

Fact Sheet

ASX Code: *DIV*

UBS IQ Research Preferred Australian Dividend Fund

Investment Objective

The Fund aims to replicate the performance of the UBS Research Preferred Dividend Index, before fees and expenses, by physically holding all the shares within the underlying Index.

Fund details

Name of Fund	UBS IQ Research Preferred Australian Dividend Fund
ASX code	DIV
ISIN	AU000000DIV6
Currency	AUD
Launch date	15 January 2014
Typical number of holdings	40
Management costs (p.a.)	0.70%
Distribution frequency	Quarterly

Trading information

ASX code	DIV
Intra-day NAV code	YDIV
ETF Bloomberg ticker	DIV AU
ETF IRESS ticker	DIV.AXW
Trading hours	10am – 4.10pm
Market maker	Susquehanna Pacific Pty Ltd

Top ten index constituents (%)

Westpac	11.1
ANZ	10.4
NAB	10.1
Wesfarmers	8.1
Woodside	5.4
Suncorp	4.7
Westfield Retail	3.4
ASX	3.0
Bendigo and Adelaide Bank	2.6
CFS Retail	2.4

As at 9 January 2014

Index sector allocation (%)

Financials	52.7%
Consumer Discretionary	12.5%
Industrials	10.6%
Consumer Staples	9.9%
Energy	5.4%
Utilities	4.9%
Materials	3.1%
Telecommunication Services	0.8%
Information Technology	0.0%
Health Care	0.0%

As at 9 January 2014

Index Description

The UBS Research Preferred Dividend Index ("Index") provides exposure to a diversified portfolio of approximately 40 Australian equity securities. The securities have been selected with the objective of providing sustainable income via the distribution of dividends and franking credits. The portfolio is constructed using UBS's market leading equity research (East Coles Survey 2013).

Additional Features

The Index uses a modified free float weighting methodology to diversify the portfolio. The result of this is a more even allocation across large, mid and small capitalised securities than compared to a traditional market capitalised weighted index. The Index is rebalanced once a quarter with a turnover cap of 15% to minimise transaction costs for the Fund. This turnover cap can only be exceeded in defined circumstances.

Index details

Index name	UBS Research Preferred Dividend Index
Index calculator	S&P Opco, LLC
Typical number of holdings	40
Reweighting frequency	Quarterly
Index ticker (Bloomberg)	UBSRPDT Index
Index ticker (IRESS)	UBSRPDT.IF

Investment performance

As at January 2014

Fund	1 month %	3 months %	1 year %	Since inception* %
Total return (net of fee)	-	-	-	-
Total return (gross of fee)	-	-	-	-
Benchmark**	-	-	-	-

*Inception date: 15 January 2014. **UBS Research Preferred Dividend Index (Total Return).

The performance figures quoted are historical, calculated using end of month redemption prices, and do not allow for the effects of income tax or inflation. Total returns assume the reinvestment of all distributions. Growth returns are the returns due to change in initial capital value. Distribution returns are the returns due to the distributions paid.



Benefits and uses of the Fund

The Fund can be used by a variety of investors including institutions, SMSF and retail investors who are looking to gain access to a diversified portfolio of good quality Australian equities.

Benefits of the Fund include:

- **Access to UBS's market leading research:** The underlying Index of the Fund is constructed by reference to UBS company specific research
- **Diversification:** Access a diversified portfolio of Australian Shares in one ASX transaction
- **Low Cost:** ETFs are generally cheaper than traditional managed funds
- **Income:** Receive all dividends and franking credits from the underlying shares
- **Transparency:** View the Funds underlying portfolio of shares and the Fund price daily
- **Ease of access:** Trade units in the Fund as simply as trading any other ASX listed share
- **Distributions and franking credits:** The Index is constructed with an emphasis on forecast dividend yield and financial statement quantitative factors.

UBS Exchange Traded Funds

UBS Global Asset Management has a long-term track record of providing index-based investment solutions to clients.

The first UBS ETF was launched in Luxembourg in 2001. Since then UBS has launched over 100 ETFs globally, with funds under management in excess of AUD 17 billion as of 31 December 2013. The UBS Australian ETF platform was established in 2012 with the launch of the UBS IQ Research Preferred Australian Share Fund, ASX code: ETF.

UBS ETFs are managed by an experienced asset manager, UBS Global Asset Management, with a long-term commitment to passive management (managing passive assets for 30 years).

UBS Global Asset Management

UBS Global Asset Management (UBS) is a large scale asset manager with well diversified businesses across regions, capabilities and distribution channels, with invested assets of \$688 billion globally at 30 September 2013.

In Australia, UBS was established in 1985 and has invested assets of \$37 billion at 30 September 2013. UBS provides investment management solutions to private clients, financial intermediaries and institutional investors across the world. Present in 24 countries through local office or joint venture.

Product information

UBS Global Asset Management Client Services

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UBS in Australia

UBS is consistently recognised as a premier research house by industry and clients through a range of highly recognised awards including AsiaMoney, East Coles Survey, FinanceAsia, Finance Review CFO, IFR Magazine and The Asset Triple A Country Awards.

UBS has a market leading equity research team that is renowned for its stand out calls even in tough market conditions. It has one of the largest equity research teams in Australia and New Zealand with over 40 analysts covering more than 250 stocks and is home to the highest number of top rated analysts in the Australian and New Zealand market according to independent client surveys (East Coles).

Sector teams cover all sectors including financial services, health care and pharmaceuticals, media and telecommunications, retailing, food and beverage, infrastructure and utilities and transport, emerging industrials, real estate, materials, energy, metals and mining, strategy, quantitative analysis and economics.

By tracking the performance of the UBS Research Preferred Dividend Index, the Fund leverages the expertise of UBS's leading equity research team.

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