

UBS Hybrid Income Fund - Product Disclosure Statement for IDPS Investors

Supplementary Product Disclosure Statement No. 2

Prepared: 24 October 2007

ARSN 094 212 498

Offered by UBS Global Asset Management (Australia) Ltd

ABN 31 003 146 290

AFS Licence No. 222605

Important Information

This Supplementary Product Disclosure Statement (SPDS) is dated 24 October 2007. The offer to which this SPDS relates, is only available to persons receiving a copy (paper copy or otherwise) in Australia and should be read together with the UBS Hybrid Income Fund - Product Disclosure Statement for IDPS Investors dated 12 June 2006 and the Supplementary Product Disclosure Statement No.1 prepared 1 May 2007 ("the PDS"). Note that this SPDS may be available electronically. 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 the 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. Nothing in this SPDS is to be taken as specific securities advice. In preparing this SPDS, 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 SPDS. No member company of UBS other than UBS Global Asset Management (Australia) Ltd makes any statement or representation in this document. None of UBS Global Asset Management (Australia) Ltd or any other member company of UBS 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 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.

UBS Hybrid Income Fund - Product Disclosure Statement for IDPS Investors

Supplementary Product Disclosure Statement No. 2

This is a Supplementary Product Disclosure Statement (SPDS), prepared 24 October 2007, issued by UBS Global Asset Management (Australia) Ltd ABN 31 003 146 290, AFSL 222605 and should be read together with the UBS Hybrid Income Fund - Product Disclosure Statement for IDPS Investors (ARSN 094 218 498) dated 12 June 2006 and the Supplementary Product Disclosure Statement No.1 prepared 1 May 2007 ("the PDS").

Direct contact details

For any enquiries please contact Client Services on (02) 9324 3222 or toll free on 1800 023 043 or via the email address below.

Email: sydney-ubsam.sh-invregistry@ubs.com

Website: www.ubs.com/australia

Amendments to the PDS

A number of enhancements will be made to the investment process, which we believe will have the potential to improve investment outcomes for investors.

These changes, which are explained below, will take effect from 1 December 2007.

The second last sentence of the paragraph appearing under "Investment policy" on page 4 is deleted and replaced by the following 2 sentences:

"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."



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

UBS Hybrid Income Fund - Product Disclosure Statement for IDPS Investors

Supplementary Product Disclosure Statement No. 1

Prepared: 1 May 2007

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

Important Information

This Supplementary Product Disclosure Statement (SPDS) is dated 1 May 2007. The offer to which this SPDS relates, is only available to persons receiving a copy (paper copy or otherwise) in Australia and should be read together with the UBS Hybrid Income Fund - Product Disclosure Statement for IDPS Investors dated 12 June 2006 ("the PDS"). Note that this SPDS may be available electronically. Paper copies are available on request.

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UBS Hybrid Income Fund - Product Disclosure Statement for IDPS Investors

Supplementary Product Disclosure Statement No. 1

This is a Supplementary Product Disclosure Statement (SPDS), prepared 1 May 2007, issued by UBS Global Asset Management (Australia) Ltd ABN 31 003 146 290, AFSL 222605 and should be read together with the UBS Hybrid Income Fund - Product Disclosure Statement for IDPS Investors (ARSN 094 218 498) prepared 12 June 2006 ("the PDS").

Amendments to the PDS

The following paragraph is inserted under the heading "Unit Pricing" on page 5 of the PDS.

Unit Pricing Discretion Policy

We have adopted a unit pricing discretion policy which applies from 1 May 2007. The unit pricing discretion policy 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 will be available free of charge on our website www.ubs.com/australia, or by contacting Client Services.

The following paragraph is inserted under the heading "Additional explanation of fees and costs" on page 8 of the PDS.

Transaction Costs

From 1 July 2007, we will be introducing transaction costs (buy/sell spreads) when calculating application and redemption prices of units. 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, stamp duty and taxes.

Transaction costs are paid to the Fund, not paid 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 funds. Transaction costs will generally not apply to reinvested distributions.

The estimated maximum transaction cost for the UBS Hybrid Income Fund is +/- 0.35%. We may vary the transaction cost from time to time. Updated transaction cost details will be available on our website www.ubs.com/australia, or by contacting Client Services by 1 July 2007.

Direct contact details

For any enquiries please contact Client Services on (02) 9324 3222 or toll free on 1800 023 043 or via the email address below.

Email: sydney-ubsam.sh-invregistry@ubs.com

Website: www.ubs.com/australia

UBS Hybrid Income Fund – Product Disclosure Statement

For IDPS investors

ARSN 094 218 498

Dated: 12 June 2006

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. Investors should before acting on any advice in this Product Disclosure Statement consider the appropriateness of the advice having regard to the investors' 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 unit holders. For more information, please see "Our relationship with an IDPS operator" on page 10.

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

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 (NAB Custodian Services) 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 that is not materially adverse information is subject to change from time to time and may be updated by means described in this Product Disclosure Statement. For updated information, please contact Client Services on (02) 9324 3222 or freecall 1800 023 043 or visit 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.

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

Who are we?

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

We are distinguished by our truly integrated global investment platform and our significant research contributions to the industry, including pioneering work in asset allocation and risk management. With investment professionals located in all major financial markets – linked by leading technology and communications systems – we provide clients with high quality research, asset allocation and risk management conducted on a fully global basis.

Worldwide, UBS Global Asset Management manages \$A857 billion* in assets and has 3,000 employees serving clients in more than 20 countries around the world. In Australia, we have been in operation since 1985 and are one of the larger Australian institutional asset managers, managing assets of \$A28.9 billion*.

UBS Global Asset Management's strong local presence and its integrated global network enable it to understand and meet the domestic and international investment needs of Australian investors.

Our mission

Our mission is to become the world's leading asset manager by offering a distinctive, innovative and client focused service.

We aim to deliver superior investment performance through the management and allocation of clients' investments across and within all major asset classes.

Investment philosophy

- The intrinsic value of a security is determined by the fundamentals that drive the security's future cash flow.
- A truly integrated global approach produces superior research.
- Leading edge risk management is critical for superior portfolio construction.
- Teams of investment specialists working together deliver consistent results.

What are the risks?

Investment in the Fund carries risks, including volatility of returns. 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.

Exchange rate risk

Currency movements relative to the Australian dollar can cause changes in the value of your investments.

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.

Investment time horizon

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

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.

*31 March 2006

What are the risks?

continued

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 very 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, the foreign currency exposure is hedged to the \$A. Due to the nature of some markets, there may be a residual unhedged exposure.

Equity

(Domestic and international)

The returns from listed securities are affected by factors including the underlying strength of the 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 from international shares (and related derivatives) are also affected by fluctuations in exchange rates. Please note that the currency exposure of international Funds may be hedged into the \$A.

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. 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.

Derivatives

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 positions can not always be expected to perfectly hedge the risk of the physical security.

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 greatest 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; and
- your current financial situation.

UBS Hybrid Income Fund

Investment objective

This Fund aims to provide investors with an income distribution and potential for capital growth when measured over a rolling three year period.

Investor suitability

The Fund is best suited to investors who seek 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, including 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 which will include listed and unlisted securities. A substantial component of the Fund is expected to be in hybrid securities. These securities provide income style returns combined with equity characteristics and include such securities as convertible notes, exchangeable notes, converting preference shares and reset securities. Other securities that may be held are income securities; domestic and international high yield and emerging market securities; fixed income and structured fixed income securities. The Fund may also invest in financial 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.

Fund size

\$810.93m (as at 30 April 2006)

Minimum investment

\$20,000

Income distribution

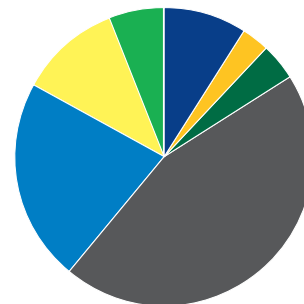
31 March, 30 June, 30 September, 31 December

Management costs*

0.70% pa.

Investment portfolio

The composition of the Fund as at 30 April 2006 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.



Global High Yield	9%
Income Securities	3%
Cash	4%
Hybrid Securities	45%
Floating Rate Notes	22%
Investment Grade Corp Bonds	11%
Absolute Return Bond Fund	6%

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

Performance

The performance of the Fund as at 30 April 2006 is shown below (as the Fund commenced in March 2002, 5 year performance figures are not available.)

Past performance is not indicative of future performance.

	1 Yr %	2 Yrs % pa	3 Yrs % pa
Fund ex franking credits	6.42	6.42	6.79
Fund incl franking credits	6.92	6.93	7.33

The performance figures of the Fund are net of management costs. The performance figures quoted are historical, calculated using end of month redemption prices, and do not allow for the effects of income tax or inflation. The calculations also assume that all income distributions have been reinvested.

Returns can be volatile and future returns can vary from past returns. To obtain the latest performance figures, please visit us at www.ubs.com/australia or contact Client Services on (02) 9324 3222 or freecall on 1800 023 043.

Franked return assumes an investor fully utilises the available franking credits.

*See pages 6-9

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.

Income distributions

The Fund may earn income from its various investments. Capital gains or losses can occur on the sale of investments. 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. Conversely, if your IDPS operator withdraws from the Fund just before a distribution, they might turn income into a capital gain or reduce their capital losses.

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

The 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.

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.

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.	0.70% per annum (including GST).	We charge a fee for administering and managing the Fund. These investment costs 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. In certain circumstances this fee is negotiable. Refer to "Additional explanation of fees and costs" on page 8.
Service fees		
<i>Investment switching fee:</i> 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.

Example of annual fees and costs for managed investment products

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

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

* Additional fees may apply.

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 (initial service 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, plus GST. 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.

Management costs

We charge a fee for administering and managing the Fund. This is an ongoing fee of 0.70% per annum. These are 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 0.70% 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 Constitution permits us to charge a maximum fee for management costs of 2% per annum of the net asset value in respect of each day we act as a Manager. For the life of this Product Disclosure Statement, however, we will only charge a fee of 0.70% per annum.

The fee described above is inclusive of any GST after

taking into account expected reduced input tax credit entitlements.

This fee will pay expenses 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 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 may pay UBS Wealth Management Australia Ltd some or all of our fee from investments in the Fund introduced by it.

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 the funds in the UBS Investment Funds Product Disclosure Statement No.4 being included in the range of investments offered by the relevant master trust or investor directed portfolio service. Please contact your IDPS Operator if you would like a copy of that product disclosure statement

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 dealing with 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.

Change in fees

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

Fees and other costs

Continued

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 soft dollar benefits

We may receive soft dollar 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 soft dollar 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 soft dollar 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, quarterly reports, annual 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.

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, may only 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. Withdrawal times for these indirect investors depend on the withdrawal 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

Acquiring and disposing of units in the Fund through an IDPS operator can have important taxation and social security consequences for investors. Tax and social security requirements are complex and their impact varies, depending on investor circumstances.

You may be liable for income tax and capital gains tax on distributions made to you. Redemptions may also result in a tax liability or a tax loss. However, you might be able to claim some tax credits or have the benefit of some concessions.

We strongly recommend that you seek professional tax advice relevant to your particular circumstances and that of your IDPS.

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 the Corporations 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 take 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.

Other information

Continued

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

The Constitution states 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 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 unit holders if the change will adversely affect your rights
- We can terminate the Fund after giving 3 months notice, and if we do, you 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.

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.

Other information

Continued

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 NAB Custodian Services as custodian to hold the assets of the Fund. NAB Custodian Services 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 Custodian Services have no liability or responsibility to you for any oversight or omission made in accordance with the terms of their custody agreements.

NAB Custodian Services was not involved in preparing, and takes no responsibility for this Product Disclosure Statement. NAB Custodian Services 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

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ABN 31 003 146 290

Registry Services

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