

12 December 2018

Dear unit holder,

Changes to the UBS Australian Small Companies Fund (ARSN: 107 739 873)

We are writing to advise you of changes being made to the portfolio management team of the **UBS Australian Small Companies Fund** ("Fund").

What is the change?

Following a strategic decision to take a new direction in its management of Australian equities, UBS Asset Management (Australia) Ltd ('Responsible Entity') has appointed Yarra Funds Management Limited ABN 63 005 885 567 AFSL No. 230251 ('Yarra') as the portfolio manager of the UBS Australian Small Companies Fund.

This change is reflected in the revised Product Disclosure Statement ('PDS') for the Fund and has taken effect from **12 December 2018**. The updated PDS can be accessed from our website at www.ubs.com/au-am-pds

Why is the change being made?

The Responsible Entity considers that it is in the best interests of the Fund's members that Yarra, an external manager, be appointed as portfolio manager for the Fund, and that existing and future investors will benefit from Yarra's resources, expertise and investment processes.

What does this change mean for me?

You should refer to the PDS and consider the information, including the changes described in this letter, in light of your objectives, financial situation and needs. The Fund's performance is dependent on the resources, expertise and investment processes of the new portfolio management team. This could mean that your investment return will be different to the results that have been achieved previously. Your investment and existing unit holdings remain in the Fund and the Responsible Entity continues to be responsible for the Fund, including supervision and monitoring of Yarra as the Fund's portfolio manager. The Fund's investment objective is unchanged, and the Fund will continue to process applications and withdrawal requests from investors in accordance with the revised PDS.

About Yarra Funds Management Limited

Yarra is an active Australian fund manager which specialises in managing primarily long only, concentrated Australian equity strategies. The firm was established in January 2017 following the management buyout of Goldman Sachs Asset Management's Australian-focused investment capability and operating platform.

Where can I find out more?

If you have any questions regarding the above change or your investment with UBS Asset Management, please contact our Client Services Team on (02) 9324 3222, toll free on 1800 023 043 or email UBS@unitregistry.com.au.

Yours sincerely,



Bryce Doherty
Managing Director
Head of Australia & New Zealand
UBS Asset Management (Australia) Ltd

Any financial product advice in this letter is general advice only. It has been prepared without taking account of your objectives, financial situation or needs. Because of that, you should, before acting on any such advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. You should review and consider the Fund's PDS before making a decision about your investment in the Fund.