

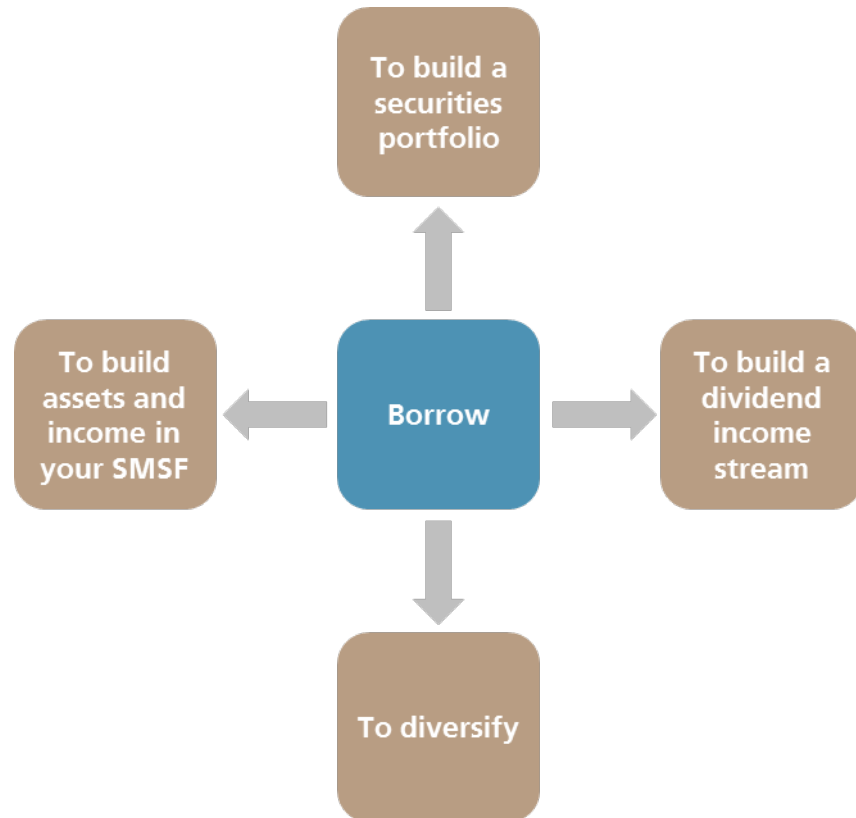
UBS Investment Builders

Target your Investment Goals with Control, Flexibility
and Transparency



Target your Investment Goals with Control, Flexibility and Transparency

Do you want to take
Control of an
Investment Goal?



Are you looking for
Flexibility when you
invest?

UBS Investment Builders:

- ✓ Can be bought and sold on the ASX
- ✓ Allow you to choose the amount you borrow
- ✓ Allow you to invest as an individual, SMSF, trust or company
- ✓ Let you borrow without credit checks and margin calls

Do you like
Transparency as you
work toward your
Investment Goals?

UBS Investment Builders:

- ✓ Observable pricing, live on ASX
- ✓ Daily pricing analysis on UBS website
- ✓ Annual summary to assist with tax returns

Take control of your financial goals

One step to borrow and build a share portfolio

UBS Investment Builders offer investors a convenient way to borrow money to build a portfolio of listed securities such as shares and exchange traded funds. You can purchase UBS Investment Builders directly via a broker the same way you buy shares listed on the ASX.

When you buy a UBS Investment Builder, you will receive exposure to price performance, dividends and potential franking credits from the underlying share.

To exit your investment you can simply sell the UBS Investment Builder on the ASX through your broker.

Select the UBS Investment Builder that best fits your investment goal:

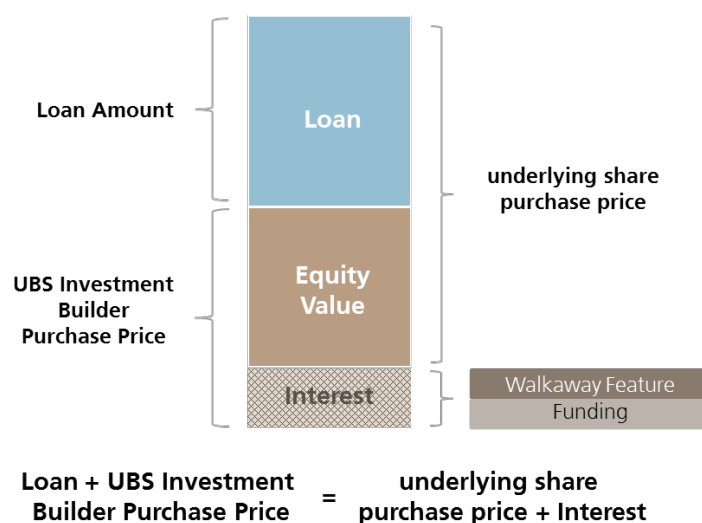
- UBS Share Builders—helping you build your share portfolio
- UBS Dividend Builders—helping you build a source of dividend income from your shares

You can borrow without credit checks and all or part of the interest paid on the Loan should be tax deductible, making this a tax effective investment¹.

UBS Investment Builder—Transparent Pricing

The sum of your Purchase Price and the Loan Amount is used to pay for the underlying share and Interest for the current Interest Period.

Another way to illustrate the relationship between your Purchase Price, the Loan Amount, Interest for the current Interest Period and the underlying share price is as follows, where Equity Value is the excess (if any) of the underlying share price over the Loan Amount:



Note:

1. The components of the Purchase Price of the UBS Investment Builder illustrated are for calculation purposes only and do not necessarily reflect the application of the Purchase Price

However, you should note that if the underlying share price is less than the Loan Amount, then your Equity Value will be zero and your Interest cost for the current Interest Period will be equal to the sum of your Purchase Price and the excess of the Loan Amount over the underlying share price.

¹ See "Taxation Summary" in Part 8 of the Master PDS for more information

Key features of UBS Investment Builders

Target your Investment Goals with Control, Flexibility and Transparency

Ownership	You are the beneficial owner of the underlying share
Franking	Franking credits available to eligible investors ²
Purchase price	The Purchase Price that you pay plus the Loan Amount that UBS lends to you are used to pay for the purchase of the underlying share and Interest for the current Interest Period
Your cash	Once you have paid the Purchase Price you are not required to contribute more cash to maintain your Loan over the full term of the UBS Investment Builder
Dividends	Ordinary Dividends from the underlying shares will be used to reduce the Loan Amount under a UBS Share Builder, or paid to you in cash under a UBS Dividend Builder
Interest	Any future interest will be funded within the UBS Investment Builder by periodic increases of the Loan. All or part of the interest paid should be tax deductible. Interest paid covers cost of Walkaway Feature as well
Walkaway feature	If the underlying share value is less than the Loan Amount at Maturity, the underlying shares will be transferred to UBS but you will not have to make any further payment to repay the Loan. This means you can borrow to invest without risk of defaulting on repayments
Money at risk	Your maximum potential loss from buying a UBS Investment Builder is known upfront and is limited to the Purchase Price you pay
SMSF	Superannuation fund investors can use UBS Investment Builders as one of the few ways to borrow to invest in listed shares and ETFs
Key risks	<p>Borrowing to invest carries risk, for example:</p> <ul style="list-style-type: none"> • Leverage magnifies losses as well as gains • The underlying share price can go up or down • No capital protection—you can lose the entire Purchase Price paid • The Interest Rate may increase over time • Dividend income may be less than you expect • Tax laws may change • Early termination may occur at UBS's election on an Annual Interest Date or following certain Extraordinary Events • UBS and UBS Nominees Pty Ltd may default <p>More information is contained in the section titled "UBS Investment Builders – Key Risks" (please refer to page 12)</p>

² See "Taxation Summary" in Part 8 of the Master PDS for more information on eligibility criteria

UBS Investment Builders—life cycle

At the start...

- Select the underlying share that you want to invest in
- Select the Loan Amount that you want to borrow
- Consider the Final Maturity Date relative to your desired investment term
- Obtain any advice you require (including financial, taxation or legal)
- Buy the UBS Investment Builder that best matches your requirements via a broker
- Alternatively, you can submit an Application Form to buy the UBS Investment Builder directly from UBS, or convert your shares into UBS Investment Builders (see Case Study on page 10)
- In all cases, interest on the Loan for the first Interest Period is prepaid when you buy the UBS Investment Builder

During your investment term...

- Receive Ordinary Dividends in cash if you hold UBS Dividend Builders, or have that value applied to reduce the Loan Amount if you hold UBS Share Builders
- Interest for each subsequent Interest Period is charged on the Annual Interest Date and added to the Loan Amount
- Interest deductions should be available as well as franking credits if you are eligible
- You can choose to repay the Loan at any time and take full ownership of the underlying share
- You can choose to rollover from one Series of UBS Investment Builders to another Series

At Maturity...

You can:

- Rollover into a new Series of UBS Investment Builders over the same underlying share – a payment obligation or surplus cash may arise depending on the change in Loan Amount and net interest cost; or
- Repay the loan and own the underlying share outright – you are not obligated to do this because of the Walkaway Feature; or
- Do nothing – this is a trigger for UBS to sell the underlying share to repay the Loan and pay you the excess (if any). You do not have to repay the Loan out of your own money.

Alternatively, you can always sell your UBS Investment Builder on the ASX before the close of trading on the Final Maturity Date.

Are UBS Investment Builders right for you?

You may choose to buy UBS Investment Builders for the following reasons:

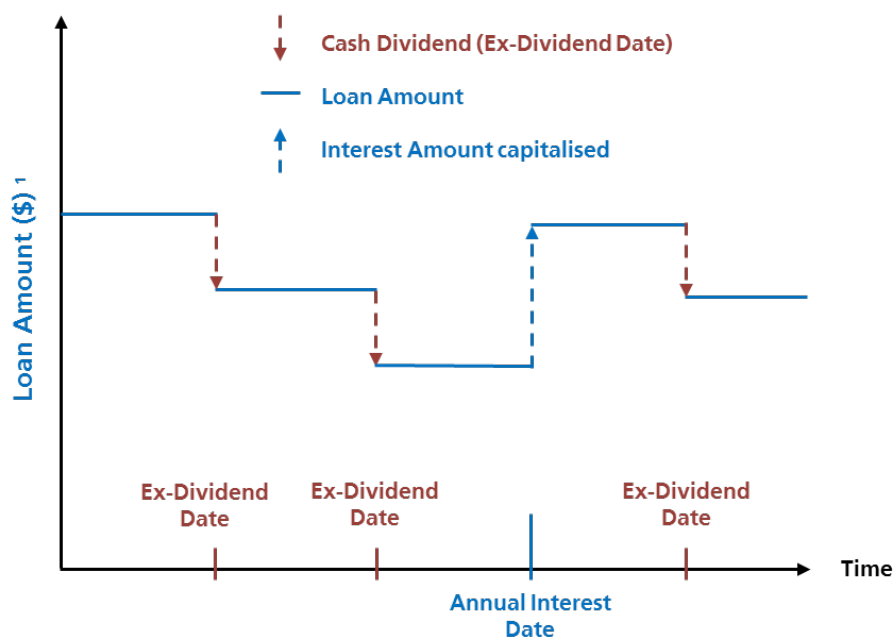
- Investment—you want to acquire a greater exposure to the underlying share than what you could buy with your own cash
- Convenience—no loan application forms, no credit checks, just buy on ASX via your broker
- No margin calls—you control the buy and sell decisions and you will not be forced to sell your UBS Investment Builders or be required to make additional cash payments if the underlying share price falls
- Walkaway Feature—if your Equity Value is zero at Maturity, the underlying share will be transferred to UBS and you will lose the Purchase Price paid but you do not have to make any further payment to repay your Loan
- Transparency in pricing—the amount you pay can be broken down into your initial Equity Value, Interest Amount and Fees (if any)
- Share ownership benefits—Dividends, potential franking credits and potential interest deductions
- Can be used by self-managed superannuation funds to implement a gearing strategy if purchased on the ASX or via a Cash Application or Rollover Application
- UBS Investment Builders will not be suitable for you if:
- You are not familiar or comfortable with the risks of investing in listed shares, ETFs and securities or the risks of borrowing to invest
- You are looking for a capital protected investment—you can lose the entire Purchase Price paid for UBS Investment Builders
- You do not want to regularly monitor your investments—the price of a UBS Investment Builder is expected to be more volatile than the price of the underlying share
- You do not understand the terms applicable to a Series of UBS Investment Builders as set out in the Master PDS and Term Sheet

UBS Share Builders

UBS Share Builders are a subset of UBS Investment Builders where cash Dividends received are applied to reduce the Loan Amount and the Loan Amount is periodically increased on a transparent basis to pay any Interest.

As you maintain beneficial ownership of the underlying share you will be entitled to franking credits (if you meet the ATO's eligibility criteria) even though the cash amount of the Dividend is applied to reduce the Loan Amount. Like all UBS Investment Builders the Loan comes with a Walkaway Feature.

How the Loan Amount of a UBS Share Builder changes over time



Note:

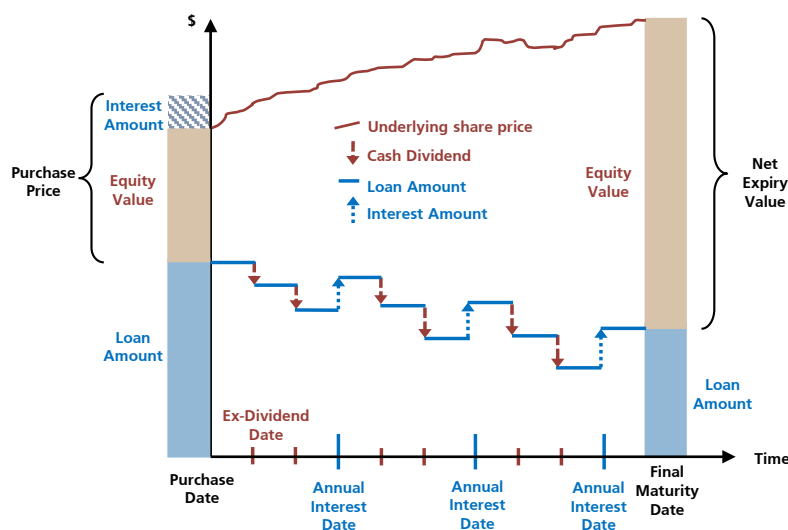
1. This diagram is for illustrative purposes only and is not an indication, projection or forecast of Interest cost, Dividends and Loan adjustments which may, in practice, be significantly different to those illustrated in this diagram

Hypothetical examples—UBS Share Builders

The following hypothetical examples are used for illustrative purposes only and actual underlying share price performance, Dividends and Interest Amounts may be significantly different to what is shown here.

Hypothetical example 1—UBS Share Builder—positive performance

- Dividends exceed Interest and reduce the Loan Amount over time
- Underlying share price appreciates thereby increasing the Equity Value
- Percentage increase in Equity Value exceeds the percentage increase in the underlying share price due to the effect of leverage

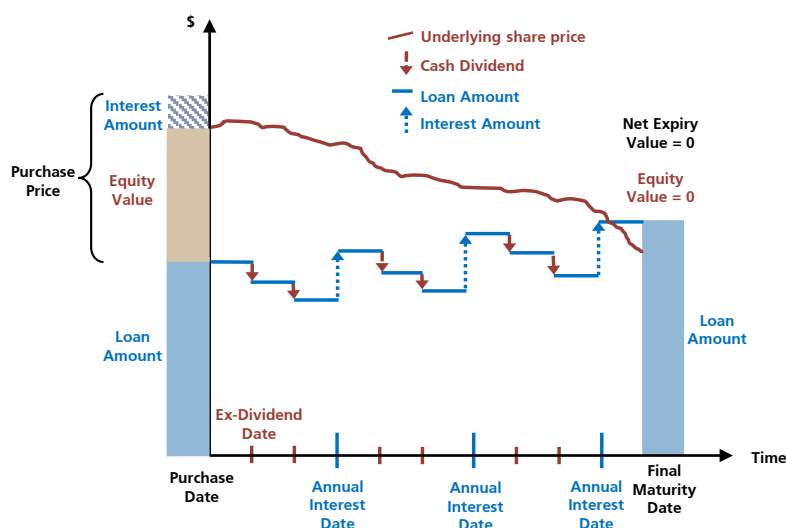


Notes:

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2. The components of the Purchase Price illustrated are for calculation purposes only and do not necessarily reflect the application of the Purchase Price.

Hypothetical example 2—UBS Share Builder—negative performance

- Dividends are less than Interest so the Loan Amount increases over time
- Underlying share price depreciates to less than the Loan Amount at Maturity (i.e. Net Expiry Value and Equity Value at Maturity is zero)
- Zero Equity Value means the Holder has lost the entire amount invested, but unlike full recourse loans the Walkaway Feature means the Holder does not have to repay the Loan out of their own money



Notes:

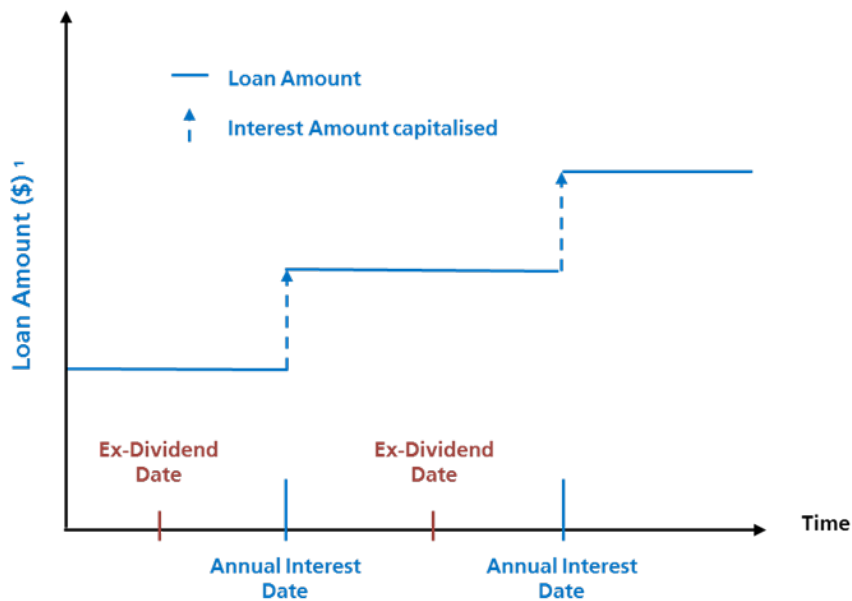
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UBS Dividend Builders

UBS Dividend Builders are a subset of UBS Investment Builders where all Ordinary Dividends from the underlying share are paid to investors to give them an income stream and the Loan Amount is periodically increased on a transparent basis to pay any Interest.

As you maintain beneficial ownership of the underlying share you will be entitled to franking credits (if you meet the ATO's eligibility criteria). Like all UBS Investment Builders the Loan comes with a Walkaway Feature.

How the Loan Amount of a UBS Dividend Builder changes over time:



Note:

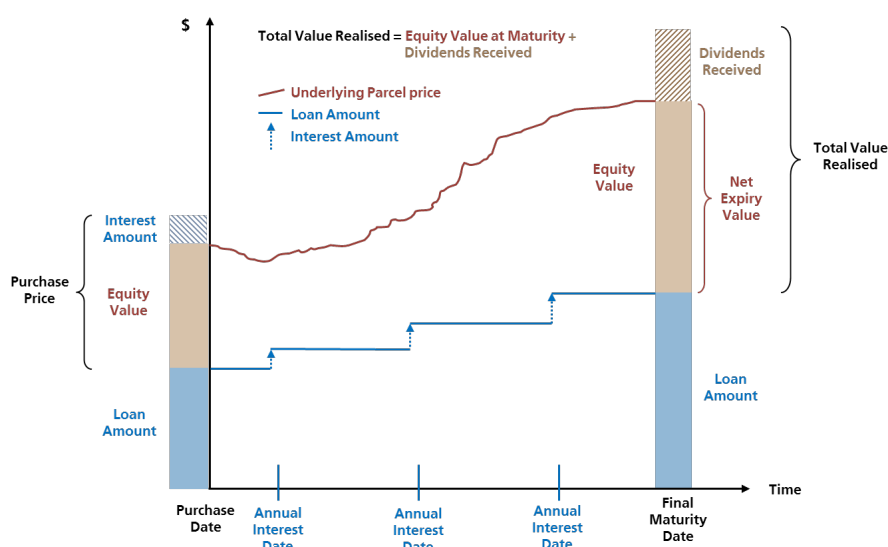
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Hypothetical examples—UBS Dividend Builders

The following hypothetical examples are used for illustrative purposes only and actual underlying share price performance, Dividends and Interest Amounts may be significantly different to what is shown here.

Hypothetical Example 1—UBS Dividend Builder—positive performance

- Interest Rate is the same as or less than expected and the underlying share price appreciates by more than the sum of the Interest Amounts
- Dividend income forms part of total investment return
- Percentage increase in Equity Value exceeds the percentage increase in the underlying share price over the same period due to the effect of leverage

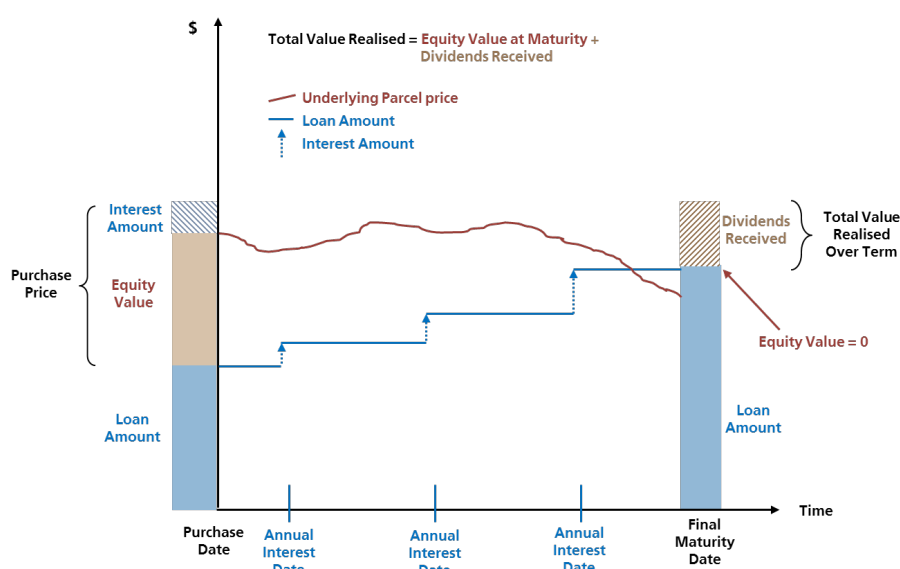


Notes:

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2. The components of the Purchase Price illustrated are for calculation purposes only and do not necessarily reflect the application of the Purchase Price.

Hypothetical example 2—UBS Dividend Builder—negative performance

- Interest Rate is higher than expected and the underlying share price depreciates
- Dividend income, whilst forming part of total return, is less than total Interest paid
- Underlying share price is less than the Loan Amount at Maturity (i.e. Net Expiry Value and Equity Value are zero)
- Zero Equity Value means the Holder has lost the entire amount invested, but unlike full recourse loans the Walkaway Feature means the Holder does not have to repay the Loan out of their own money



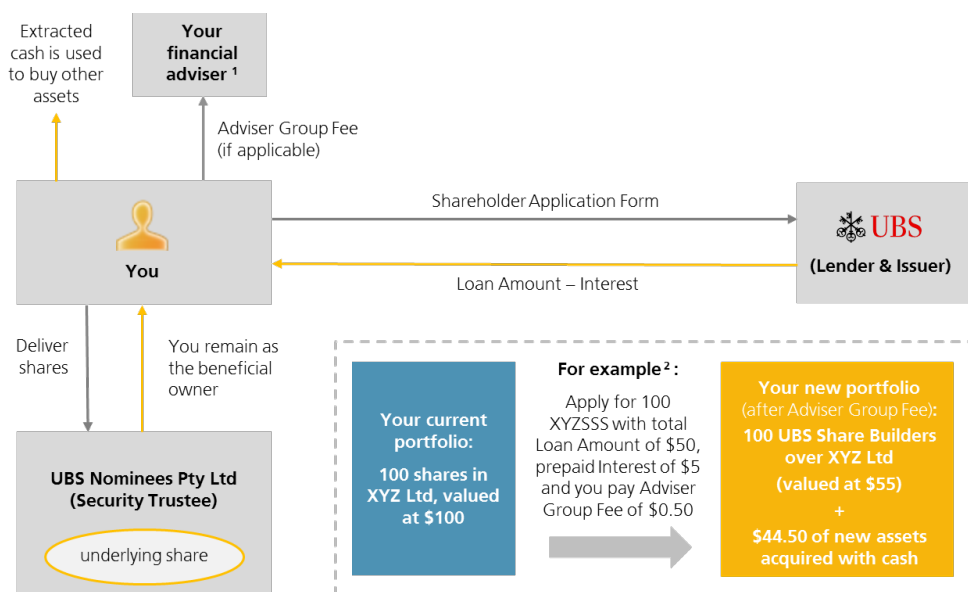
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Case Study 1—one step to unlock equity in your shares

If you currently hold shares and you do not want to sell them to generate cash for other investments, you can obtain a Loan from UBS by converting your shares into UBS Investment Builders issued over that underlying share.

By using the value of your existing shares as collateral, you can use the funds provided under the Loan to make other investments whilst retaining beneficial ownership of the shares. This means there should be no taxable disposal³ of your shares and you will retain your entitlement to dividends and potential franking credits (if you meet the ATO's eligibility criteria).

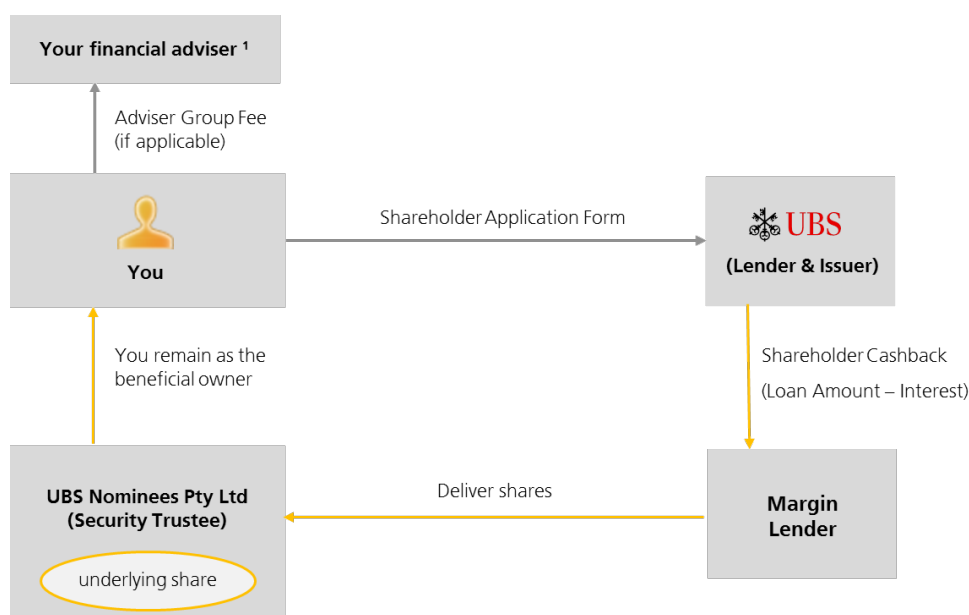


Notes:

1. This assumes you are a Retail Investor. For more information on Fees, please refer to Part 9 of the Master PDS.

2. This example is for illustrative purposes only and is not based on any actual prices for any UBS Investment Builder, nor is it an indication, projection or forecast of Loan Amounts, Underlying Share prices, Interest costs and Fees which may, in practice, be significantly different to the numbers used in this example.

If your shares are currently held subject to a full recourse margin loan then you can refinance your margin loan using UBS Investment Builders and convert your loan from a full recourse loan to a limited recourse loan. You can do this by making a Shareholder Application and directing UBS to apply the Shareholder Cashback to repay your margin loan. In return, the Underlying Shares released from the margin loan must be delivered to UBS to be held as security for the Loan under the UBS Investment Builder. Whilst legal title to the shares will change during this process, you will retain beneficial ownership so there should be no taxable disposal³ of your shares.



Notes:

1. This assumes you are a Retail Investor. For more information on Fees, please refer to Part 9 of the Master PDS.

2. This example is for illustrative purposes only and is not based on any actual prices for any UBS Investment Builder, nor is it an indication, projection or forecast of Loan Amounts, Underlying Share prices, Interest costs and Fees which may, in practice, be significantly different to the numbers used in this example.

³ See "Taxation Summary" in Part 8 of the Master PDS for more information

Case Study 2—a supplement for your investment strategy

You may be considering ways to potentially accelerate your wealth creation through borrowing to increase your exposure to shares.

There are many choices when considering borrowing to invest in the share market, with the more common ones being:

- Borrowing against other assets, such as a full recourse loan against your home or other assets
- Margin lending, with full recourse to the shares you purchase and your other personal assets and the need to meet margin calls
- UBS Investment Builders, with limited recourse only to the shares you purchase with the Loan

If you want to limit the lender's recourse to the shares that you buy with the Loan, then UBS Investment Builders could be a valid alternative because UBS has no recourse to your other assets for repayment of the Loan and there are no margin calls.

You can buy UBS Investment Builders on the ASX by selecting the underlying share you want to invest in, the total value of underlying shares you want exposure to and the Loan Amount per underlying share that is closest to the amount you would like to borrow.

Example:

Assume XYZ Ltd share is trading at \$10 per share. You would like to have exposure to \$20,000 worth of XYZ Ltd for a period of approximately 9 months. If you were to outlay only your own funds to buy the shares you would pay \$20,000 for 2,000 XYZ Ltd shares.

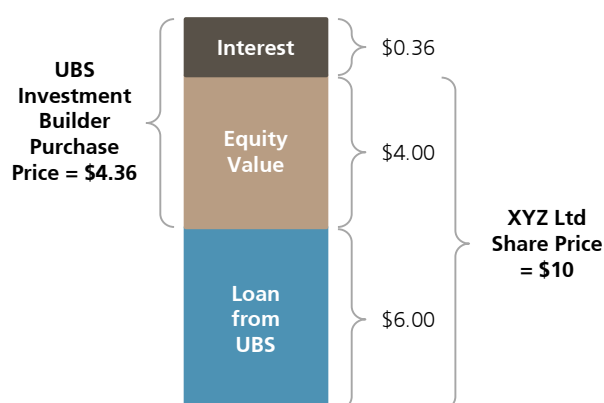
Assume the XYZSSA Series of UBS Share Builders over XYZ Ltd has a Loan Amount of \$6 per XYZ Ltd share and a term to the next Annual Interest Date of 9 months. Assume also that the Interest Rate quoted by UBS for XYZSSA is currently 8% p.a.

This means the Interest Amount payable as part of the Purchase Price of XYZSSA is equal to $\$6 \times 8\% \times 9 \div 12 = \0.36 .

Since UBS is providing you with a Loan of \$6 per XYZ Ltd share under the XYZSSA Series, you only need to contribute \$4 of your own cash to buy the XYZ Ltd shares which are trading at \$10 each.

This means that the Purchase Price of XYZSSA is $\$4 + \$0.36 = \$4.36$ each. To gain exposure to 2,000 XYZ Ltd shares you would therefore pay $\$4.36 \times 2,000 = \$8,720$. Alternatively, for the same upfront payment of \$20,000 you can acquire 4,587 XYZSSA.

By automatically getting access to borrowed funds when you buy a UBS Investment Builder, you can reduce the amount that you have to contribute yourself, or increase your investment exposure for the same cash outlay.



Note:

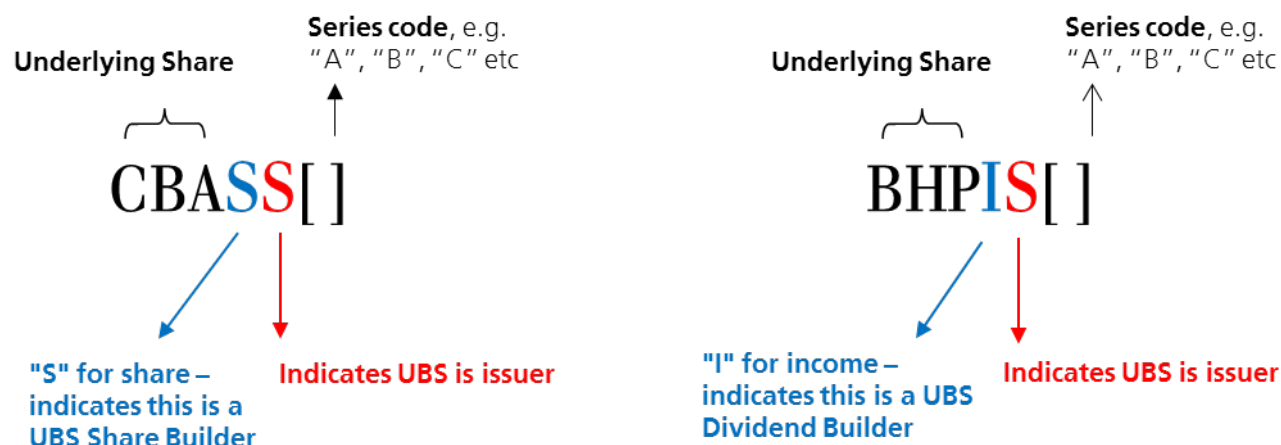
1. This is a hypothetical example provided for illustrative purposes only. It is not based on actual data relating to a particular underlying share or a particular UBS Share Builder. The assumptions used should not be relied upon as a forecast of future performance of any underlying share or UBS Share Builder, which may be very different to this example.

UBS Investment Builders—Key Risks

- The following are some of the key risks that will arise when you borrow to invest in UBS Investment Builders. A more detailed description is included in the Product Disclosure Statement for the UBS Investment Builder that you buy and you should consult your financial, legal and taxation advisers if you need help to analyse these risks
- Borrowing to invest will magnify and accelerate losses as well as gains and borrowing costs such as interest will reduce any returns
- The underlying share price and the UBS Investment Builder price can go up or down and can be volatile
- No capital protection—you can lose the entire Purchase Price paid for the UBS Investment Builder if the underlying share is worth less than the Loan Amount at Maturity
- Interest rate risk—the Interest Rate applicable to each UBS Investment Builder will vary over time and the Interest Rate for future Interest Periods will not be determined until the relevant Annual Interest Date
- Dividend risk—if Dividends are lower than expected then the Loan Amount of a UBS Share Builder may not reduce as quickly as you expect. On the other hand, an increase in expected dividends will increase the cost of the Walkaway Feature which will increase the Interest Amount that is added to the Loan on an Annual Interest Date
- Tax legislation changes may reduce the after tax return from your investment
- Early termination—UBS may terminate a Series on an Annual Interest Date so your UBS Investment Builder will terminate but you will receive the excess (if any) of the underlying share value over the Loan Amount (the "Net Expiry Value")
- Early termination for other reasons—a UBS Investment Builder will also terminate (a) on an Annual Interest Date if the Loan Amount after Interest is added is higher than the Closing Price of the underlying share (unless UBS has specified that this shall not apply), or (b) if an Extraordinary Event occurs (e.g. delisting of the underlying share)
- You are exposed to risk if UBS and UBS Nominee Pty Ltd do not perform their obligations (such as to pay you the Net Expiry Value)

How to identify UBS Investment Builders

Example



Find out more

Speak to your financial adviser or stock broker or contact UBS to get a copy of the Master Product Disclosure Statement and Term Sheet.

Alternatively, visit our website or call us:

Website: www.ubs.com/investmentbuilders

UBS Investor Enquiry Line: 1800 633 100

Important information

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