Alpha') risk separately and will actively manage currency exposure by applying a currency overlay. This allows for greater investment efficiency and lower volatility than many traditional balanced investment funds.

In addition, the Fund may be net short or long overall market exposure and may establish net short or net long positions for individual markets, currencies and securities.

Borrowings can be used to purchase investments. There is no specific limit on the amount that can be borrowed. Leverage may be incorporated through borrowings or derivatives provided the risk position is monitored relative to the risk budget.

Investing in the underlying Fund enables us to maintain consistent performance and achieve administrative efficiency across the Funds that invest in the underlying Fund. You do not pay any additional fees for this arrangement.

The underlying Fund may invest all or a portion of its assets in other UBS or non-UBS managed funds to gain exposure to various asset classes.

\*The underlying scheme is the UBS Dynamic Alpha Strategy Fund A (AUD).



## Investment risk

The risks associated with these investments are set out in the section "Risks of investing in the Funds" on page 6-9.

## Fund size

\$1.830m (as at 26 February 2010)

## Income distribution

31 March, 30 June, 30 September, 31 December  
(if of an economic size)

## Management costs

1.35% pa. (see page 33-38)

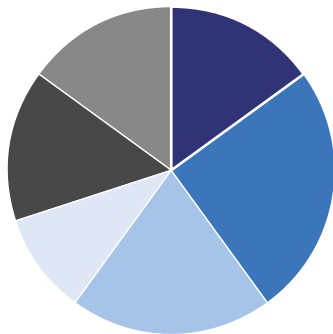
## Buy/sell spread

+/- 0.35%

## Investment portfolio

The composition of the Fund as at 26 February 2010 is shown below.

### Physical portfolio exposure



■ Cash	15%
■ Global Growth	25%
■ US Core Equity	20%
■ US Mid Cap Growth Equity	10%
■ Australian Equity	15%
■ European High Alpha Equity	15%

Monthly performance data and the latest portfolio composition for this Fund are available on our website: [www.ubs.com/australia](http://www.ubs.com/australia)

## Market exposure

(implemented through derivatives)

	Security selection exposures by Market %	Derivatives overlay %	Target market exposures <sup>1</sup> %
<b>Equities</b>	<b>85.0</b>	<b>(42.0)</b>	<b>43.0</b>
Global Growth	25.0	(25.0)	0.0
Australia	15.0	(13.3)	1.7
US	30.0	(7.6)	22.4
UK	0.0	6.1	6.1
Europe ex UK	15.0	(2.3)	12.7
Japan	0.0	4.8	4.8
Other Developed	0.0	(1.7)	(1.7)
Emerging Markets	0.0	(3.0)	(3.0)
<b>Bonds</b>	<b>0.0</b>	<b>24.5</b>	<b>24.5</b>
Government Bonds	0.0	(7.5)	(7.5)
High Yield Debt 5 yr	0.0	5.0	5.0
Investment Grade 5 yr	0.0	27.0	27.0
Real Return Bonds	0.0	0.0	0.0
<b>Real estate</b>	<b>0.0</b>	<b>4.0</b>	<b>4.0</b>
<b>Cash/Hedge Offsets</b>	<b>15.0</b>	<b>13.5</b>	<b>28.5</b>
<b>Total</b>	<b>100.0</b>	<b>0.0</b>	<b>100.0</b>

<sup>1</sup>The market exposure results from holdings of physical assets, futures, options and swap positions.

## Summary of features

Summary of features	Minimum transaction amount	Request received by		Documentation required	Cut-off times*
		Mail	Fax		
Initial investment	\$20,000 per Fund	✓	✗	Application Form.	Received by 3pm on a Sydney business day.
Additional investments	\$1,000 per Fund	✓	✓	Clear signed instructions with your Investor Number, investment amount and Fund to invest into.	Received by 3pm on a Sydney business day.
Switch between Funds	\$1,000 per Fund	✓	✓	Clear signed instructions with your Investor Number, amount or units to be switched and which Funds to switch from and to. Please refer to page 31.	Received by 3pm on a Sydney business day.
Switch to a new Fund	\$20,000 per Fund	✓	✓	Clear signed instructions with your Investor Number, amount or units to be switched and which Funds to switch from and to. Please refer to page 31.	Received by 3pm on a Sydney business day.
Withdrawals	No minimum	✓	✓	Clear signed instructions with your Investor Number, amount or units to be withdrawn and payment instructions. (Note: Third party payments are not allowed.)	Received by 3pm on a Sydney business day.
Transferring ownership	Not applicable	✓	✗	Application form and a standard transfer form.	Received by 3pm on a Sydney business day.
Delegation of authority	Not applicable	✓	✗	Clear signed instructions with your Investor Number and the details of the person to be delegating your authority.	Not applicable.

\*See "Unit pricing" on page 32.

# How to make your investment

## Initial investment

To make your initial investment, complete the current UBS Investment Funds application form accompanying this Product Disclosure Statement and post it to NAB together with the original certified copy of each of your identification documents (as required)\*.

Please transfer your application monies to UBS by either:

- cheque made payable to "NNL OCA - UBS Applications Account (your name)" and crossed "Not Negotiable". Please post this with your Application Form; or
- \$A EFT or deposit to our bank account. Please call Client Services on (02) 9324 3222 or freecall on 1800 023 043 for our bank account details. Ask your Financial Institution to record the Investor's name as a reference on the EFT and please fax evidence from your Financial Institution that the money has been banked, to 1300 365 601 for the attention of Registry Services.

If your application is received before 3pm (Sydney time) on a business day, the application price will be based on the net value of the assets of the relevant Fund when next calculated (usually at close of business that day). If received after this time, or on a non-business day, you will generally receive the unit price calculated at close of business the next business day.

The minimum initial investment is \$20,000 per Fund.

We can vary the minimum investment amounts for the Funds and have the right to refuse applications.

\*Owing to AML/CTF laws, UBS cannot receive this Application form by fax or email.

Indirect investors (see page 45) should seek advice from their service operator as to how they can apply to make an investment in the Fund(s).

## Cooling off period

If you decide within a certain period that you do not want the units we have issued to you in a Fund, we must give you a refund. This "cooling off" right enables you to have your investment returned. Your money will be repaid after any adjustments for market movements and taxes. You can exercise your right by writing to us within 14 days, commencing on the earlier of:

1. When you receive confirmation of your investment; or
2. The end of the fifth business day after the day on which your units were issued or sold to you.

This right terminates immediately if you exercise a right of power under the terms of the product, such as selling part of your investment or switching to another product. For any subsequent investments made under a distribution reinvestment plan, the "cooling off" right does not apply.

If you have any questions about this right please contact your adviser or Client Services on (02) 9324 3222 or freecall on 1800 023 043. Indirect investors should seek advice from their service operator.

## Additional investments

Additional investments of \$1,000 or more can be made, provided you are physically in Australia at the time, by sending us your additional investment amount, together with details of the Fund in which you want to invest, and stating your investor number. Alternatively, you may fax instructions to us following the initial investment procedures. The instructions requesting us to make the additional investment must be signed by the appropriate signatories. Details of any advice fee (if any) must also be stated.

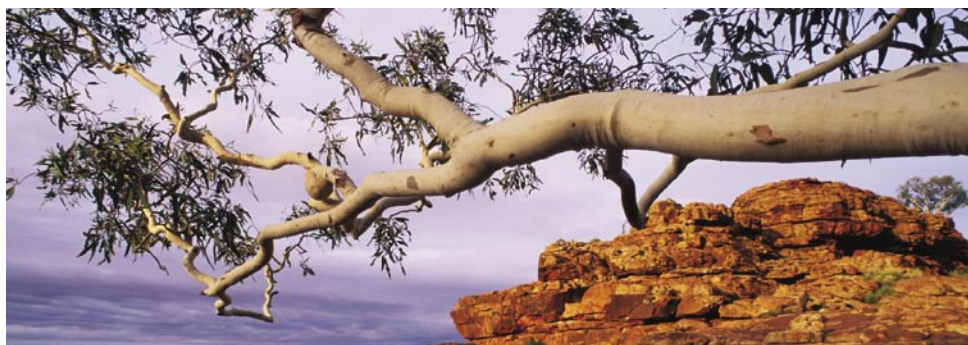
## Switching between Funds

You can switch between our Funds at any time, unless you have moved overseas and changed your address to a non-Australian address. Requests to switch must be made in writing and signed by the appropriate signatories. Details of any advice fee (if any) must also be stated. If you are switching to a UBS Fund that is not included in this PDS, you will need to complete an application form from the relevant PDS unless you already hold units in the Fund to which you are switching.

Switching can have taxation consequences – for example, a capital gain or loss may be realised by the disposal of your units (see page 39).

## Transferring ownership

You can transfer some or all of your investment at any time. Please contact Client Services for the procedure for transferring units. Transferring can have tax consequences (see page 39).



# How to make your investment

Continued

## Moving overseas

If you move overseas and change your address to a non-Australian address you will no longer be able to make additional investments, switch between funds or reinvest your dividend distributions. Distributions must be paid to your Australian bank account or, if you do not have one, via cheque.

## Withdrawing your investment

You can withdraw some or all of your investment at any time. You can withdraw from a Fund by written request, signed by the appropriate signatories. Please advise the amount that you wish to withdraw, your Investor Number and any relevant banking details for the proceeds. You can fax these details to us on 1300 365 601, to the attention of the Manager, Registry Services. Please note that we only make payments to your nominated Australian bank or financial institution account or a cheque in favour of the investor. No third party payments will be allowed.

Please note withdrawals can also have taxation consequences.

Under normal circumstances, if your withdrawal is received by 3pm (Sydney time) on a business day, redemption proceeds will be paid within 6 business days, except for the UBS Cash Fund. Redemption proceeds for this Fund are normally paid the next business day after the written request is received by us.

The Constitution of each Fund permits 30 days for payment and also allows us to suspend withdrawals in limited circumstances (such as a relevant stock exchange being closed or a temporary illiquidity of certain assets).

If a Fund ceases to be liquid (as defined by the Corporations Act), you will only be able to withdraw from the Fund if we make an offer of withdrawal. If we do make such an offer, you may only be able to withdraw part of your investment. There is no obligation for us to make such an offer. Under normal market conditions we would not expect any Fund to become illiquid.

## Changes to the value of your investment

The units which are issued to you represent your interest in the Fund. Once your application and cheque have been accepted, we calculate the number of units to be issued to you based on the applicable application price. If you make additional investments, switch between Funds or make a withdrawal, the number of units you hold will change. The value of your investment at any given time will depend on the total number of units you hold in a Fund and the applicable redemption price.

## Unit pricing

The Funds are normally valued each Sydney business day. If your application, switch or redemption is received before 3pm (Sydney time) on a business day, the application or redemption price will be based on the net value of the assets of the relevant Fund when next calculated (usually at close of business that day). If received after this time, or on a non-business day, you will generally receive the unit price calculated at close of business the next business day.

Unit price information is available from Client Services or from our website [www.ubs.com/australia](http://www.ubs.com/australia)

We have adopted a unit pricing discretion policy which sets out, among other things, the principles

we will adhere to when exercising the discretions provided to us under the Funds' constitutions in relation to calculating unit prices. Our unit pricing discretion policy is available on our website [www.ubs.com/australia](http://www.ubs.com/australia), or by contacting Client Services.

## Facsimile indemnity

If you are advising us via facsimile in respect of instructions (including application, withdrawal and switch requests) you should be aware of the following conditions:

- We will only process your facsimile instructions if it has been received by us in full. We are not responsible for any loss or delay that results from a transmission not being received by us. A facsimile receipt confirmation from the sender's facsimile machine is not evidence of receipt of the facsimile by us.
- We do not take responsibility for any fraudulently completed facsimile transactions and we will not compensate you for any losses. For example, you bear the risk that a fax may be sent by someone who knows your account details.
- In the event of fraud taking place, you agree to release, discharge and indemnify UBS Global Asset Management (Australia) Ltd from and against all actions, proceedings, accounts, claims, costs, demands, charges and expenses, losses and liabilities (however they arise) to the extent permitted by law, suffered by you or suffered by or brought against us, in respect of the facsimile instructions.

# Fees and other costs

The information in the box below is standardised across all product issuers and does not provide information which relates specifically to fees and costs in the Funds and therefore does not reflect the fees and costs you will be charged. For fee details please refer to page 33-38.

## Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

## To find out more

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website ([www.fido.asic.gov.au](http://www.fido.asic.gov.au)) has a managed investment fee calculator to help you check out different fee options.

This document shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the Fund assets as a whole.

Taxes are set out in another part of this document (see page 39 for more information).

You should read all the information about fees and costs because it is important to understand their impact on your investment. Fees and costs for particular investment options are set out on page 10-11.

Type of fee or cost	Amount	How and when paid
<b>Fees when your money moves in or out of the Fund</b>		
<i>Establishment fee:</i> The fee to open your investment.	Nil	Not applicable
<i>Contribution fee:</i> The fee on each amount contributed to your investment.	Nil	There is no contribution fee payable when you invest in a Fund. However, you have the option to direct us to pay your financial adviser an initial advice fee. Please see "Establishment fee" on page 35 for more information.
<i>Withdrawal fee:</i> The fee on each amount you take out of your investment.	Nil	Not applicable
<i>Termination fee:</i> The fee to close your investment.	Nil	Not applicable
<b>Management costs</b>		
The fees and costs for managing your investment.	0.22% - 1.35% per annum (including GST) depending on the Fund.	We charge a fee for administering and managing the Funds. These fees are calculated daily on the value of each Fund and paid to the Manager on a monthly basis. These fees reduce the net asset value of the Funds and are reflected in the unit prices. The fees are not charged separately to your investment. In certain circumstances this fee is negotiable. Refer to "Additional explanation of fees and costs" on page 35.
The amount you pay on specific investment options is shown on page 38.		

# Fees and other costs

Continued

Type of fee or cost	Amount	How and when paid
<b>Services fees*</b>		
Investment switching fee: The fee for changing investment options.	Nil.	We do not charge any fees when you switch to/from other UBS Funds. However, we reserve the right to limit these switches to a maximum of five per year.
Initial advice fee: This is the fee for initial advice from your adviser about your investment.	To be nominated by investors.  Up to 3.3% (including GST). This means for every \$20,000 you have invested, up to \$660 (including GST) may be deducted as an initial advice fee.	If you agree, we can arrange for your adviser to receive an initial advice fee. This remunerates your adviser for initial advice and service. Please see "Initial advice fee" on pages 36 for more information.
Ongoing advice fee: This remunerates your adviser for ongoing advice and service.	To be nominated by investors. Up to 1.1% per annum (including GST).	If you agree, we can also arrange for your adviser to receive an ongoing advice fee. This remunerates your adviser for ongoing advice and service. Please see "Ongoing advice fee" on page 36 for more information.

\*Note that you may incur a buy/sell spread when acquiring, switching or redeeming units. Please see "Transaction costs" on page 37.

## Example of annual fees and costs for managed investment products

This table gives an example of how the fees and costs in a fund within this product range can affect your investment over a one year period. You should use this table to compare this product with other managed investment products. The fund used in this table is the UBS Balanced Investment Fund.

Example	Amount	Balance of \$50,000 with a contribution of \$5,000 during the year
<i>Contribution fees</i>	Nil	No contribution fee applies to additional contributions.
<b>plus</b> <i>Management costs</i>	0.70%	For every \$50,000 you have in the Fund you will be charged \$350 each year.
<b>equals</b> <i>Cost of Fund</i>	<u>0.70%</u>	If you had an investment of \$50,000 at the beginning of the year and you invest an additional \$5,000 during that year, you would be charged a fee of between <b>\$350 and \$385*</b>
		<b>What it costs you will depend on the fees you negotiate with your financial adviser or the Fund**.</b>

\*Additional fees may apply: including a buy/sell spread. Please see "Transaction costs" on page 37.

We have assumed a constant value throughout the year. Please see "Management costs" on pages 35.

\*\*You may negotiate an initial advice fee and/or ongoing advice fee with your financial adviser. This would increase the cost of your investment.



## **Additional explanation of fees and costs**

Each fee that may be charged is described below.

### **Establishment and contribution fees**

There are no establishment or contribution fees payable to us when you invest in the Funds. However, you have the option to direct us to pay your financial adviser an initial advice fee. If agreed by you with your financial adviser, we may pay a once only advice fee on application monies of up to 3.3% (inclusive of GST). By completing Section 15 of the application form you can direct us to deduct from your initial investment this amount and pay it directly to your adviser.

With the exception of the UBS Australian Bond Fund (which cannot charge an establishment fee), the Constitutions permit us to charge a maximum establishment fee of 6% of the application amount. However, for the life of this Product Disclosure Statement, we will not charge any establishment fee.

### **Withdrawal fee and termination fees**

There are no withdrawal or termination fees payable when you withdraw from the Funds.

With the exception of the UBS Diversified Fixed Income Fund (which cannot charge a withdrawal fee), the Constitutions permit us to charge a maximum withdrawal fee of 1% of the redemption price. However, for the life of this Product Disclosure Statement, we will not charge any withdrawal fee.

### **Trustee fee**

There are no trustee fees payable to us for acting as trustee of the Funds.

With the exception of the UBS Absolute Return Fund (AUD) (which cannot charge trustee fees), the Constitutions permit us to charge a maximum trustee fee (referred to in the Constitutions as an 'asset fee') for acting as trustee of the Funds as set out below.

For the UBS International Share Fund, the Constitution permits us to charge a maximum trustee fee of 1.0% per annum, of the Fund's Net Asset Value, subject to a minimum of \$8,000 per annum per fund, CPI indexed.

For the UBS Australian Bond Fund the maximum fee provided in the Constitution for acting as Trustee of the Fund is 0.08% per annum of the Fund's net asset value subject to a minimum of \$5,000 per annum.

For the remaining funds, the Constitution permits us to charge 0.1% per annum of the Funds' Net Asset Value, subject to a minimum of \$8,000 per annum per fund, CPI indexed.

However, as stated, for the life of this PDS we will not charge these fees with respect to any of the Funds.

### **Management costs**

We charge a fee for administering and managing the Funds. This is an ongoing fee of between 0.22% and 1.35% per annum depending on the Fund. These are referred to as management costs. Management costs are calculated daily on the value of the Funds and paid to the Manager on a monthly basis. The fee reduces the net asset value of the Funds and is reflected in the unit prices. The fee is not charged separately to your investment. A simple example is as follows: A \$50,000 investment in the UBS Balanced Investment Fund at the current management cost of 0.70% per annum would equal a fee of \$350 for a 12 month period, assuming no variation in the value of the initial investment. In practice, this fee is based on the market value of your investment, which may fluctuate daily.

The Constitutions permit us to charge a maximum fee for management costs of 1% per annum of the net asset value of each Fund in respect of each day we act as Manager for the following Funds: UBS Cash Fund, UBS Cash Plus Fund, UBS Australian Bond Fund, UBS Australian Share Fund, UBS Property Securities Fund, UBS International Share Fund, UBS Defensive Investment Fund and UBS Balanced Investment Fund. For all other Funds the maximum fee permitted is 2% per annum. For the life of this Product Disclosure Statement, however, we will only charge for our management costs, as outlined on page 33.

The fees described above, are inclusive of any GST after taking into account expected reduced input tax credit entitlements.

# Fees and other costs

Continued

These fees will pay for expenses incurred in managing the Funds including compliance committee costs, custodial and insurance costs, accounting and audit expenses, and legal and regulatory expenses as well as any GST impact on our services.

We may pay UBS AG, Australia Branch (part of a related company), part of our fee from investments in Funds introduced by the investment banking group of UBS AG to cover certain expenses.

We have entered into certain arrangements with UBS Wealth Management Australia Ltd (a related company), that may involve us making payments of certain amounts to UBS Wealth Management Australia Ltd for introducing and servicing clients, and similar matters.

For the life of this Product Disclosure Statement we may also pay other related parties part of our fee in return for their providing advisory or management services in relation to the Funds.

From our fees, we may pay, for the life of this Product Disclosure Statement, an amount to the Responsible Entity or Trustee of a master trust, or the operator of an Investor directed portfolio service, with respect to the Funds in this Product Disclosure Statement, as well as any other funds for which we are the Responsible Entity, being included in the range of investments offered by the relevant master trust or Investor directed portfolio service.

From our fee, we may at our discretion, choose to pay a commission to, or sponsor various dealer groups that recommend our Funds. For example, we may contribute to conference costs.

Costs of buying and selling investments (and related duties, taxes, GST and financial institutions charges) are paid from the Funds, not by us.

The Funds can invest in other UBS investment funds (inter-fund investments). The management costs outlined on pages 35 are only charged once if we make inter-fund investments.

Some of our funds may invest in strategies that are separately managed by a third party which may charge their own management fees. In some cases this will expose the investor to an additional layer of indirect management costs

## **Investment switching fee**

We do not charge any fees when you switch between UBS Funds. However please see "Transaction Costs" on page 37 for more information.

## **Initial advice fee**

You have the option to direct us to pay your financial adviser an initial advice fee. If agreed by you with your financial adviser, we may pay a once only advice fee on application monies of up to 3.3% (inclusive of GST). This remunerates your adviser for initial advice and service. We do not receive any fees for this service.

By completing Section 15 of the application form you can direct us to deduct from your initial investment this amount and pay it directly to your adviser. As an example this means for every \$20,000 you have invested, up to \$660 (including GST) may be deducted as an initial advice fee.

If you wish to change or cancel the initial advice fee, please advise us in writing.

## **Ongoing advice fee**

If you agree, we can arrange for your adviser to receive an ongoing advice fee. This remunerates your adviser for ongoing advice and service. We do not receive any fees for this service.

You can direct us to pay these fees by completing Section 15 of the application form. The ongoing advice fee must be a percentage (up to a maximum of 1.1% including GST). This fee is calculated daily on the Net Asset Value of the Fund and paid to your adviser on a quarterly basis. A simple example is as follows: an investor with a \$50,000 investment in the Fund who elected to pay an ongoing advice fee of 1.1% would pay a fee of \$550 for a 12 month period, assuming no variation in the value of the initial investment. In practice, this fee is based on the market value of your investment, which may fluctuate daily.





For any ongoing advice fees we will pay your adviser quarterly by redeeming a sufficient number of your Units to cover the fee (including GST). The redemption of Units will generally realise a capital gain or loss (assuming you hold your Units on capital account). These redemptions will generally occur on or about the 5th business day after quarter end. Details of all amounts that are paid to your financial adviser and any GST impact will be advised to you quarterly.

This fee may be tax deductible. Investors should seek their own professional tax advice for eligibility.

If you wish to change or cancel the ongoing advice fee, please advise us in writing.

### **Transaction costs**

When calculating application and redemption prices of units, transaction costs (buy/sell spreads) may apply. Transaction costs are our estimate of the total transaction cost the Fund would incur to buy the assets of the Fund (for applications) or sell those assets (for withdrawals). For an application for units, an adjustment is made to increase the issue price; and for a withdrawal of units, an adjustment is made to decrease the unit price. Types of transaction costs include brokerage and taxes.

Transaction costs are paid to the Fund not to us. They are an additional cost to you and are reflected in the unit price. Transaction costs will generally be incurred when you invest, switch or withdraw from Funds. These costs will generally not apply to reinvested distributions.

An indication of the maximum buy/sell spreads for each Fund is shown on page 38. We may vary the applicable buy/sell spreads from time to time, provided that they remain within these maximum limits. Updated transaction cost details will be available by contacting Client Services or from our website [www.ubs.com/australia](http://www.ubs.com/australia).

### **Change in fees**

It is possible for the fees and costs to change. If we increase the fees or costs, we will advise you in writing at least 30 days prior to the date that the increase takes effect. This applies only to fees and costs charged by the Responsible Entity and not to indirect costs or transaction costs (provided that these transaction costs stay within the maximum buy/sell spreads indicated in the table on page 38), which are subject to change at any time without notice.

### **Individual fee arrangement**

From time to time we may individually negotiate our management fee with wholesale clients (within the Corporations Act meaning) – such as master trusts and wrap account operators. This may include other UBS companies. This is generally because they invest very large amounts of money in the Funds. We do not enter into such fee arrangements with retail clients (within the Corporations Act meaning).

### **Receipt of non-cash benefits**

We may receive non-cash benefits in the nature of research from brokers and other persons through whom investment transactions are carried out. In addition, in certain circumstances we may nominate a broker to direct payment to a third party who will provide non-cash benefits in the nature of research to us. However, we will only use brokers to provide brokerage services where we are satisfied that the broker's services are consistent with best execution available in the market and that the brokerage rates paid will not exceed usual institutional full service brokerage rates for those brokerage services. We will only receive non-cash benefits in the nature of research where we believe the Funds will benefit from these arrangements.

# Fees and other costs

Continued

Fund	Entry/Exit Fee % pa	Maximum buy/sell spread % <sup>1</sup>	Management Costs 1 March 2010 %pa <sup>2</sup>	Example Management Costs for \$20,000 invested
UBS Cash Fund	Nil	+/-0.02	0.22	\$44
UBS Cash-Plus Fund	Nil	+/-0.50	0.30	\$60
UBS Australian Bond Fund	Nil	+/-0.20	0.40	\$80
UBS Diversified Fixed Income Fund	Nil	+/-0.30	0.42	\$84
UBS Diversified Credit Fund	Nil	+/-1.00	0.70	\$140
UBS Property Securities Fund	Nil	+/-0.35	0.85	\$170
UBS Global Property Securities Fund	Nil	+/-0.40	0.95	\$190
UBS Australian Share Fund	Nil	+/-0.30	0.80	\$160
UBS Australian Small Companies Fund	Nil	+/-0.45	1.10	\$220
UBS International Share Fund	Nil	+/-0.45	0.90	\$180
UBS Emerging Markets Equity Fund (AUD)	Nil	+/-1.00	1.25	\$250
UBS Defensive Investment Fund	Nil	+/-0.20	0.65	\$130
UBS Balanced Investment Fund	Nil	+/-0.30	0.70	\$140
UBS Absolute Return Fund (AUD)	Nil	+/-0.40	1.35	\$270

<sup>1</sup> Actual buy/sell spreads are set out on page 11. We may vary these buy/sell spreads from time to time, provided that they remain within the maximum limits indicated in the table above. Updated details are available on our website [www.ubs.com/australia](http://www.ubs.com/australia) or by contacting our Client Services on (02) 9324 3222 or freecall on 1800 023 043. The maximum buy/sell spreads shown here are applicable as at the date of this PDS. Please see page 37 for additional information.

<sup>2</sup> Inclusive of GST. We reserve the right to vary these fees during the life of the PDS. We will notify you in writing should there be any fee changes.

# Taxation



This taxation information is a general summary and does not take into account specific circumstances. It addresses tax consequences for Australian resident investors only and is based on Australian income tax, stamp duty and GST laws in operation as at the date of this Product Disclosure Statement. It is not exhaustive and, in particular, does not deal with the position of certain classes of investors (including non residents). Importantly, changes to taxation rules including those discussed below under the heading “Proposed changes to income tax law” could impact on the return realised by investors in the Funds. We recommend that you seek independent professional taxation advice that is specific to your circumstances.

## **Fund’s liability to income tax**

Each Fund is resident in Australia for taxation purposes. As investors in a Fund will ordinarily be presently entitled to all of the income of the Fund, the Fund itself should generally not be liable for income tax. Instead, investors in a Fund will be taxed on their share of the Fund’s taxable income at the end of the relevant income year, whether or not they actually receive a distribution from the Fund equal to that amount (provided that some amount is distributed by the Fund in that income year).

It may be possible for an investor to use any available tax credits, offsets or rebates to offset the Australian tax payable on their share of the Fund’s taxable income.

## **Foreign income**

Some Funds may derive foreign source income that is subject to taxation overseas. An investor in such a Fund should include their share of the gross foreign income amount (i.e. the amount of foreign income before foreign tax was imposed) in their assessable income. An investor may be entitled to a ‘foreign income tax offset’ (“FITO”) in respect of the foreign income. FITOs are intended to provide some relief from the “double tax” burden which arises where an investor is effectively taxed under both foreign law and Australian law on the same amount.

## **Dividend income**

Some Funds may directly or indirectly derive income in the form of franked distributions (i.e. distributions which “attach” franking credits). An investor in such a Fund should include in their assessable income, their share of both the distribution and its “attached” franking credits. (This assumes that none of the complex franking/imputation anti-avoidance provisions apply and that the Fund is not in a net loss position for the year.) If the investor is the ultimate recipient of the distribution (e.g. an individual, company or complying superannuation fund) the investor should generally be entitled to reduce their tax

liability by their share of the franking credits. To the extent that the investor’s share of the franking credits exceeds the investor’s tax liability, the investor may be entitled to a refund of the excess, at least where the investor is an individual or a complying superannuation fund.

## **Capital gains tax**

A Fund may make capital gains. If so, the investor’s share of the Fund’s taxable income will include a capital gain. If the capital gain is eligible for the ‘CGT discount’ at the Fund level, broadly, CGT discount treatment should also be available for the investor. To calculate its precise CGT liability, the investor must first apply its capital losses against the gross amount of the gain (i.e. the amount of the gain before it was discounted at the Fund level) and then apply the CGT discount.

Investors will generally realise a capital gain or loss on disposal, switching, transfer or redemption of Units in the Fund. (This assumes that investors hold their Units on capital account. If not, other tax consequences will apply). If you are an individual, trust or complying superannuation entity and have held Units for at least 12 months prior to disposal (including switching) or redemption, you may be entitled to discount capital gains treatment.

## **Controlled Foreign Companies (CFCs) and Foreign Investment Funds (FIFs)**

The Fund may invest in foreign entities which could constitute CFCs or FIFs for Australian taxation purposes. The Fund may invest in other entities which could hold CFC or FIF interests for Australian taxation purposes.

The CFC and FIF regimes are accruals regimes. Under these regimes income of the foreign entity can be attributed to holders of CFC and FIF interests each year for taxation purposes.

If required under the taxation laws, a Fund will determine the income to be recognised under the CFC and/or FIF regimes and keep any special records and may undertake investment actions necessary to comply with the requirements. Generally, all CFC and FIF attributable income will be included within the taxable income of the Fund and will be taxed in the hands of the investor.

Treasury has released exposure draft legislation that provides for the repeal of the current FIF regime - please see Proposed changes to income tax law below.

# Taxation

Continued

## **Proposed changes to income tax law**

### *Taxation of Financial Arrangements (TOFA)*

On 26 March 2009, The Tax Laws Amendment (Taxation of Financial Arrangements) Act 2009 received Royal Assent.

The Act contains rules which represent a new code for the taxation of receipts and payments in relation to financial arrangements. The rules contemplate a number of different methods for bringing to account gains and losses in relation to financial arrangements (including fair value, accruals, retranslation, realisation, hedging and financial records).

These measures will apply to financial arrangements that a taxpayer starts to have in an income year commencing on or after 1 July 2010. (Taxpayers may elect for the measures to apply to financial arrangements they start to have in income years commencing on or after 1 July 2009 if they wish to do so. As at the date of this Product Disclosure Statement, none of the Funds intend to make an election to adopt the rules early.) The rules do not apply to financial arrangements which are current as at the commencement date unless the taxpayer elects.

Once the TOFA Act applies, it could affect the way a Fund's taxable income is determined. The effect, if any, will depend on the nature of the Fund's investments and which "elections" it makes under TOFA.

### *Review of the FIF, CFC and other "offshore investment" rules*

On 21 December 2009, the Government released exposure draft legislation (**FIF Exposure Draft**) that provides for the repeal of the current FIF regime together with certain deemed present entitlement rules that apply to foreign trusts.

The FIF Exposure Draft constitutes the first stage of the Government's proposed amendments to reform and simplify the anti tax deferral measures in the existing law for investments in foreign investment funds and certain interests in foreign companies announced in the Federal Budget on 15 May 2009.

At this stage, the FIF Exposure Draft does not include a commencement date for the proposed amendments. The FIF Exposure Draft also does not contain several other aspects of the announced reforms, including the details of the measures that will replace the current FIF regime and the re-write of the CFC rules.

### *Capital/revenue election for managed investment trusts (MITs)*

On 10 February 2010, the Tax Laws Amendment (2010 Measures No. 1) Bill 2010, which contains amendments governing when MITs will be required to treat their assets on capital or revenue account for tax purposes (MIT Draft Legislation), was introduced into Parliament. The MIT Draft Legislation follows the announcement of these reforms in the Federal Budget and implements the interim advice of the Board of Taxation review of the taxation of MITs.

Under the MIT Draft Legislation, eligible MITs (generally, listed, widely held or publicly offered trusts) can irrevocably elect (in an approved form) to apply the CGT provisions as the primary code to tax gains and losses on certain "eligible assets" (primarily, shares, units and real property), subject to certain integrity rules. However, where a MIT is eligible to make an election and it does not do so, any gains and losses on the disposal of eligible assets (excluding land or certain interests in land) will be taxed on revenue account.

Where a Fund elects to treat the Fund's eligible assets on capital account, investors may get the benefit of the CGT discount and other tax concessions (where applicable) on distributions of capital gains they receive. As at the date of this Product Disclosure Statement, each Fund is working through the implications of the MIT Draft Legislation for the types of assets it holds in order to determine whether the election will be made. Based on the draft Bill, the Funds will have until at least 30 June 2010 to make the election.

If the MIT Draft Legislation is enacted in its current form, the proposed amendments relating to the CGT election will apply from 1 July 2008 but the amendments regarding deemed revenue treatment and carried interests will apply from the date of Royal Assent.

### *Australia's Future Tax System review (Henry Review)*

On 23 December 2009, the Government announced that it had received the report of the board commissioned to review Australia's tax system. The Government intends to release the report, together with an initial response, in early 2010. It is expected that the Government's response to the report will ultimately result in significant changes to Australia's tax system.

Investors should seek their own advice on the potential impact of the TOFA Act and the draft legislation relating to FIFs and the capital/revenue election for MITs. Investors should monitor the progress of this legislation and any further legislation introduced as a result of the announced reforms.

# Taxation

Continued

## Providing your Tax File Number or Australian Business Number

You may choose to quote your TFN or ABN (if applicable) or claim an exemption in relation to your investment in the Fund. The law strictly regulates how we may use TFNs and ABNs. If you choose not to give us your TFN or ABN or claim an exemption, we must deduct tax at the highest personal tax rate (plus Medicare Levy) before we pass on each distribution to you.

## Goods and services tax

The Funds have been registered for GST, which applies to most supplies that are connected with Australia. The majority of goods and services that the Funds will acquire for their operations will be subject to GST and GST will be payable on the Responsible Entity's fees and most other fees and expenses incurred by the Funds. In certain circumstances, the Funds may be entitled to reduced input tax credits ('RITCs') of 75% of GST paid, which effectively reduces the GST costs from 10% to 2.5%. GST will apply to contribution and withdrawal fees if they are imposed.

As a consequence of GST being added for fees and expenses, and the potential availability of RITCs, the actual fees and expenses may exceed the rates stated in this Product Disclosure Statement, except where we otherwise state that fees are inclusive of GST.

No GST will apply on amounts received by the Funds for the issue of units, sale proceeds of the securities, or investment income and gains or buy/sell spreads applied.

## Stamp duty

The issue or redemption of units should not attract any stamp duty. Stamp duty may be payable on the transfer of units. You should confirm the stamp duty consequences of transferring units with your taxation adviser.

# Income distribution

Each of the Funds may earn income from their various investments which they will distribute if they are of an economic size. Capital gains or losses can occur on the sale of investments within each Fund. As a result, distributions may vary from period to period. Generally, all taxable income and realised taxable capital gains in a financial year will be distributed to unitholders. We intend to distribute franking credits quarterly/half yearly, where available.

Your share of any income depends on how many units you hold in the relevant Fund at the end of the distribution period. The amount may vary with each distribution and unit prices normally fall following a distribution. If you invest just prior to a distribution, you may receive some of your investment back immediately as income. If you withdraw from a Fund just before a distribution, you might turn the accrued income into a capital gain or a reduction in your capital losses as your withdrawal proceeds might include a share of the income for the period. We recommend that you seek professional tax advice relevant to your particular situation.

Except for the UBS Cash Fund, UBS International Share Fund and UBS Emerging Markets Equity Fund (AUD), distributions are generally paid quarterly, as at 31 March, 30 June, 30 September and 31 December.

Distributions by the UBS Cash Fund are generally paid monthly.

Distributions by the UBS International Share Fund and UBS Emerging Markets Equity Fund (AUD) are generally paid semi annually as at 30 June and 31 December.

Distributions will be paid as soon as practicable after the end of the distribution period.

You may choose to have your distributions:

- reinvested in additional units in the relevant Fund; or
- paid directly to a nominated Australian bank or financial institution account; or
- paid by cheque and sent to your postal address.

Unless you indicate otherwise on the application form, we will reinvest your income. Please send us a written request signed by the authorised signatories, by mail or fax if you wish to amend your selection.



# Investment information

## Transaction confirmations

We provide written confirmation of each of your transactions within seven business days. This includes initial and additional investments, switches, withdrawals and transfers.

## Annual Financial report

The financial reports will be prepared as at 30 June each year and are expected to be available by 30 September.

The audited financial statements for the Funds will be published on our website ([www.ubs.com/australia](http://www.ubs.com/australia))\* within three months after 30 June each year.

You may also elect to receive, free of charge, a hard copy of the financial statements.

## Tax statement

A year-end tax statement will be sent to you if you have been invested in a Fund that has distributed income during the previous financial year. Generally this statement is sent to you shortly after the final distribution for the financial year.

## Statement of transactions

Shortly after each distribution period, you will receive a statement detailing your transactions and your distributions. On request, Client Services can also provide you with a statement of transactions.

## Access to Fund information

To obtain the most recent Fund information, please see our website at [www.ubs.com/australia](http://www.ubs.com/australia) or contact Client Services on (02) 9324 3222 or freecall on 1800 023 043.

## Complaints

Please notify us of complaints in writing or by calling Client Services on (02) 9324 3222 or freecall on 1800 023 043. Under each Fund's Constitution we must acknowledge your complaint within 14 days and follow certain procedures.

If you are not happy with how the complaint has been resolved, you may contact the Financial Ombudsman Service of which we are a member. This is an independent body and is approved by the ASIC to consider complaints. Their freecall number is 1300 780 808.

## Registry services

National Australia Bank Limited provides registry services on our behalf. Registry correspondence should be mailed to:

National Australia Bank Limited  
Attn: Registry Services  
GPO Box 4364  
Melbourne VIC 3001

or faxed to 1300 365 601.

If any further information is required, please call Client Services on (02) 9324 3222 or freecall 1800 023 043.

## Additional information

As a disclosing entity, each Fund is subject to regular reporting and disclosure obligations. Copies of documents lodged with ASIC in relation to each Fund may be obtained from, or inspected at, an ASIC office.

We can also provide you with a copy of any continuous disclosure notices given for a Fund after the lodgement of that annual report and before the date of this PDS.

Please call Client Services on (02) 9324 3222 or freecall on 1800 023 043.

**PDS may be updated**  
**This Product Disclosure Statement may be updated or replaced from time to time.**  
**You can request, and will be provided free of charge, the most recent Product Disclosure Statement for the Funds.**

\*The financial statements can be found at [www.ubs.com/1/e/globalam/apac/australia/australia\\_investors/financial\\_information.html](http://www.ubs.com/1/e/globalam/apac/australia/australia_investors/financial_information.html)



# Other information

## Keeping us informed

Our records about you are important. Please inform us in writing (must be signed by the authorised signatories) of any changes to details which you have given us. This may be a new postal address, a change of name or new financial institution account details for distribution payments.

We will send you written confirmation of any changes. Please quote your Investor Number when you contact us.

## Privacy

You can access, correct or update any personal information we hold about you, subject to some exceptions allowed by law, by contacting Client Services. Reasons will be given if access is denied. We may charge a reasonable fee for access to your personal information. Please contact Client Services on (02) 9324 3222 or freecall on 1800 023 043 if you have any questions about how we handle your personal information. You can obtain a copy of our Privacy Policy on request.

## Using your information

We collect information for the following purposes:

- to process your application;
- to administer your investment and provide you with reports;
- to monitor and improve the quality of service provided to you; and
- to comply with regulatory or legal requirements, including Australian taxation laws, the Corporations Act and other laws and regulations.

We also ask you for some personal details so that we, and our related companies, can keep in touch with you and tell you about our other products and services that could be useful to you. Please contact us if you do not wish your details to be used for marketing purposes.

## Disclosing your information

We disclose your information to your consultant/advisor and third parties appointed by your consultants/advisor. If you complete section 10 of the application form, or if you request us to, and to any other authorised representative of yours (such as your accountant or lawyer) from time to time. In addition, we may disclose information we hold about you in the following circumstances:

- you consent to the disclosure;
- to any joint investor;

- to companies that provide services to us, to our related companies, to the Funds, or on our behalf - for example administration, custody, investment management, technology, identity verification, auditing, registry, mailing or printing services printing statements or notices which we send to you; or
- if the disclosure is required or authorised by law, which may include disclosures to the Australian Taxation Office and other Government or regulatory bodies; or
- organisations related to us such as UBS Wealth Management Australia Ltd and its related bodies corporate, whether in Australia or any overseas jurisdiction ("Related Companies").

If you notify us that you have a personal financial advisor then details of your investment will be provided to them unless you indicate otherwise. Under these circumstances we may provide this same information to your financial advisor's software provider to enable your financial advisor to better administer, monitor and evaluate your investments. Any information provided to third party software providers in this way will be subject to a confidentiality arrangement with that third party. If you do not wish your information to be given to any third parties (including your financial adviser) for any reason, then please mark the appropriate box at section 15 of the application form.

In some cases, the types of organisations referred to above to whom we will disclose your personal information may be located overseas. This may be the case, for example, in relation to organisations which process (or in any way assist with the processing or administering of) transactions which are conducted overseas.

Your information may be transferred between our Related Companies. These Related Companies can be registered and governed by laws outside the Australian jurisdiction. As such, the laws regulating Related Companies may differ to Australian laws and may apply a greater or lesser standard of protection for your personal information. However, should your personal information be transferred to a jurisdiction with inadequate privacy protection, our internal policy will impose the Australian privacy standard, or superior, in relation to the treatment and handling of your information.



## What happens if you choose not to disclose the information?

Depending on the type of information, the following may apply:

- TFN or ABN: we have to deduct tax at the highest rate before we pay distributions to you (see page 41 for more details).
- account details: we will not be able to pay income directly to your bank account (see Section 7 of the application form).
- incomplete application: we will not be able to process your requested investment or tell you about other investment opportunities until the required information is received.

## Our role

We are the trustee of, and manage, each Fund. Under the Corporations Act we are described as the “Responsible Entity”. We and the Funds are regulated principally by ASIC under the Corporations Act.

Under the Corporations Act we must act honestly and in the best interests of investors. We have a compliance plan for each Fund which details the methods we follow to ensure that in operating the Fund we comply with the Corporations Act and the Constitution of each Fund. The compliance plan has been lodged with ASIC and is audited annually.

We also have a Compliance Committee which (amongst other things) monitors our adherence to the compliance plans. It comprises three members, two being external. Breaches of the compliance plan are reported to the Board of Directors and if required, to ASIC.

## What are the main rights of investors under the Funds’ Constitutions?

The rights and obligations of investors are governed by the Funds’ Constitutions and this Product Disclosure Statement, but are also affected by the Corporations Act, exemptions and declarations issued by ASIC, and the general law relating to trusts.

Some of the provisions of the Constitutions are outlined elsewhere in this document. Others relate to your rights under the Constitutions:

- the nature of the units – identical rights attach to all units;
- how we must calculate unit prices, and what you are entitled to receive when you withdraw or the Fund is wound up;
- the times we can delay processing withdrawals (such as if pricing the Fund is impracticable); and

- your right to share in any Fund income, and how we calculate it.

The Constitutions state that your liability is limited to the amount you paid for your units but the courts are yet to determine the effectiveness of provisions of this kind.

Your rights to requisition, attend and vote at meetings are mainly contained in the Corporations Act.

## What are the main duties and rights of the Responsible Entity under the Funds’ Constitutions?

There are also provisions governing our powers and duties:

- our powers to invest, borrow and generally manage the Fund are practically unrestricted;
- we have discretion to refuse transfers and applications;
- we can change the Constitutions, but we need approval from a meeting of unit holders if the change will adversely affect your rights;
- we can terminate a Fund, and if we do, you will share pro rata in the net proceeds from us selling the investments;
- we can retire, but in most situations only if a new Responsible Entity is appointed; and
- we can charge fees and recover expenses.

As Responsible Entity, we are also subject to many duties under the Corporations Act – including duties to act honestly, exercise care and diligence and treat investors equally.

## What do the Constitutions say about the liabilities and indemnities of the Responsible Entity?

The Constitutions also deal with our liabilities in relation to the Funds and when they can be reimbursed to us out of the Funds’ assets, for example:

- we are not liable for acting in reliance in good faith on professional advice;
- we are not liable for any loss unless we fail to comply with our duties under the Corporations Act;
- we exclude liability under other laws as much as possible;
- we can be reimbursed for liabilities we incur in connection with the proper performance of our duties for each Fund, including in circumstances where an unrelated act or omission for which we have responsibility has caused loss to the Fund.

# Other information

Continued

## Borrowing

The Funds can borrow and may do so from time to time.

## Termination

The Constitution of each Fund, read subject to the Corporations Act, allows us to terminate a Fund at any time if we believe it is in the best interests of members. This may occur for a variety of reasons including, but not limited to, the Fund no longer being able to satisfy its investment objectives or strategy. If this occurs, we will issue a termination notice after which all assets in the fund will be realised and paid out to members in proportion to their unit holding (subject to any fund expenses). The termination process will be completed as quickly as possible but the time taken will vary depending on the nature of the assets in the terminating Fund. While we will only terminate a Fund if we believe it is in the best interests of members as a whole, consequences for individual members (for example in relation to taxation) may vary depending on their own circumstances at the time that the relevant Fund is terminated.

## Related party transactions & service providers

On a non-exclusive basis, UBS Global Asset Management (Australia) Ltd uses the services of UBS AG Australia Branch, a related company, for futures trading and clearing, fixed income trading and underwriting services. We also use the services of UBS Securities Australia Limited, a related company for equity broking services. Fees paid to these related companies for their services are at normal commercial rates.

We use the investment management services of UBS Global Asset Management Group's worldwide offices. These offices are part of the same business group and they do not receive a fee for their services beyond that already included in our management costs.

We have appointed National Australia Bank Limited (NAB) as custodian to hold the assets of the Funds. NAB has also been appointed as service provider for the following outsourced functions: unit pricing, fund accounting and investor registry services.

The custodian has no supervising role in relation to the operation of the Funds and is not responsible for protecting your interests. NAB only acts in accordance with the relevant custody agreement. NAB has no liability or responsibility to you for any oversight or omission made in accordance with the terms of their custody agreements.

NAB was not involved in preparing, and takes no responsibility for this Product Disclosure Statement. NAB makes no guarantee of the success of the Funds or the repayment of capital or any particular rate of capital or income return.

## Audit

The financial reports and compliance plans of the Funds are required to be audited annually.

## Indirect investors

Investors and potential investors accessing the Funds through an investor directed portfolio service (IDPS) or IDPS-like service (commonly a master trust or wrap account) or a nominee or custody service (service) with whom we have an agreement, should not refer to this PDS. A separate IDPS PDS is available for these investors.

Such "indirect investors" do not become investors or acquire the rights of an investor.

The operator of that service acquires those rights and can exercise them, or decline to exercise them, on behalf of indirect investors.

Indirect investors do not receive income or reports directly from us, and do not directly participate in investor meetings or the winding up of the Fund. They need not complete the application form accompanying this Product Disclosure Statement. Transaction cut-off times for these indirect investors depend on the transaction cut-off times of their service. No "cooling off" rights apply to indirect investors. Indirect investors should seek appropriate tax advice.

## Environmental, social and ethical considerations

We do not take into account labour standards or environmental, social or ethical considerations when choosing investments. This means that we do not screen out companies solely on the basis of these standards or considerations. If a company's policies fall short of labour standards or its activities are considered environmentally, socially or ethically unacceptable and as a result, the company's earnings are adversely affected, we may not invest or choose to divest ourselves of the investment.



# Glossary

**ABN:** Australian Business Number.

**AFS Licence No.:** Australian Financial Services Licence Number, granted by ASIC.

**ASIC:** Australian Securities and Investments Commission.

**Asset:** Anything that has a monetary value that is owned by, or owed to an entity.

**Asset allocation:** The weighting of assets in an investment portfolio among different asset classes.

**Asset class:** A broadly defined category of financial assets, e.g. domestic shares, overseas bonds, cash, etc.

**\$A and \$:** Australian dollars.

**Bank bill:** A Bill of Exchange of which the acceptor or endorser is a bank.

**Benchmark:** An index or other market measurement which is used by a fund manager as a yardstick to assess the risk and performance of a portfolio.

**Bill of exchange:** An unconditional order in writing requiring the party to whom it is addressed to pay a certain sum on a fixed date in the future. Bills of exchange usually mature within six months, and can be sold at a discount to face value.

**Client Services:** UBS Global Asset Management Client Services, the contact details of which can be found on the back page of this document.

**Constitution:** The written document lodged with the ASIC which governs the operation of the Fund.

**Corporations Act:** Corporations Act 2001 (Commonwealth of Australia).

**CPI:** Consumer price index, as published by the Australian Bureau of Statistics.

**Derivative:** A financial instrument whose price is dependent upon or derived from one or more underlying assets. Its value is determined by the fluctuations of the underlying asset. The most common underlying assets include: stocks, bonds, commodities, currencies, interest rates and market indexes.

**Distribution:** Income paid from a fund to an investor.

**Earnings growth:** The growth in a company's earnings per share over a specified period.

**Franked dividend:** An arrangement in Australia that eliminates the double taxation of dividends. Dividends are distributed with tax imputations attached to them. The shareholder may be able to reduce the tax paid on the dividend by an amount equal to the tax imputation credits. Essentially taxation of dividends has been partially paid by the company issuing the dividend.

**Fund:** Each Fund described in this document and Funds means all of them.

**Fundamental factors:** Information relating to the economic "health" of a company such as revenue, earnings, assets, liabilities and growth.

**Futures:** An agreement to buy or sell a specified quantity of an underlying asset, such as bank bills, at a particular time in the future and at a price agreed when the contract was executed. A futures contract is a derivative.

**GST:** Goods and services tax.



**Hedging:** The practice of undertaking one investment activity in order to offset changes in another. Hedges aim to reduce potential losses. Typical hedges include currency forwards, share and bond futures and short selling.

**Hedge fund:** Hedge funds are professionally managed investment vehicles focusing on delivering active returns which are independent from the returns of traditional asset classes. Greater flexibility in the use of financial market tools, including leverage, short-selling and derivatives are afforded to these managers.

**Hybrid investment:** Hybrid investments are instruments or other financial products which have the characteristics of both debt and equity.

**IDPS:** Investor directed portfolio service.

**Investment Manager:** An organisation that specialises in the investment of a portfolio of securities on behalf of individuals or organisations subject to the guidelines and directions of the investor. Investment managers offer both pooled investment products and individual portfolios to a range of clients including superannuation providers, institutions and individual investors.

**Investor Number:** A unique number issued by us to you.

**Investment philosophy:** The set of principles or systems used by investment managers to govern the way they manage portfolios.

**Leverage:** The use of various financial instruments or borrowings, to increase the potential return of an investment. It can magnify the potential gain or loss, and volatility of investment returns. Leverage can be created through options, futures, margin lending, debt and other financial instruments.

**Liquidity:** The ability of an investment to be easily converted into cash with little or no loss of capital and minimum delay.

**Managed Investment scheme:** A type of investment vehicle which pools the assets of multiple investors into a single vehicle with a common investment objective and strategy. The investor's interests in the managed investment scheme are recognised as a financial product and are regulated in Australia under the Corporations Act.

**Money market:** The market for trading short-term securities such as bills of exchange.

**National Australia Bank Limited:** Provides Custodian Services for the Funds.

**Net Asset Value:** Refers to the total value of a fund's underlying investment portfolio, less any fees, charges, expenses and other liabilities accrued by the fund.

**pa:** per annum.

**PDS:** Product Disclosure Statement.

**Portfolio:** An investor's collection of investment holdings, usually with reference to its composition. That is, the mix of different classes of securities, such as bonds, property, shares and cash; or if in a single asset class, the mix of different sectors and stocks.

**Portfolio construction:** The process of building a portfolio of assets taking into consideration valuations, benchmark and risk considerations.

**Power of Attorney:** A written document in which one person (the principal) appoints another person to act as an agent on his or her behalf, thus conferring authority on the agent to perform certain acts or functions on behalf of the principal.

**Private Equity:** An equity interest in an unlisted company or enterprise.



# Glossary

Continued

**Quantitative analysis:** Refers to a way of measuring things and may include the use of complex mathematical and statistical modelling, measuring and research. By assigning a numerical value to variables, quantitative analysts seek to predict future events (such as changes in share prices) using mathematical relationships.

**Redeem:** Withdraw units from the trust.

**Responsible Entity:** The responsible entity of the Fund, as defined under the Corporations Act, which, at the date of this PDS, is UBS Global Asset Management (Australia) Ltd.

**Risk budget:** The average ex ante (forward looking) risk, as calculated by our proprietary risk systems, that the Fund would be expected to be managed to over a full market cycle. It represents the risk benchmark against which the portfolio's actual risk position will be actively managed. In periods where we wish to take above average risk within the portfolio, the actual risk will be managed to be above the risk budget and it will be managed at a lower than budgeted risk level when we wish to take lower than average risk.

**Shares:** The ownership of part of a company. A contract between the issuing company and the owner of a share which gives the latter an interest in the management of the corporation, the right to participate in profits and, if the company is dissolved, a claim upon assets remaining when all debts have been paid.

**Short position:** The sale of an asset or security that the seller does not own in the expectation that the asset or security will fall in value, enabling the seller to buy the asset or security at a lower amount than the price at which they sold short.

**Switching:** The withdrawal of monies from one fund at the redemption price and an investment of monies in another fund at the application price on the same effective date. As the withdrawal is treated as a redemption this may give rise to a capital gains tax liability.

**TFN:** Tax file number.

**Trust, fund or unit trust:** Any form of pooled investment in which a number of individuals place their money with a professional manager to manage the total fund on their behalf and produce a return to them individually.

**UBS:** UBS AG group of companies including us.

**UBS Global Asset Management:** A business division of UBS AG.

**UBS Global Asset Management (Australia) Ltd:** The Responsible Entity of the Funds.

**Unit:** A term of measurement that represents an interest in a managed investment scheme.

**Volatility:** The standard deviation of the change in value of an investment usually expressed as a percentage over a year.

**Yield:** The rate of income generated from a share in the form of dividends (dividend yield), or the effective rate of interest paid on a fixed income security.



# Completing the Application Form



## Introduction

The following information is a guide to assist you in completing the Application Form for your initial investment in the UBS Investment Funds. To ensure we can process your application quickly and efficiently please ensure your Application Form is completed in full.

To invest in the Funds you must be 18 years of age or older. Please ensure your initial investment is at least \$20,000 per fund. Your initial investment can be paid either by cheque or EFT/direct deposit (refer to page 31). If you wish to make an additional investment in the Fund(s) or switch from one Fund to another UBS Fund, please follow the procedures outlined on page 31 of the Product Disclosure Statement (PDS).

## Anti-Money Laundering (AML)/ Counter Terrorism Financing and legal requirements

Australia's Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (the Act) requires us to collect identification information and documentation from prospective investors. Our application form captures personal information about investors to comply with the requirements of the Act. This includes details such as your occupation (for individuals) or business activity (for companies / other entities) as well as your source of funds. Under the Act we are prohibited from processing your application until we have received all the required information and identification documents. Please note, in some cases we may need to collect further information and/or documentation from you in order to comply with AML/CTF obligations under the Act.

## Identification requirements

If you are an existing investor in the Funds, applying under the same name and in the same capacity, and:

- we have previously collected the necessary identification information and documentation from you in accordance with the Act; or
- you acquired an investment by direct issue from UBS Global Asset Management (Australia) prior to 12 December 2007;

you will not be required to provide identification documents. If you are not an existing investor, please refer to page 63 of the PDS to check what certified identification documents you need to provide together with your Application Form.

## How to certify a document

All identification documents must be certified copies – we do not accept originals.

**Please note we cannot accept a faxed or scanned copy of the certified copy** (*i.e. only copies with the original penned signature of the certifier will be accepted*).

If you need to certify a document, take your original document and a photocopy to one of the acceptable certifiers on page 50, and ask them to certify that the photocopy is true and correct copy of the original document. e.g. 'I, certify that this is a true and correct copy of the original document', or similar wording.

Each certified copy must be legible and be signed and dated by an eligible certifier. The certifier must state which occupation or qualification makes them eligible.

# Completing the Application Form

Continued

## Who can certify copies of your documents?

<b>Legal</b>	<ul style="list-style-type: none"><li>• a legal practitioner enrolled on the roll of the Supreme Court of a State or Territory, or the High Court of Australia</li><li>• Judge of a court</li><li>• Justice of the Peace</li><li>• Magistrate</li><li>• Chief executive officer of a Commonwealth court</li><li>• Clerk of a court</li><li>• Bailiff</li><li>• Notary public</li></ul>
<b>Police</b>	<ul style="list-style-type: none"><li>• Police officer</li></ul>
<b>JP</b>	<ul style="list-style-type: none"><li>• Justice of the Peace</li></ul>
<b>Post office</b>	<ul style="list-style-type: none"><li>• Agent of the Australian Postal Corporation who is in charge of an office supplying postal services to the public</li><li>• Permanent employee of the Australian Postal Corporation with 2 or more years of continuous service who is employed in an office supplying postal services to the public</li></ul>
<b>Accountant</b>	<ul style="list-style-type: none"><li>• Member of the Institute of Chartered Accountants in Australia, the Australian Society of Certified Practising Accountants, the National Institute of Accountants or the Association of Taxation and Management Accountants</li></ul>
<b>Teacher</b>	<ul style="list-style-type: none"><li>• Teacher employed on a full-time basis at a school or tertiary education institution</li></ul>
<b>Financial companies</b>	<ul style="list-style-type: none"><li>• an officer with, or authorised representative of, a holder of an Australian financial services licence, having 2 or more years of continuous service with one or more licensees.</li><li>• Bank / Credit Union/ Building Society officer with 2 or more continuous years of service</li><li>• Finance company officer with 2 or more years of continuous service</li></ul>
<b>Professional</b>	<ul style="list-style-type: none"><li>• a person who, under a law in force in a State or Territory, is currently licensed or registered to practise as a Chiropractor, Dentist, Legal practitioner, Medical practitioner, Nurse, Optometrist, Pharmacist, Physiotherapist, Psychologist, Veterinary surgeon</li></ul>
<b>Diplomatic service</b>	<ul style="list-style-type: none"><li>• an Australian Consular Officer</li><li>• an Australian Diplomatic Officer (within the meaning of the Consular Fees Act 1955)</li></ul>
<b>Parliament</b>	<ul style="list-style-type: none"><li>• Member of:<ul style="list-style-type: none"><li>a) the Parliament of the Commonwealth; or</li><li>b) the Parliament of a State; or</li><li>c) a Territory legislature; or</li><li>d) a local government authority of a State or Territory</li></ul></li></ul>

## Tax File Number (TFN) or Australian Business Number (ABN) Notification or Exemption

Quotation of your TFN or ABN is not compulsory\* and it is not an offence if you decide not to supply us with this information. However if you do not supply us with your TFN or ABN, tax will be deducted from your income distributions at the highest marginal rate plus Medicare Levy, and forwarded to the Australian Tax Office (ATO). The use and disclosure of TFN or ABN information is strictly regulated by tax laws and the Privacy Act 1988 (Cth).

\*This excludes individual investors investing as sole traders who are required by AML/CTF law to provide their ABN.

Whose TFN or ABN should be detailed in section 9 of the Application Form?	
Individual	Investor 1's
Joint investors	Both investor 1 & 2
Company	The company's
Trust/super fund	The trust's/super fund's
Partnership	The partnership's
Association/ Co-operative	The association's/ Co-operative's

Please note, if you wish to claim an exemption from quoting your TFN or ABN you must indicate the reason for doing so in Section 9 of the Application Form or tax will be deducted from your income. Exemption reasons may include:

- Recipient of age, service, invalid, veteran, care, sole parent or special benefit pension - specify type
- Non-residency - please specify your country of residence (please refer to the 'Moving overseas' information on page 32)
- Other - please specify

## Your Adviser

If you are lodging your application form through a financial adviser, advisers are requested to complete their details, and stamp the form.

Please indicate in Section 15 of the Application Form if you do not wish us to send information relating to your investment to your adviser including your consultant/ advisor's software vendor for the purpose of managing your investments.

You may agree to pay your adviser an initial and/or ongoing advice fee. If you do agree to authorise the payment of an initial and/or ongoing advice fee to your adviser please complete section 15 of the Application Form with your adviser (Refer to page 36 for further details of advice fees.)

Adviser remuneration is an expense borne by you, the investor.

Your authorisation means that the initial advice fee is deducted from your initial application monies prior to investment, and any ongoing advice fees are covered by the redemption of units in the Fund(s).

## Appointment of an Agent under a Power of Attorney

If you wish to appoint an agent under a power of attorney, please have your attorney complete section 16 of the Application Form and provide any identification document(s) required (see page 63).

Please note: an investor agrees to the following terms and conditions when appointing an attorney:

- Your attorney must provide us with an original certified copy of a valid power of attorney document, signed by the investor, to evidence the authority to act on the investor's behalf. The document must be current and permit the attorney to transact on behalf of the investor.
- You acknowledge and agree that you will be bound by all acts of your attorney, including the making of additional investments on your behalf, redeeming all or part of your Fund investment(s), requesting the alteration of income distribution instructions, obtaining copies of information relating to your investment(s) and changing your nominated bank account details.
- The exercise of any powers by a person reasonably believed by UBS to be your attorney or authorised to act on behalf of your attorney (in the case of an entity) will be treated as if you had personally exercised those powers.
- Your attorney does not have the power to appoint another attorney to act on your behalf.
- We reserve the right not to accept an instruction from your attorney.
- If you wish to cancel your appointment, you will provide us with an original signed instruction to that effect, together with evidence of revocation of the power of attorney.
- You indemnify us from and against all losses, liabilities, actions, proceedings, claims and demands arising from instructions we receive from your attorney, whether or not your attorney was acting as authorised by you.

# Completing the Application Form

Continued

## Declaration and Signature

Who should sign the Application Form?	
Individual	Investor 1
Joint investors	Both investor 1 & 2
Company	<ul style="list-style-type: none"><li>• 2 Directors; OR</li><li>• 1 Director and a secretary; OR</li><li>• Sole Director (if applicable)</li></ul>
Trust/super fund	<ul style="list-style-type: none"><li>• Each individual acting as trustee; OR</li><li>• Company director acting as trustee (per company requirements above)</li></ul>
Partnership	Partner(s)
Association/ Co-operative	<ul style="list-style-type: none"><li>• Chairperson (president), secretary or treasurer; OR</li><li>• If unincorporated association, the member authorised to sign on behalf of the association as detailed in section 7</li></ul>
Agent under Power of Attorney	<ul style="list-style-type: none"><li>• Individual acting as agent; OR</li><li>• Company acting as agent (per the company requirements above)</li></ul>

The instructions for signing given on the application form apply to all written changes including:

- changing the account address
- changing bank account details
- switching
- redemptions

You can change or add authorised signatories by informing us in writing. Such requests must be signed by all new authorised signatories and existing authorised signatories.

## Lodgement of Application Form

Forward the completed application form and any required original certified copies of your identification documents together with your cheque to:

National Australia Bank Limited  
Attn: Registry Services  
GPO Box 4364  
Melbourne VIC 3001

If paying by \$A EFT or deposit please call Client Services on (02) 9324 3222 or freecall on 1800 023 043 for our bank account details. Ask your Financial Institution to record the Investor's name as a reference on the EFT and please fax evidence from your Financial Institution that the money has been banked, to 1300 365 601 for the attention Registry Services.

If you have any questions, please call Client Services on (02) 9324 3222 or Freecall 1800 023 043.

# UBS Investment Funds

## Application Form

**Product Disclosure Statement – No. 7**  
**AFS Licence No. 222605**  
**ABN 31 003 146 290**

This Application Form is used to apply for units offered under the UBS Investment Funds Product Disclosure Statement (PDS) dated 28 April 2010, which provides important information about investing in the UBS Investment Funds. You should read the PDS before applying to invest in units of a Fund(s). Units in the Funds will only be issued on receipt of this completed Application Form and any identification documents required to be attached. If you have already provided identification documentation to UBS, you do not need to re-supply it with this Application Form. Please refer to page 49 of this PDS for further details.

**Please use a black or blue pen to fill this application form, print within the boxes in CAPITAL letters and mark the appropriate boxes with an "X".**

### Section 1 - Are you an existing investor?

- No > Go to section 2
- Yes > Is this investment to be in the same name and capacity?
  - No > Go to section 2
  - Yes > please provide your investor number

If any of your details have changed, please complete the details below, otherwise go to section 11 onwards.

### Section 2 - Investor type

Please select your investor type below and complete the relevant section(s).

- Global platform/Master trust/Wrap account provider .....Complete sections 4 and 5 and then 8 onwards
- Individual/Joint investors/Sole trader .....Complete section 3 and then 8 onwards
- Company .....Complete section 4 and then 8 onwards
- Trust with individual trustees .....Complete section 5 and then 9 onwards
- Trust with a corporate trustee.....Complete sections 4 and 5 and then 8 onwards
- Government body .....Complete section 6 and then 8 onwards
- Partnership.....Complete section 7 and then 9 onwards
- Association.....Complete section 7 and then 8 onwards
- Registered co-operative .....Complete section 7 and then 8 onwards

## Section 3 - Individual/Joint investor/Sole trader details

### Investor 1

Title  Mr  Mrs  Miss  Ms Other

Full given name(s)

Surname

Date of birth (dd/mm/yyyy)  
 /  /

Occupation

Country of residence for tax purposes, if not Australia

Full business name (for sole traders only)

### Investor 2 (Joint investors)

Title  Mr  Mrs  Miss  Ms Other

Full given name(s)

Surname

Date of birth (dd/mm/yyyy)  
 /  /

Occupation

Country of residence for tax purposes, if not Australia

## Section 4 - Company/Corporate trustee details

Full name of company

ACN/ARBN (ASIC registered)

Foreign registration number (not Australian registered)

Country established, if not Australia

Principal business/industry in which the entity operates

Is the company:

Australian listed?  A majority owned subsidiary of an Australian listed company?  Regulated?

If you crossed any of the boxes above, please provide the name of the exchange OR regulator and licence number

Please select the type of company by crossing the relevant box below:

Public?  Private/Proprietary

**If you selected Private/Proprietary (Australian or foreign), please complete the remainder of the section below.**

Please list the full names and addresses of the shareholders who own more than 25% of the company.

### Shareholder 1

Title  Mr  Mrs  Miss  Ms Other

Full given name(s)

Surname

Residential address (PO Box not acceptable)

Suburb

State  Postcode

Country

### Shareholder 2

Title  Mr  Mrs  Miss  Ms Other

Full given name(s)

Surname

Residential address (PO Box not acceptable)

Suburb

State  Postcode

Country





## Section 7 - Partnership/Association/Registered Co-operative

Full name of Partnership/Association/Registered Co-operative

Country established, if not Australia

Business Activity of Partnership/Association/Registered Co-operative

**Partnerships only:** Full business name (if any) and, if regulated, the name and membership details of the professional association

**Incorporated associations/Registered co-operatives:** Unique identifying number issued and the government body responsible for the incorporation or registration

**Partnerships and unincorporated associations must complete the below details for ONE partner/member signing the form and supply identification documents for this person (refer to page 63).**

**Unregulated partnerships must provide the full name and residential address details for ALL partners.**

Please provide details on a separate page if necessary.

### Partner 1/Unincorporated association officer

Full given name(s)

Surname

Title

Date of birth (dd/mm/yyyy)

Residential address (PO Box not acceptable)

Suburb

State

Postcode

Country

### Partner 2

Full given name(s)

Surname

Title

Date of birth (dd/mm/yyyy)

Residential address (PO Box not acceptable)

Suburb

State

Postcode

Country

**Associations and Co-operatives must provide the full names of the officers below**

Name of chairperson/president

Name of secretary

Name of treasurer



## Section 11 - Source of investment funds (required under AML/CTF law)

Please identify the source of your investable assets:

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Gainful employment    | <input checked="" type="checkbox"/> Inheritance/gift       |
| <input checked="" type="checkbox"/> Business activity     | <input checked="" type="checkbox"/> Superannuation savings |
| <input checked="" type="checkbox"/> Financial investments | Other - please specify <input type="text"/>                |

## Section 12 - Investment details

Minimum initial investment: \$20,000. Minimum additional investment: \$1,000.

UBS Cash Fund .....	\$A	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
UBS Cash-Plus Fund .....	\$A	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
UBS Australian Bond Fund .....	\$A	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
UBS Diversified Fixed Income Fund .....	\$A	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
UBS Diversified Credit Fund .....	\$A	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
UBS Property Securities Fund .....	\$A	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
UBS Global Property Securities Fund .....	\$A	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
UBS Australian Share Fund .....	\$A	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
UBS Australian Small Companies Fund .....	\$A	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
UBS International Share Fund .....	\$A	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
UBS Emerging Markets Equity Fund (AUD) .....	\$A	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
UBS Defensive Investment Fund .....	\$A	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
UBS Balanced Investment Fund .....	\$A	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
UBS Absolute Return Fund (AUD) .....	\$A	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Cheques should be made payable to "NNL – OCA – UBS Applications Account [your name]" and crossed "Not Negotiable". Please refer to page 31 of the PDS for instructions on how to make your investment.

## Section 13 - Income distributions

Please indicate how you wish to receive income distributions.

- Reinvest income as additional units
- Pay income directly to the Australian bank or financial institution account detailed in section 14

**Note: If no selection is made, distributions will be reinvested.**

## Section 14 - Bank account details

All redemption payments (and distributions if elected in section 13) will be paid into the bank account nominated below. This account must be in your name(s). If you do not have an Australian bank account please contact us and we can arrange for a withdrawal payment cheque to be issued to you in Australian dollars. No third party payments are allowed.

Name of Australian bank or financial institution

Account name (must be in the name of an investor)

Branch

BSB

Account number

## Section 15 - Your adviser (only complete if applying through a financial adviser)

I/We agree that information relating to my/our investment be supplied to my/our adviser or certain third parties appointed by your adviser (see page 43: Disclosing your information).

Cross here if you do not want your adviser (or their service provider) to receive information relating to your investment.

Cross here if your adviser requires a copy of your statements via email.

Adviser name

Licensee name

AFS Licence number

Dealer group

Adviser's address

Suburb

State

Postcode

ABN

Email

Phone number

Fax number

**Initial advice fee\*** – I/We direct the Responsible Entity to pay the following fee out of my initial investment for the Fund(s) to the adviser detailed above.

0.00 %     1.1%     2.2%     3.3%    Other  % (max 3.3%)

\* This initial advice fee applies to this application only. If you make additional contributions, you will need to specify any advice fee you agree to pay your adviser in your instructions.

**Ongoing advice fee** – I/We direct the Responsible Entity to redeem a sufficient number of units at the end of each quarter to pay the following fee to the adviser above. Only the following options are permitted.

0.00 %     0.275%pa     0.55%pa     0.825%pa     1.1%pa    Other  % (max 1.1%)



## Section 17 – Declaration and signature

I/We have read this Product Disclosure Statement to which this Application Form relates and declare that I/we were physically in Australia at the time of making the application.

I/We declare that all details in this Application Form are correct.

I/We agree to be bound by the terms and conditions of the UBS Investment Funds Product Disclosure Statement No. 7 and the relevant Constitution(s) pursuant to which the relevant Fund(s) was established as amended from time to time.

I/We acknowledge that:

- I/We are 18 years of age or over
- This application form was included in, or accompanied by the Product Disclosure Statement dated 28 April 2010, which I/we have read
- None of the UBS Global Asset Management (Australia) Ltd, any division of UBS AG, or National Australia Bank Limited guarantees the performance of the Funds or the return or payment of capital or income
- Investing in the Funds is subject to investment risk, including possible delays in repayment and loss of income and principal invested
- I/we agree to provide UBS Global Asset Management (Australia) Ltd with any information that may be required for the purposes of AML/CTF law
- Joint applicants or signatories who allow either investors or signatories to give instructions in relation to an investment in the Fund(s) will bind other investors or signatories for all transactions in connection with the investment, including changes to account details
- If I/we move overseas and change our address to a non-Australian address I/we will no longer be able to make additional investments, switch between funds or reinvest my/our dividend distributions
- My/our investment in the Fund does not represent deposits or other liabilities of UBS AG or other member company of the UBS AG Group
- If your application is signed under a power of attorney, I/We have read the terms and conditions applying to the appointment of an attorney on page 51 of the PDS, and agree to those conditions on behalf of the investor

If signed under Power of Attorney, the Attorney verifies that he/she is authorised to sign this form and no notice of revocation of that power has been received and original certified copies of the Power of Attorney and identification documents (as stated on page 63), are being provided with this Application Form.

Please refer to page 52 of the PDS to see who should sign below and cross the relevant boxes below to indicate who is to sign transaction instructions and change of details requests.

**If you do not indicate a choice, UBS will assume any one signatory can sign.**

Investor 1       Investor 2       Investor 3       Investor 4

Signature of investor 1

Signature of investor 2

Title (if applicable) e.g Director/Company secretary/Power of Attorney

Title (if applicable) e.g Director/Company secretary

Date (dd/mm/yyyy)

//

Date (dd/mm/yyyy)

//

Signature of investor 3

Signature of investor 4

Title (if applicable) e.g Director/Company secretary

Title (if applicable) e.g Director/Company secretary

Date (dd/mm/yyyy)

//

Date (dd/mm/yyyy)

//

## Identification Documentation

### Individual investor requirements

Each individual investor will need to provide us with an **original certified copy**\* of one primary document from Column 1 in the table below. If you are unable to do so, please provide **original certified copies** of a secondary document from *each of* columns 2 and 3 below. For joint investors, the necessary document(s) is required for each investor.

Primary documents	Secondary documents	
Column 1	Column 2	Column 3
Drivers licence	Birth certificate issued by a State or Territory or foreign government	A financial benefits notice issued by the Commonwealth, State or Territory (less than 12 months old)
Australian passport or foreign passport (must contain photograph & signature)	Citizenship certificate issued by the Commonwealth or a foreign government	Australian Tax Office notice (less than 12 months notice)
State or Territory proof of age card containing photo	Pension card issued by Centrelink entitling the card holder to benefits	Local government or utilities provider notice (less than 3 months old)

### Non-Individual investor requirements

Non-individual investors must supply identification documents as shown below.

Investor type	Proof of identity documents
'Other Australian trust' type or unregistered managed investment scheme as per section 5	<p>An original certified copy or extract of trust deed showing the full name of the trust, full name of the trustee and the signatures; <b>OR</b></p> <p>A notice issued to the trust by the ATO within the last 12 months (eg Notice of assessment); <b>OR</b></p> <p>A letter from a qualified solicitor or accountant verifying the name of the trust; <b>OR</b></p> <p>A PDS/Prospectus/Offering memorandum showing the full name of the Trust;</p> <p><b>AND</b> if the trust has individual trustee(s), provide the identification documents for individuals for <b>ONE</b> trustee.</p>
Company or Registered managed investment scheme, Australian regulated trust (including self managed super funds), and Government super funds	No certified identification documents are required. We may however, request information at a later time if necessary, to fulfil our AML/CTF obligations.
Partnership	<p>An original certified copy or extract of the partnership agreement containing the full partnership name; <b>OR</b></p> <p>An original certified copy of a certificate of registration of business name issued by a government or government agency in Australia; <b>OR</b></p> <p>A certified copy or extract of minutes of a partnership meeting;</p> <p><b>AND</b> provide the identification documents for individuals for <b>ONE</b> Partner, detailed in section 7.</p>
Association	<p>An original certified copy or extract of the rules or constitution of the association, showing the unique identification number (if incorporated); <b>OR</b></p> <p>If incorporated, information provided by ASIC or other entity responsible for incorporation, verifying the full name of the association and any identifying number issued; <b>OR</b></p> <p>A certified copy or extract of minutes of meeting of the association;</p> <p><b>AND</b> if unincorporated, provide the identification documents for individuals for <b>ONE</b> member, detailed in section 7.</p>
Co-operative	<p>Information provided by the body responsible for the registration of the co-operative verifying the full name of the co-operative and any identifying number issued; <b>OR</b></p> <p>An original certified copy or extract of the register maintained by the co-operative verifying the full name of the co-operative and any identifying number issued: <b>OR</b></p> <p>A certified copy or extract of minutes of any meeting of the co-operative verifying the full name of the co-operative and any identifying number issued.</p>
Estate	<p>An original certified copy of the grant of probate or letters of administration including the names of the administrators; <b>OR</b></p> <p>An original certified copy of the Death Certificate;</p> <p><b>AND</b> the identification documents of any power of attorney or authorised representative.</p>

\*Please refer to pages 49 and 50 for a list of acceptable certifiers.

## Checklist

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- ✓ Use a black or blue pen

---

- ✓ Print within the boxes in CAPITAL letters and mark your preference by marking boxes with 'X' where appropriate.

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- ✓ Complete all sections relevant to your investor type.

---

- ✓ Ensure the Application Form is signed by all relevant signatories.

---

- ✓ Attach all original certified identification documents for your investor type as outlined on page 63 of the PDS. These documents must be provided under AML/CTF law in order for us to process your application.

---

- ✓ If paying by cheque, please make your cheque payable to:  
"NNL OCA - UBS Applications Account (your name)" crossed "Not Negotiable"

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- ✓ Send your form, any required identification documents and cheque to:  
National Australia Bank Limited  
Attn: Registry Services  
GPO Box 4364  
Melbourne VIC 3001

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# Directory



## **Responsible Entity**

UBS Global Asset Management (Australia) Ltd  
ABN 31 003 146 290

## **Registry Services**

National Australia Bank Limited  
Attn: Registry Services  
GPO Box 4364  
Melbourne VIC 3001  
Facsimile: 1300 365 601

## **UBS Global Asset Management Client Services**

Telephone: (02) 9324 3222  
Freecall: 1800 023 043  
Email: [ClientServices-UBSAM@ubs.com](mailto:ClientServices-UBSAM@ubs.com)  
Website: [www.ubs.com/australia](http://www.ubs.com/australia)

## **Registered Office**

Level 7, Chifley Tower  
2 Chifley Square  
Sydney NSW 2000  
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