

UBS Property Securities Fund – Product Disclosure Statement

For IDPS Investors

Dated: 20 December 2007
ARSN 090 431 271

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

This is an important document. You should read the entire Product Disclosure Statement before making a decision to invest. Nothing in the Product Disclosure Statement is to be taken as personal financial product advice. 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. Before acting on any advice in this Product Disclosure Statement, investors should consider the appropriateness of the advice having regard to their objectives, financial situation and needs. Investors should seek professional advice before investing.

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 the Fund, please contact your IDPS operator.

In this Product Disclosure Statement, references to "the Responsible Entity", "manager", "we", "us" and "our" refer to UBS Global Asset Management (Australia) Ltd. "IDPS" means a master trust, wrap account, investor directed portfolio service or similar plan.

UBS Global Asset Management (Australia) Ltd agrees to the use of this Product Disclosure Statement by IDPS investors only. Such investors do not acquire rights as unitholders. For more information, please see "Our relationship with an IDPS operator" on page 11.

The offer to which this Product Disclosure Statement relates is only available to persons receiving a copy (electronically or otherwise) in Australia. Paper copies are available on request.

UBS Global Asset Management (Australia) Ltd is the issuer of this Product Disclosure Statement. No member company in the UBS AG Group other than UBS Global Asset Management (Australia) Ltd makes any statement or representation in this document. None of UBS AG, UBS Global Asset Management (Australia) Ltd or other member company in the UBS AG Group, nor the custodian, National Australia Bank Limited guarantees the capital value, payment of income or performance of the Fund.

Your investment in the Fund does not represent deposits or other liabilities of UBS AG or other member company of the UBS AG Group. 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 contacting Client Services on (02) 9324 3222 or freecall 1800 023 043 or visiting our website www.ubs.com/australia

We accept no responsibility for any aspect of any IDPS or (without limitation) for any failure on the part of any IDPS in respect of its administration, payment of income or other distributions, payment of withdrawal proceeds, fees charged or the efficiency or viability of any IDPS. Specifically, our agreement to permit naming of the Fund in any document issued for any IDPS does not signify any endorsement of or support for the IDPS by UBS Global Asset Management (Australia) Ltd.

Who we are

UBS Global Asset Management is a business group of UBS, one of the world's leading financial services groups.

We are one of the world's leading asset managers, providing traditional, alternative and real estate investment solutions to private clients, financial intermediaries and institutional investors worldwide. Our aim is to deliver consistent, long-term investment results to investors from distinctive and innovative products and services.

Worldwide, we manage \$A903 billion* and have over 3,500 employees located in 25 countries, making us a truly global firm.

In Australia, we have been in operation since 1985 and are one of the largest Australian institutional asset managers, managing assets of \$A32 billion*.

The agility of a boutique, the resources of a global powerhouse

Our value proposition

The nimble and innovative approach of a boutique and the global reach, strength and expertise of a major financial firm, we offer:

- Scale. A diverse range of specialised investment capabilities across a broad array of asset classes from traditional investments to alternatives.
- Innovation. The creation of investment management solutions for institutional, wholesale and retail clients.

We have the ability to accomplish this because:

- We are client focused. By bringing our global resources and diverse range of boutique-like investment capabilities to bear at the local level we apply our powerful resources to each situation and risk tolerance, and craft innovative, solutions to meet investor needs.
- We are risk managers. Our proprietary risk management system enables us to act as a "risk allocator" in combining our specialist capabilities so that we thoroughly understand and manage risk.
- We are global. Our team-based approach offers access to our high quality research and disciplined portfolio construction. We create investment solutions that draw on the scale and operational excellence of our global resources.

In this Product Disclosure Statement, references to "the Responsible Entity", "manager", "we", "us" and "our" refer to UBS Global Asset Management (Australia) Ltd.

*30 September 2007

Capabilities

UBS Global Asset Management has a history of leadership, delivery and execution in the investment management industry. At UBS Global Asset Management, we translate original, fundamental research into our investment capabilities. This dynamic process of creating investment solutions helps ensure that we meet investors' needs in a constantly changing market environment, always with the goal of providing superior risk-adjusted results.

Our business is organised around our investment areas, services, regions and business support functions. The investment areas comprise Equities, Fixed Income, Alternative and Quantitative Investments, Global Real Estate, Global Investment Solutions (Asset Allocation and Currency Management) and Infrastructure.

Core Investment Philosophy

The price/intrinsic value investment philosophy means we pay 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.

The price/intrinsic value investment philosophy is based on the following:

- Intrinsic value is determined by the fundamentals that drive a security's future cash flow.
- Discrepancies between market price and intrinsic value arise from market behaviour and market structure providing opportunities to outperform.
- A truly integrated global approach produces superior research.
- Leading-edge risk management and strong knowledge of clients are critical for superior portfolio construction.
- Teams of investment specialists working together deliver consistent results.

A disciplined investment approach
A time-tested philosophy
A global perspective

What are the benefits?

An investment in the Fund has a number of benefits, including (among others) the following:

- **Potential returns:** The Fund provides investors access to the returns available from investing in a diversified portfolio of property securities listed on the Australian Stock Exchange.
- **A focus on above benchmark returns:** The 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 portfolio takes risks only when and where it is expected to be compensated.
- **Access to investment professionals:** 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.

What are the risks?

Investment in the Fund 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.

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:

Interest rate risk

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

What are the risks?

Continued

Market risk

Changes in legal and economic policy, political events and technology failure can all directly or indirectly create an environment that may 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.

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.

Liquidity risk

Some securities, especially those of companies which have small market capitalisation may be thinly traded and therefore sold in small lots over longer periods or even at a discount.

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.

Property Securities

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, interest rates and stockprice 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 from 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 from listed property securities are affected by the supply and demand for property and the level of income that properties produce.

What are the risks?

Continued

Ways to reduce risk

Diversify investments. In order to control risk, investors may diversify their investments within sectors and across a range of sectors. Because each type of investment performs differently at different times, this strategy ensures that investors are not dependent on the performance of one particular investment or sector.

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 with the greater risk 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.

UBS Property Securities Fund

Investment objective

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

Investor suitability

The Fund is best suited to investors who seek a well diversified portfolio of property securities listed on the Australian Stock Exchange. Over the shorter term, investment returns will fluctuate and may even be negative. 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 is an actively managed portfolio of listed Australian property securities or those we reasonably expect to list within 6 months. The Fund will generally hold at least 15 securities. The Fund can hold a maximum of 10% of its assets in cash. The Fund may invest in financial derivatives to adjust exposure to property securities or to manage investment risk.

Fund size

\$1,837.78m (as at 30 September 2007)

Minimum investment

\$20,000

Income distribution

31 March, 30 June, 30 September, 31 December

Management costs (see page 9)

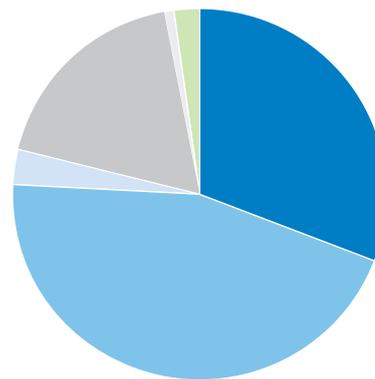
0.85% pa

Buy/sell spread (see page 9)

+/- 0.25%

Investment portfolio

The composition of the Fund as at 30 September 2007 is shown below. For the latest composition of the Fund, please visit our website at www.ubs.com/australia or contact Client Services on (02) 9324 3222 or freecall on 1800 023 043.



Retail	31%
Diversified	45%
Commercial	3%
Industrial	18%
Other	1%
Cash	2%

Performance

Performance data for this Fund is updated monthly and is available on our website: www.ubs.com/australia

How to make your investment

How to invest

To invest in the Fund through an IDPS, simply complete the documents which the IDPS operator requires. Any enquiries regarding investing in the Fund, such as additional investments, switching between our other UBS funds or transferring ownership, should be directed to the IDPS operator.

Cooling off period

Persons investing through an IDPS should consult the IDPS operator in relation to cooling off rights that may apply to their investment in the IDPS (if any).

Withdrawing your investment

Under normal circumstances, if we receive a withdrawal request from an IDPS operator by 3pm (Sydney time) on a business day, proceeds from the withdrawal of units are usually paid to the IDPS operator within 6 business days after receipt of the request.

The Constitution of the Fund permits 30 days for payment and also allows us to suspend withdrawals in limited circumstances (such as a relevant stock exchange being closed). Your withdrawal request will be governed by your arrangement with the IDPS operator.

If the Fund ceases to be liquid

If the Fund ceases to be liquid (as defined by the Corporations Act), your IDPS operator will only be able to withdraw from the Fund if we make an offer of withdrawal. If we do make such an offer, your IDPS operator may only be able to withdraw part of their investment. There is no obligation for us to make such an offer. We do not expect the Fund to become illiquid.

Unit pricing

The units which are issued to your IDPS operator represent an interest in the Fund.

The Fund is normally valued each Sydney business day. If an 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 Fund when next calculated (usually at close of business that day). If received after this time, or on a non-business day, the unit price is calculated at close of business the next business day.

The price of the units in the Fund is determined by dividing the Net Asset Value of the Fund by the total number of units in the Fund.

A buy/sell spread is applied to the unit price in respect of transaction costs incurred when the Fund is purchasing or selling assets (see page 9).

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 Fund's Constitution in relation to calculating unit prices. Our unit pricing discretion policy is available free of charge on our website www.ubs.com/australia, or by contacting Client Services.

Income distributions

The Fund may earn income from its various investments. Capital or revenue gains or losses can occur on the sale of investments. Generally, all taxable income and realised taxable capital gains in a financial year will be distributed.

The share of any income the IDPS operator receives depends on the number of units held by the IDPS operator in the Fund at the end of the distribution period. The amount may vary with each distribution and unit prices normally fall following a distribution. If your IDPS operator invests just prior to a distribution, they may receive some of their investment back immediately as income. If your IDPS operator withdraws from the Fund just before a distribution, they might turn accrued income into a capital gain or a reduction in their capital losses or the 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.

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

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 Fund.

Fees and other costs

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) has a managed investment fee calculator to help you check out different fee options.

Fees and other costs

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 11 for more information).

You should read all the information about fees and costs because it is important to understand their impact on your investment.

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the Fund		
<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.
<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

Fees and other costs

Continued

Type of fee or cost	Amount	How and when paid
Management costs		
The fees and costs for managing your investment.	0.85% per annum (including GST).	We charge a fee for administering and managing the Fund. These fees are calculated daily on the value of the Fund and paid to the Manager on a monthly basis. These fees reduce the net asset value of the Fund and are reflected in the unit price. The fees are not charged separately to your investment.
Service fees*		
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.

*Note that a buy/sell spread may apply when acquiring, switching or redeeming units. Please see "Transaction Costs" on page 9.

Example of annual fees and costs for managed investment products

This table gives an example of how the fees and costs in this Fund can affect your investment over a one year period. You should use this table to compare this product with other managed investment products.

Example	Amount	Balance of \$50,000 with a contribution of \$5,000 during the year
<i>Contribution fees</i>	Nil	No fee applies to additional contributions. *
plus <i>Management costs</i>	0.85%	For every \$50,000 you have in the Fund you will be charged \$425 each year.
equals <i>Cost of Fund</i>	<u>0.85%</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 \$425 and \$467.50*
		What it costs you will depend on the fees you negotiate with your financial adviser or the Fund.

*Additional fees may apply: including a buy/sell spread. Please see "Transaction costs" on page 9.

We have assumed a constant value throughout the year. Please see "Management costs" on page 9.

Fees and other costs

Continued

Additional explanation of fees and costs

Each fee that may be charged is described below.

Establishment fee

There are no establishment fees payable when you invest in the Fund.

The Constitution permits us to charge a maximum entry fee (contribution fee) of 6% of the application price. However, for the life of this Product Disclosure Statement, we will not charge an entry fee.

Termination fee and asset fee

There are no termination fees payable when you withdraw from the Fund.

The Constitution permits us to charge a maximum exit fee of 1% of the withdrawal price. However, for the life of this Product Disclosure Statement, we will not charge an exit fee.

The Constitution also permits us to charge a fee for acting as trustee of the Fund of 0.1% per annum of the Fund's net asset value, subject to a minimum of \$8,000 per annum, CPI indexed. However, for the life of this Product Disclosure Statement, we will not charge this fee.

Investment switching fee

We do not charge any fees when you switch between UBS Funds. Please see "Transaction costs" below for more information.

Management costs

We charge a fee for administering and managing the Fund. For the life of this Product Disclosure Statement, we will charge an ongoing fee of 0.85% per annum. This is referred to as management costs. Management costs are calculated daily on the value of the Fund and paid to the Manager on a monthly basis. The fee reduces the net asset value of the Fund and is reflected in the unit price. The fee is not charged separately to your investment. A simple example is as follows: A \$50,000 investment in the Fund at the current management cost of 0.85% per annum would equal a fee of \$425 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 fee described above is inclusive of any GST after taking into account expected reduced input tax credit entitlements.

The Constitution permits us to charge a maximum fee for management costs of 1% per annum of the net asset value in respect of each day we act as a Manager.

Unless we otherwise notify you, this fee will pay for expenses incurred in managing the Fund 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), up to 30% of our fee from investments in the Fund introduced by the investment banking group of UBS AG to cover their marketing and related 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. The amount of those payments may vary from time to time, but over the long term are not expected to exceed our fees (including anticipated future fees).

From our fee we may pay, for the life of this Product Disclosure Statement, an amount of up to \$400,000 per annum to the responsible entity or trustee of a master trust, or the operator of an investor directed portfolio service, with respect to this Fund, 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 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 Fund, not by us.

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

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 paid to us. They are an additional cost to your IDPS Operator and are reflected in the unit price. Transaction costs will generally be incurred when your IDPS Operator makes an investment,

Fees and other costs

Continued

a switch or withdraws funds. These costs will generally not apply to reinvested distributions.

The estimated maximum transaction costs for the UBS Property Securities Fund is +/- 0.35%. We may vary the applicable transaction costs from time to time. Updated transaction cost details will be available by contacting Client Services or from our website www.ubs.com/australia

Change in fees

It is possible for the management costs to change. If there is any proposed increase, we would always advise you at least 30 days prior to the date of the increase.

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 Fund. 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 Fund will benefit from these arrangements.

Other information

Reporting

When you invest in the Fund through an IDPS, you will not receive confirmation of transactions, semi-annual reports, annual financial reports, transaction and distribution statements and tax statements directly from us in respect of the Fund. These will be provided by us to the operator of the IDPS who will be responsible for reporting to you on your investments in the IDPS in accordance with the arrangements governing the IDPS.

Complaints

Persons investing through an IDPS should consult the IDPS operator if they have a complaint about their investment. If you have any issues that remain unresolved, then you may contact the complaints scheme of which the IDPS operator is a member.

Additional information

As a disclosing entity, the Fund is subject to regular reporting and disclosure obligations. Copies of documents lodged with ASIC in relation to the Fund may be obtained from, or inspected at, an ASIC office. We can also provide you with a copy of:

- The annual financial report most recently lodged with ASIC for the Fund;
- Any half year financial reports lodged with ASIC for the Fund after the lodgement of that annual financial report and before the date of this PDS; and
- Any continuous disclosure notices given for the Fund after the lodgement of that annual report and before the date of this PDS.

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

Our relationship with an IDPS operator

Investors and potential investors accessing the Fund through an IDPS or IDPS-like service (commonly a master trust or wrap account) or a nominee or custody service with whom we have an agreement only, may use this Product Disclosure Statement.

Such "indirect investors" do not become investors nor do they 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. An investor in an IDPS must read our Product Disclosure Statement in this context.

Indirect investors do not receive income or reports directly from us, nor do they directly participate in investor meetings or the winding up of the Fund. Transaction cut-off times for these indirect investors depend on the transaction cut-off times of the service. Indirect investors should seek appropriate tax advice.

Privacy

As you are investing through an IDPS, we will not receive or hold any personal information about you.

Taxation

This taxation and GST information is a general summary and does not take into account specific circumstances. We strongly recommend that you seek professional tax advice that is specific to your circumstances and that of your IDPS.

Acquiring and disposing of units in the Fund through an IDPS can have important taxation consequences for you. You may be liable for income tax, including tax on capital gains, on distributions made to you and you may also be subject to tax in circumstances where you have not received a distribution. Redemptions may also result in a tax liability or a tax loss. However, you might be able to claim tax credits or rebates to offset Australian tax payable on your income. Other issues that may need to be considered by you include Australia's controlled foreign companies and foreign investment funds provisions which may apply where the Fund invests in foreign entities and the proposed changes to the rules governing the taxation of financial arrangements.

GST

The Fund has been registered for GST, which applies to most supplies that are connected with Australia. The majority of goods and services that the Fund will acquire for its operation will be subject to GST and GST will be payable on the Responsible Entity's fees, custodian and administrator fees and most other fees and expenses incurred by the Fund. In specified circumstances, the Fund 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 establishment and termination fees if they are imposed in the future.

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 PDS, except where we otherwise state that fees are inclusive of GST and net of RITCs.

No GST will apply on amounts received by the Fund for the issue of units, sale proceeds of the securities, or investment income and gains.

Other information

Continued

Our role

We are the trustee of, and manage the Fund. Under the Corporations Act we are described as the "Responsible Entity". We and the Fund are regulated principally by the Australian Securities and Investments Commission under the Corporations Act.

Under this Act we must act honestly and in the best interests of investors. We have a compliance plan for the Fund which details the methods we follow to ensure that in operating the Fund we comply with the Corporations Act and the Constitution of the Fund.

We also have a Compliance Committee which (amongst other things) monitors our adherence to the compliance plan. It comprises three members, two being external. The Compliance Committee would report any breaches of the Constitution and the Corporations Act to us, and in some instances, to the ASIC.

What are the main rights of investors under the Fund's Constitution?

The rights and obligations of investors are governed by the Fund's Constitution 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 Constitution are discussed elsewhere in this document. The Constitution also addresses a number of other matters that affect your rights, including:

- The nature of the units - identical rights attach to all units;
- How we must calculate unit prices, and what the investor is entitled to receive when they withdraw or the Fund is wound up;
- The times we can delay processing withdrawals (such as if pricing the Fund is impracticable); and
- The right of the investor to share in any Fund income, and how we calculate it.

The Constitution states that investors' liability is limited to the amount paid for the units acquired but the courts are yet to determine the effectiveness of provisions of this kind.

Investors' 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 Fund's Constitution?

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 Constitution, but we need approval at a meeting of unitholders if the change will adversely affect your rights;
- We can terminate the Fund after giving 3 months notice, and if we do, investors 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;
- 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 does the Constitution say about the liabilities and indemnities of the Responsible Entity?

The Constitution also deals with our liabilities in relation to the Fund and when they can be reimbursed to us out of the Fund's 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 the Fund, including in circumstances where an unrelated act or omission for which we have responsibility has caused loss to the Fund.

Borrowing

The Fund can borrow but as at the date of this PDS, we have no intention to do so.

Other information

Continued

Termination

The Constitution of a Fund together with the Corporations Act govern when and how a Fund may be terminated. On termination you are entitled to a share of the net proceeds of our realisation of the assets in proportion to the number of units held by your IDPS operator. The final accounts of the Fund are audited.

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 Fund. 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 Fund and is not responsible for protecting your interests. It 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 Fund or the repayment of capital or any particular rate of capital or income return.

Audit

The Fund and the compliance plan are required to be audited annually.

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.

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: sydney-ubsam.sh-invregistry@ubs.com
Website: www.ubs.com/australia

Registered Office

Level 7, Chifley Tower
2 Chifley Square
Sydney NSW 2000
Telephone: (02) 9324 3100



UBS Global Asset
Management

Level 7, Chifley Tower
2 Chifley Square
Sydney NSW 2000
Tel. +61-2-9324 3100

Level 16
8 Exhibition Street
Melbourne VIC 3000
+61-3-9242 6500

Level 12
345 Queen St
Brisbane QLD 4000
+61-7-3136 4428

Level 29, Forrest Centre
221 St Georges Terrace
Perth WA 6000
+61-8-9288 0626

www.ubs.com/australia

UBS Global Asset Management (Australia) Ltd is a subsidiary of UBS AG