

28 May 2012

Dear unit holder,

Change of investment benchmark: UBS Property Securities Fund (SBC0816AU)

We are writing to inform you that UBS Global Asset Management (Australia) Ltd ("UBS Global AM") will issue a new Product Disclosure Statement (PDS) for the UBS Property Securities Fund ("the Fund") which will be effective on or about 22 June 2012.

The changes to the PDS include the following:

- Effective 1 July, the Fund's investment benchmark will change to 100% S&P/ASX300 Property Index from 85% S&P/ASX 300 Property Index / 15% FTSE EPRA/NAREIT Developed Index.
- There will no longer be currency hedging on the global component of the portfolio.
- The investment guidelines will be amended to allow up to 5% of net assets of the portfolio to be held in Australian listed off-benchmark securities.

The Fund will continue to be managed by the UBS Property Securities team, according to the current investment philosophy. However, the global REIT allocation will become tactical rather than strategic. This enables the Australian property securities team to have greater control and flexibility in managing the fund. Removing the hedging is to ensure the underlying income characteristics of the fund can be realised and distributed to clients. While not hedging the global REIT component may result in capital (i.e. unit price) volatility which investors should note, currency risk will be considered by the investment manager when making decisions to invest offshore. Flexibility to invest up to 5% of net assets of the portfolio in Australian listed off-benchmark securities is designed to capitalise on the long experience and expertise of the investment team and to provide further diversification opportunities.

A copy of the new product disclosure statement for the Fund will be available from UBS Global AM by contacting client services on 1800 023 043 or on our website at www.ubs.com/globalam-australia.

Thank you for your continued support in the Fund. Should you have any questions, please feel free to contact Client Services on 1800 023 043.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'B. Heap', written over a light grey background.

Ben Heap
Managing Director
Head of Australia & New Zealand
UBS Global Asset Management (Australia) Ltd