

UBS IQ Morningstar Australia Dividend Yield ETF

August 2017

Investment Objective

The Fund aims to replicate the performance of the Morningstar® Australia Dividend Yield Focus Index™, before fees and expenses, by physically holding all the shares within the underlying Index.

Fund details

Name of Fund	UBS IQ Morningstar Australia Dividend Yield ETF
ASX code	DIV
ISIN	AU000000DIV6
Currency	AUD
Launch date	14 January 2014
Total Fund NAV	AUD 27,742,874
Typical number of holdings	25
Management costs (p.a.)	0.30%
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 fund holdings (%)

Commonwealth Bank of Australia	9.7
Wesfarmers	6.5
IIOF	5.7
Medibank Private	5.3
Transurban	5.0
Amcor	4.9
Tatts	4.7
Sydney Airport	4.7
APA	4.6
Telstra	4.5

As at 31 August 2017

Investment performance

As at 31 August 2017

Fund	1 month %	3 months %	6 months %	1 year % pa	2 years % pa	3 years % pa	Since inception* % pa
Total return (net of fee)	2.42	0.19	4.62	7.48	7.54	3.20	5.09
Total return (gross of fee)	2.45	0.27	4.78	7.80	7.96	3.70	5.64
Benchmark**	2.47	0.29	4.84	7.80	7.97	3.76	5.70

* Inception date: 14 January 2014.

** Morningstar® Australia Dividend Yield Focus Index™; prior to 1 February 2016 the benchmark was UBS Research Preferred Dividend Index (Total Return).

Performance data has been prepared in accordance with 2016 GIPS standards. The performance figures quoted are historical, calculated using end of month prices, and do not allow for the effects of income tax or inflation. Total returns assume the reinvestment of all distributions. Performance can be volatile and future returns can vary from past returns.

Index Description

The Morningstar® Australia Dividend Yield Focus Index™, provides exposure to the equities of high-quality Australian-domiciled companies with strong financial health and an ability to sustain above-average dividend payouts. Companies must have a strong balance sheet and a sustainable competitive advantage as deemed by Morningstar equity research team.

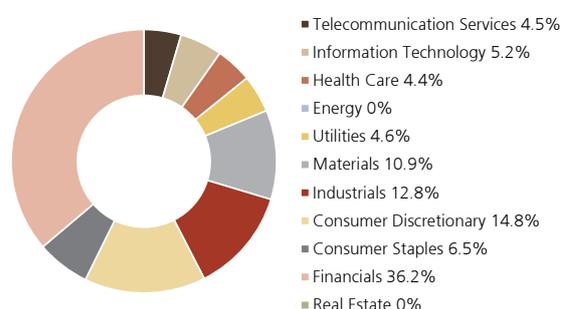
The index consists of 25 stocks screened for their dividend yield. The index is reconstituted and rebalanced semi-annually. The Index is weighted according to the dividends paid by each company that are available to investors. Consequently, the available dividend dollar value is the product of the security's shares outstanding, free float factor, and annual indicated dividend per share.

At the time of rebalancing and reconstitution, the largest weight in the index will not exceed 10% and the sum of the constituent weights that are each greater than 5% will not exceed 50%.

Index details

Index name	Morningstar® Australia Dividend Yield Focus Index™
Typical number of holdings	25
Reweighting frequency	Semi Annual
Index ticker (Bloomberg)	MSDIADFA Index

Fund sector allocation (%)



As at 31 August 2017

Note: May not equal 100% due to rounding

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 Morningstar market research:** The underlying Index of the Fund is constructed by reference to Morningstar equity research team.
- **Distributions and franking credits:** Receive all dividends and franking credits from the underlying shares.
- **Diversification:** Access a diversified portfolio of Australian Shares in one ASX transaction.
- **Low Cost:** ETFs are generally cheaper than traditional managed funds.
- **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.

UBS Exchange Traded Funds

UBS Asset Management has a long-term track record of providing index-based investment solutions to clients. The first UBS ETF was launched in Europe in 2001. Since then UBS has launched over 240 ETFs globally, with funds under management in excess of AUD 53 billion at 30 June 2017. The UBS Australian ETF platform was established in 2012.

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

UBS Asset Management

UBS Asset Management (UBS) is a large scale asset manager with well diversified businesses across regions, capabilities and distribution channels, with invested assets of \$953 billion globally at 30 June 2017. In Australia, UBS was established in 1986 and has invested assets of \$48 billion at 30 June 2017. UBS provides investment management solutions to private clients, financial intermediaries and institutional investors across the world. UBS Asset Management is present in 22 countries through local office or joint venture.

Morningstar Australasia

Morningstar is a leading provider of independent investment research in Australia, North America, Europe, and Asia. It offers an extensive line of products and services for individual investors, financial advisers, asset managers, and retirement plan providers and sponsors. Morningstar is the largest provider of independent equity research globally with 185 equity and credit analysts. In Australia Morningstar has a team of about 20 full time equity analysts that produce high quality equity and credit research.

Morningstar's analysts apply a consistent, rigorous, and proven global methodology which focuses on long-term fundamental valuation, competitive advantages (economic moats), risk, financial health, and stewardship. Local analysts exchange insights with global sector teams in the United States, Europe and Asia resulting in an enriched product and ensuring global consistency. Site visits and frequent interaction with company management and other industry participants foster deeper analytical insight.

Morningstar also offers investment management services through its investment advisory subsidiaries and has more than \$179 billion in global assets under advisement or management as of 31 March 2015. Morningstar has operations in 27 countries and has been operating for more than 30 years.

Product information

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