



**UBS Global Asset Management
(Australia) Ltd**
AFS Licence No. 222605
ABN 31 003 146 290
PO Box R836, Royal Exchange
Sydney NSW 1225
Tel. 02 9324 3222 or 1800 023 043
Fax 1300 365 601

www.ubs.com/globalam-australia

21 June 2011

Dear Unit holder

UBS Investment Funds - Supplementary Product Disclosure Statement No. 2

We are writing to inform you that UBS Global Asset Management (Australia) Ltd ("UBS Global AM") has issued a Supplementary Product Disclosure Statement No. 2 dated 21 June 2011 ('SPDS No. 2') for its Investment Funds ('the Funds'). This SPDS No. 2 is supplementary to the UBS Investment Funds Product Disclosure Statement Issue No. 7 dated 28 April 2010 ('the Product Disclosure Statement') and the SPDS No. 1 dated 30 April 2010, and must be read in conjunction with these documents.

You are receiving this letter because you are a unit holder in one or more of the Funds.

We wish to highlight that we will be increasing the management costs for several of the Funds, effective from 1 August 2011. The Funds that are affected and the change in management costs are set out in the table below.

Investment Fund	APIR Code	Current Management Cost	Management Cost from 1/8/2011
UBS Cash Fund	SBC0811AU	0.22%	0.25%
UBS Australian Bond Fund	SBC0813AU	0.40%	0.45%
UBS Diversified Fixed Income Fund	SBC0007AU	0.42%	0.55%
UBS Australian Share Fund	SBC0817AU	0.80%	0.90%
UBS International Share Fund	SBC0822AU	0.90%	1.00%
UBS Defensive Investment Fund	SBC0814AU	0.65%	0.85%
UBS Balanced Investment Fund	SBC0815AU	0.70%	0.95%

Please note that this is the first increase UBS Global AM has made in management costs of the Funds since 2003. The increase has been necessitated by the higher administration costs involved in operating the Funds.

The revised management costs set out in this letter are reflected in the SPDS No. 2.



**UBS Global Asset Management
(Australia) Ltd**

AFS Licence No. 222605
ABN 31 003 146 290
PO Box R836, Royal Exchange
Sydney NSW 1225
Tel. 02 9324 3222 or 1800 023 043
Fax 1300 365 601

www.ubs.com/globalam-australia

Please refer to the attached SPDS No.2 for further details of the changes which have been made to the Product Disclosure Statement. The Product Disclosure Statement, SPDS No.1 and SPDS No.2 are all available on our website at www.ubs.com/globalam-australia

If you have any questions regarding the above information, please contact Client Services on 02 9324 3222 or toll free on 1800 023 043.

Yours sincerely

A handwritten signature in black ink, appearing to be "Ben Heap", written over a light grey horizontal line.

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