

# UBS Australian Share Fund

## Product Disclosure Statement

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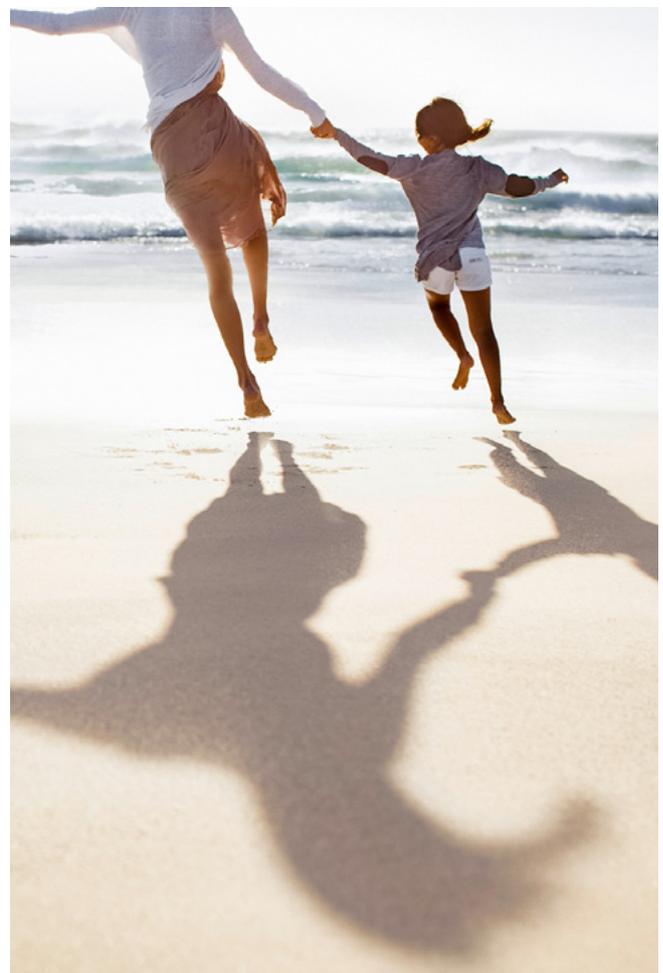
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**This Product Disclosure Statement ('PDS') is a summary of significant information and contains a number of references to important information in the UBS Additional Information Booklet (which forms part of the PDS).**

**You should consider both the information in this document, and the information referred to in the UBS Additional Information Booklet, before making a decision about investing in the UBS Australian Share Fund ('Fund').**

**The information provided in this PDS is general information only and does not take account of your personal financial situation or needs. You should obtain financial advice tailored to your personal circumstances.**

UBS Asset Management (Australia) Ltd is the responsible entity and the issuer of this PDS. No other member of the UBS group makes any statement or representation in this document. An investment in this Fund is not a deposit with or other liability of UBS Group AG or of any UBS group company in Australia or elsewhere, and is subject to investment risk including possible delays in repayment and loss of income or principal invested. Neither UBS Group AG, UBS Asset Management (Australia) Ltd nor any other UBS group company guarantees the performance of the Fund, the repayment of capital from the Fund or any particular rate of return. Some terms used in this PDS have special meanings. They are generally defined in this PDS. Other capitalised terms may be defined in the UBS Additional Information Booklet.



# 1. About UBS Asset Management (Australia) Ltd

UBS Asset Management (Australia) Ltd ('Responsible Entity', 'RE', 'we' or 'us') is a wholly owned subsidiary of UBS Group AG. UBS Asset Management, a business division of UBS Group AG, is a large-scale asset manager with businesses well-diversified across regions, capabilities and distribution channels. It has invested assets of some \$953 billion and is located in 22 countries at 30 June 2017. UBS Asset Management offers investment capabilities and styles across all major traditional and alternative asset classes to private clients, financial intermediaries and institutional investors around the globe. These include equities, fixed income, currency, hedge funds, real estate and infrastructure; which can be combined into multi-asset strategies.

UBS Asset Management (Australia) Ltd was established in Australia in 1985 and had invested assets of approximately \$48 billion at 30 June 2017. We offer a range of equities, fixed income and multi-asset capabilities while accessing international traditional and alternative solutions.

As Responsible Entity, our responsibilities and obligations are governed by the Fund's constitution ('Constitution'), the Corporations Act 2001 ('Corporations Act') and general trust law. We are solely responsible for the management of the Fund.

# 2. How UBS Australian Share Fund works

The Fund is a registered managed investment scheme structured as a unit trust. Investors are issued with units which entitle them to an interest in the Fund's assets and other rights and obligations as described in the Constitution. Assets are acquired in accordance with the Fund's investment strategy. You can invest in the Fund either directly or indirectly through investor directed portfolio services, IDPS-like schemes, nominee or custody services typically known as wrap accounts or master trusts (collectively referred to as 'IDPS' in this PDS).

Direct investors are recorded in the Fund's register as the unit holder when they invest. Investors investing through an IDPS can access the Fund as indirect investors but will not become a unit holder of the Fund. The IDPS operator or custodian will be recorded in the Fund's register as the unit holder and will be the only entity able to exercise the rights and receive the benefits of a unit holder. For example, indirect investors cannot attend meetings of members or transfer units in the Fund. Reports, transaction confirmations, distribution and withdrawal payments will be sent directly to the IDPS operator or custodian on the register. If you are an indirect investor, most issues and queries relating to your investment must be directed to your IDPS operator or custodian.

**Applications:** You can make an initial or additional application for units by completing the application form available from your adviser or available on our website at [ubs.com/au-am-pds](http://ubs.com/au-am-pds) ('Application Form'). If you are investing through an IDPS, contact your IDPS operator who will provide you with the documentation it requires you to complete. Applications for units in the Fund are subject to cut-off times and applicable unit prices. See section 2 of the UBS Additional Information Booklet for more information.

**Minimum investment amounts:** The minimum initial investment amount in the Fund is \$20,000. If you invest through an IDPS, you should consult your IDPS operator to find out the minimum amount you can invest in the Fund.

**Additional investment:** The minimum additional investment amount is \$1,000.

**Withdrawals:** You can apply to withdraw all or part of your investment at any time, subject to the Fund being liquid. Withdrawal requests are subject to cut-off times and unit prices determined at applicable valuation times. We will provide this information and the withdrawal documentation we require you to complete. If you are investing through an IDPS, your IDPS operator will provide you with information about withdrawals and any additional requirements. Withdrawal requests will usually be processed within 6 Business Days from when you make a request to us, or if you invest through an IDPS, from when your IDPS operator (if applicable) lodges a withdrawal request. Significantly longer periods may apply from time to time such as when there is a freeze on withdrawals. In addition, if a member on a Business Day requests withdrawal of units totalling more than 5% of the total number of units on issue, we may treat the request as five separate equal requests received on each of the five successive Business Days starting from the day when we received the original request. See section 4 of the UBS Additional Information Booklet for more information.

**Price:** The net asset value of the Fund (as defined in the Constitution) is normally determined at least once on each Business Day. The price of units in the Fund will vary as the market value of assets in the Fund rises or falls.

**Distributions:** Distributions are typically paid to you (or your IDPS operator) every three months as soon as practicable after the end of the distribution period (and in any event, within three months of the end of the relevant distribution period). In addition to any scheduled distributions, we may pay a distribution at any time and for any reason. Prior notice of special distributions may or may not be provided.

The Fund may earn income from its various investments which it will distribute if the RE determines that the amount of the income is sufficient to justify a distribution. Capital or revenue gains or losses can occur on the sale of investments within the Fund. As a result, distributions determined by the RE may vary from period to period. Generally, all taxable income and realised taxable capital gains in a financial year will be distributed to unitholders.

The share of any income you (or your IDPS operator) receive depends on the number of units held 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 you or your IDPS operator invests just prior to a distribution, you may receive some of your investment back immediately as income. If you withdraw from the Fund just before a distribution, you might turn accrued income into a capital gain or a reduction in your capital losses as the withdrawal proceeds might reflect a share of the income for the period.

We recommend that you seek professional tax advice relevant to your particular situation.

### 3. Benefits of investing in UBS Australian Share Fund

By investing in the Fund, investors gain access to an actively managed, core style, Australian shares portfolio.

**The significant benefits of investing in the Fund are:**

**Investment return:** We have created a fund with the investment return objective set out in section 5 that invests in those Australian shares that we believe are being undervalued by the market, based on our assessment of the companies' future cash flows.

**Research resources:** UBS has a large, experienced Australian equities team managing over \$3.6 billion (as at 30 June 2017). Our research & trading team provide in-depth analysis of local market trends and regulatory conditions.

**Processes & systems:** We have access to proprietary investment and risk management systems and processes which ordinary investors would not usually have, allowing us deeper insights at the security level and an opportunity to maximise returns.

You should read the important information about acquiring and disposing of interests in the Fund before making a decision. Go to sections 2 and 4 of the UBS Additional Information Booklet available on request from your IDPS operator (if applicable), from us by calling 1800 572 018, or from our website: [ubs.com/au-am-pds](http://ubs.com/au-am-pds)

The material relating to acquiring and disposing of interests may change between the time when you read this PDS and the day when you acquire the product.

**The Fund's significant features include:**

- The potential to receive quarterly distributions.
- The Constitution (under which we and unit holders have certain rights and certain obligations), and
- The ability for unit holders to apply to withdraw from the Fund or to increase their unit holding (subject to eligibility and conditions).

You should read the important information about benefits and features of the Fund before making a decision. Go to section 3 of the UBS Additional Information Booklet available on request from your IDPS operator (if applicable), from us by calling 1800 572 018, or from our website: [ubs.com/au-am-pds](http://ubs.com/au-am-pds).

The material relating to benefits and features may change between the time when you read this PDS and the day when you acquire the product.

### 4. Risks of managed investment schemes

**4.1 All investments carry risk**

It is important to be aware that all investments carry risk. Different strategies for investing may carry different levels of risk, depending on the assets that make up the strategy. Assets with the highest long-term returns may also carry the highest level of short-term risk.

The value of an investment may move up or down, sometimes rapidly and unpredictably. You may receive less than the value of your original investment when you withdraw from the Fund. Returns are not guaranteed, the level of returns will vary and future returns may differ from past returns.

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

**4.2 Summary of significant risks of the Fund**

Some of the risks associated with an investment in the Fund are listed below. Whilst they are representative of some of the risks, they are not a complete set of all risks associated with investing in the Fund.

Type of risk	Description of risk
<b>Portfolio management risk</b>	As an actively managed portfolio there is no assurance that the investment techniques and risk analyses employed by our portfolio management team in making investment decisions for the Fund will produce the desired results. Additionally, the Fund could be adversely affected by material changes to the services, resources and skills of our portfolio management team.
<b>Company specific risk</b>	The value of investments can vary because of changes to the profitability, cash flow, dividends, management, market share or business environment of the companies to which the Fund has investment exposure.

<b>Concentration risk</b>	The risk that the Fund will be more volatile than a more diversified fund because the Fund may invest in a smaller number of securities. The gains and losses on a single security may, therefore, have a greater relative impact on the Fund's net asset value.
<b>Fund of Fund risk</b>	The investment performance of the 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.
<b>Regulatory and tax risk</b>	Changes in the legal or regulatory environment, taxation or other relevant laws, or in the interpretation or administration of those laws could have adverse implications on an investment or on you as a unit holder.

When considering investing in a managed investment scheme, it is important to understand that the appropriate level of risk for you will depend on your age, investment time frames, where other parts of your wealth are invested, and your risk tolerance (that is, how prepared you are to lose money you have invested), and the impact that such loss will have for you.

## 5. How we invest your money

The table below summarises how we invest your money.

<b>Fund description</b>	The Fund is an actively managed fund investing in a portfolio of 30–70 listed Australian equity securities (including those held within sub funds).
<b>Investment return objective</b>	The Fund aims to outperform (after management costs) the Benchmark over rolling five year periods.
<b>Benchmark</b>	S&P/ASX 300 Accumulation Index
<b>Investment guidelines</b>	The Fund may invest between 90 to 100% in listed Australian equity securities. It may also invest up to 10% in cash. Effective exposure may include derivatives.
<b>Investment universe</b>	Eligible investments of the Fund comprise ordinary shares of listed Australian equities and unlisted investments which are intended to float within six months. The Fund may also invest indirectly in listed Australian equity securities via investments in other UBS managed funds, including the UBS Australian Small Companies Fund which in turn invests in 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. At least 75% of the Fund is invested in stocks that comprise the S&P/ASX 100 index.
<b>Investor suitability</b>	The Fund is best suited to investors who seek a diversified portfolio of predominantly listed Australian equity securities.
<b>Risk level of the Fund</b>	The Fund is a high risk investment. The significant risks associated with this investment are set out in section 4.
<b>Suggested minimum investment timeframe</b>	At least five years.
<b>Labour standards and environmental, social and ethical considerations</b>	Our portfolio management team generally does not take into account labour standards or social, ethical or environmental considerations when making, holding or selling an investment. However, on a case by case basis where such issues may materially impact the value or performance of an underlying investment they may be taken into account. There is no predetermined view as to what constitutes a labour standard or social, ethical or environmental consideration.

**WARNING:** When choosing an option to invest in, you should consider the likely investment return, the risk and your investment timeframe. However, the Fund does not offer a choice of investment option. As a result, you are not able to switch between options.

## 6. Fees and 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 investment 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.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed funds fee calculator to help you check out different fee options.

### 6.1 Fees and costs

Type of fee or cost	Amount
<b>Fees when your money moves in or out of the fund</b>	
<b>Establishment fee</b>	Nil
<b>Contribution fee</b>	Nil
<b>Withdrawal fee</b>	Nil
<b>Termination fee</b>	Nil
<b>Management costs</b>	
<b>The fees and costs for managing your investment</b>	
<b>Management fee*</b>	0.90%# p.a. of the net asset value of the Fund.  We charge a fee for administering and managing the Fund. This fee is calculated daily and paid to us (as Responsible Entity for the Fund) on a monthly basis from the Fund's assets. This 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.
<b>Indirect costs</b>	0.00% p.a. of the net asset value of the Fund.  Indirect costs are generally any amount that arises from investing in interposed vehicles and certain over-the-counter derivatives. These costs are not an additional fee paid to us, are not charged separately to your investment and are reflected in the unit price. They are estimated amounts quoted with reference to the financial year ended 30 June 2017 and may vary over time. Indirect costs are paid from the Fund's assets as and when they are incurred.
<b>Total management costs</b>	0.90% p.a. of the net asset value of the Fund.

\*The amount of this fee can be negotiated, rebated or waived in whole or in part for certain direct investors such as IDPS operators, sophisticated or professional investors, or wholesale clients, as defined in the Corporations Act, depending on factors such as the amount invested.

# Equals the net cost of the Management Cost to the Fund after factoring in reduced inputs tax credits to be claimed by the Fund on the Management Cost under the GST rules.

The information in this template can be used to compare costs between different simple managed investment schemes. Fees and costs can be paid directly from your account, or deducted from investment returns (i.e. the Fund's assets).

### 6.2 Additional explanation of fees and costs

In addition to the costs set out above in section 6.1, you may incur other costs. These may include transactional & operational costs (some or all of which may be incurred as buy/sell spread costs by transacting investors).

Refer to section 5 of the UBS Additional Information Booklet for more information.

### 6.3 Changes to fees and costs

All fees can change without the investor's consent, subject to the maximum fee amounts specified in the Constitution. Direct investors will be given 30 days prior notice of any increase in fees. If you are investing through an IDPS, your IDPS operator will be given 30 days prior notice of any increase in fees.

#### 6.4 Example of annual fees and costs

This table gives an example of how the fees and costs for the Fund can affect your investment over a 1 year period. You should use this table to compare this product with other managed investment products.

<b>EXAMPLE – UBS Australian Share Fund</b>		<b>BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING YEAR</b>
Contribution Fees	Nil	For every additional \$5,000 you put in, you will be charged \$0.
<b>PLUS</b> Management Costs	<p><b>Total:</b> 0.90% p.a. of the net asset value of the Fund</p> <p><b>Management fee:</b> 0.90% p.a. of the net asset value of the Fund</p> <p><b>Indirect costs:</b> 0.00% p.a. of the net asset value of the Fund</p>	<b>And,</b> for every \$50,000 you have in the Fund you will be charged \$450.00 each year.
<b>EQUALS</b> Cost of fund*		<p>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 fees of from:</p> <p style="text-align: center;"><b>\$450.00 to \$495.00*†</b></p> <p><b>What it costs you will depend on the investment option you choose and the fees you negotiate.</b></p>

\* Additional fees may apply:

**Establishment fee** – nil

**And,** if you leave the Fund early, you may also be charged an exit fee of nil.

† The cost will depend on when in the year the additional \$5,000 is invested.

The Australian Securities and Investments Commission ('ASIC') provides a managed funds calculator on its MoneySmart website [www.moneysmart.gov.au](http://www.moneysmart.gov.au) which can be used to help you calculate the effect of fees and costs on account balances.

You should read the important information about fees and costs in the Fund before making a decision. Go to section 5 of the UBS Additional Information Booklet available on request from your IDPS operator (if applicable), from us by calling 1800 572 018, or from our website: [ubs.com/au-am-pds](http://ubs.com/au-am-pds)

The material relating to fees and costs may change between the time when you read this PDS and the day when you acquire the product.

**WARNING:** If a financial advisor is consulted, additional fees may be paid to that financial advisor. Please refer to the Statement of Advice (SOA) issued by your financial advisor, which will provide details of the fees that may be payable.

## 7. How managed investment schemes are taxed

**WARNING:** Investing in a registered managed investment scheme is likely to have tax consequences. You are strongly advised to seek professional tax advice.

As a result of recent changes in the tax laws, there is a new elective taxation regime (referred to as the 'AMIT regime') for certain eligible managed investment trusts, which are known as 'attribution managed investment trusts' ('AMITs'). The AMIT regime is generally available from 1 July 2016. The existing tax rules will continue to apply if the AMIT regime does not apply.

Under those existing rules, provided that a registered managed investment scheme distributes sufficient income (which may include net realised gains) to unit holders, and (from 1 July 2016) does not derive certain "non-arm's length income", the RE will not be subject to tax on the income of the scheme. Rather, members will be assessed for tax on the income and capital gains generated by the scheme. In certain circumstances, the scheme may be required to withhold tax on distributions to members (e.g. income paid to members

who do not quote their TFN, ABN, or claim an exemption, and certain types of income paid to non-resident members).

Whether the Fund will elect to be an AMIT has not yet been finally determined, but as at the date of this PDS, the Responsible Entity intends to elect for the AMIT Regime to apply to the Fund with effect from 1 July 2017.

You should read the important information about taxation matters relating to registered managed investment schemes generally and the Fund in particular before making a decision. Go to section 6 of the UBS Additional Information Booklet available on request from your IDPS operator (if applicable), from us by calling 1800 572 018, or from our website: [ubs.com/au-am-pds](http://ubs.com/au-am-pds)

The material relating to taxation matters may change between the time when you read this PDS and the day when you acquire the product.

## 8. How to apply

### 8.1 How to invest in the Fund

To invest in the Fund you must send to us the completed Application Form which is available from your adviser or from us. If you are investing through an IDPS, simply complete the documents that your 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 us or your IDPS operator (as applicable).

### 8.2 Cooling-off period

If you are investing directly and you decide within the 'cooling off' period that you do not want the units we have issued to you, we must give you a refund. This 'cooling off' right enables you to have your investment returned and your money will be repaid after any adjustments for market movements, transaction costs and taxes (if any). You can exercise your right by writing to us within 14 days, commencing on the earlier of:

- When you receive confirmation of your investment; or
- The end of the fifth Business Day after the day on which your Units were issued or sold to you.

The right terminates immediately if you exercise a right or power under the terms of the product, such as selling part of your investment. For any subsequent investments made under

### 8.4 Contact us

If you wish to request any information in relation to the Fund (including a copy of this PDS or any information incorporated into this PDS), contact us at:

Client Services	Registered Office	Registry Services
Telephone: (03) 9046 4041	Level 16, Chifley Tower	UBS Asset Management (Australia) Ltd
Freecall: 1800 572 018	2 Chifley Square	GPO Box 804
Email: UBS@unitregistry.com.au	Sydney NSW 2000	Melbourne VIC 3001
Website: <a href="http://ubs.com/am-australia">ubs.com/am-australia</a>	Telephone: (02) 9324 3222	Facsimile: 1300 073 090

## 9. Other information

Information relating to the Fund and this PDS may change from time to time. Where the change is not materially adverse to an investor, this information may be updated and made available to you on our website at [ubs.com/au-am-pds](http://ubs.com/au-am-pds) or by contacting us on (03) 9046 4041 or freecall 1800 572 018 or by contacting your IDPS operator. A paper copy of any updated information is available free on request. If a change is considered materially adverse we will issue a replacement PDS.

The offer to which this PDS relates is only available to persons receiving the PDS (electronically or otherwise) while physically in Australia unless expressly authorised by us in writing. The offer does not constitute an offer or invitation in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

a distribution reinvestment plan, the 'cooling off' right does not apply.

If you have any questions about this right please confirm with your adviser or Client Services on (03) 9046 4041 or freecall 1800 572 018.

We do not provide cooling off rights to investors investing through an IDPS. If you are investing through an IDPS you should consult your IDPS operator in relation to cooling off rights that may apply to your investment in the IDPS (if any).

### 8.3 Resolving issues

Please notify us of complaints in writing or by calling Client Services on (03) 9046 4041 or freecall on 1800 572 018. We will acknowledge your written complaint within 2 Business Days of receipt, but in any event we will respond to complaints within 45 days of receipt.

If you are not satisfied 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 ASIC to consider complaints. Their freecall number is 1300 780 808.

The above dispute resolution procedures comply with section 912A(2) of the Corporations Act and are available to both direct investors and investors who invest via an IDPS.

This Fund (or the PDS) has not been registered under the laws of any jurisdiction outside Australia. The Fund may not be offered or sold in the United States of America or to 'U.S. Persons' (as defined in 'Regulation S' of the Securities Act of 1933, as amended), and this PDS is not for use in, and may not be delivered to or inside, the United States of America. See the Additional Information Booklet for more information.

In respect of the U.S. Foreign Account Tax Compliance Act ('FATCA'), the Fund is a Reporting Australian Financial Institution under the intergovernmental agreement ('IGA') entered into between the Australian and U.S. governments in relation to FATCA on 28 April 2014. The Fund is also a Reporting Financial Institution under the OECD Common Reporting Standard for Automatic Exchange of Financial

Account Information ('CRS'). Depending on your status for the purposes of the FATCA IGA and CRS, the Fund may report information in relation to you and your unit holding to the Australian Taxation Office, who in turn will share such information with the U.S. Internal Revenue Service or tax authorities of jurisdictions that have signed the CRS Competent Authority Agreement.

If you move overseas and change your address to a non-Australian address you will no longer be able to make additional investments or reinvest your dividend distributions. Distributions must be paid to your Australian bank account.

You should read the important information about privacy and FATCA/CRS before making a decision. Go to sections 7, 8 and 9 of the UBS Additional Information Booklet available on request from your IDPS operator (if applicable), from us by calling 1800 572 018, or from our website: [ubs.com/au-am-pds](http://ubs.com/au-am-pds).

The material relating to privacy and FATCA/CRS may change between the time when you read this PDS and the day when you acquire the product.