

1 February 2017

Dear unit holder,

### **UBS Diversified Credit Fund – fund enhancements**

We are writing to advise you of enhancements that have been made to the UBS Diversified Credit Fund ("Fund"), as set out in the enclosed Product Disclosure Statement ("PDS").

As part of our ongoing portfolio review process, a number of modifications have been made to improve the Fund, effective 1 February 2017:

- Name change: to better reflect the purpose of the Fund, it has been renamed the **UBS Income Solution Fund**.
- Lower fees: the Fund's management fee has been reduced from 0.70% to 0.60% per annum.
- Benchmark: the RBA Official Cash Rate replaces the Bloomberg AusBond Bank Bill Index as the Fund's benchmark.
- Regular income stream: the Fund has moved from quarterly distributions to monthly distributions. To help clients manage their income stream, we will provide a six monthly estimate of anticipated distributions. In future, we will communicate the distribution estimate on the monthly fund fact sheet and on our website.
- High yield limit reduction: the Fund's exposure limit to high yield (non-investment grade) securities has been reduced from 40% to 25%. This adjustment more accurately reflects the Fund's strategy.

There are no changes to the Fund's investment strategy or philosophy. We believe the UBS Income Solution Fund continues to be an attractive core income offering for investors.

If you have any questions regarding these changes or any questions about your investment with UBS Asset Management, please contact our Client Services Team on (02) 9324 3222 or toll free on 1800 023 043.

Further information about UBS Asset Management's products can be obtained from [www.ubs.com/am-australia](http://www.ubs.com/am-australia).

Yours sincerely,



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