

Summary and Securities Note

dated 7 July 2014

of

UBS AG

(a corporation limited by shares established under the laws of Switzerland)

acting through its London branch

UBS AG, London Branch
(the London branch of UBS AG)



for the issue of

up to 100,000 Strategy Certificates

**linked to the notional European Tactical Strategy Reference Portfolio
(the "Underlying" or the notional "Reference Portfolio")**

ISIN: DE000UBS1CF4

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Valor: 24374900

This document comprises a securities note (the "**Securities Note**") and a summary (the "**Summary**") and, together with the registration document of UBS AG dated 19 May 2014, as supplemented from time to time, (the "**Registration Document**"), constitutes a prospectus (the "**Prospectus**") according to Art. 5 (3) of the Prospectus Directive (Directive 2003/71/EC, as amended), as implemented by the relevant provisions of the EU member states, in connection with Regulation 809/2004 of the European Commission, as amended. The Securities Note contains information relating to the securities (the "**Securities**", and each a "**Security**") to be issued and the Summary comprises a summary of the Registration Document and the Securities Note.

In this document, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area, references to "**EUR**" or "**euro**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended, references to "**USD**" or "**U.S. dollars**" are to United States dollars and references to "**CHF**" or "**Swiss Franc**" are to Swiss Franc.

THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION IN THE UNITED STATES NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR THE ADEQUACY OF THE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY INCLUDE SECURITIES IN BEARER FORM THAT ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. TRADING IN THE SECURITIES HAS NOT BEEN

APPROVED BY THE U.S. COMMODITY FUTURES TRADING COMMISSION UNDER THE U.S. COMMODITY EXCHANGE ACT OF 1936, AS AMENDED (THE "COMMODITY EXCHANGE ACT") OR BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION. SUBJECT TO CERTAIN EXCEPTIONS, THE SECURITIES MAY NOT BE OFFERED, SOLD OR, IN THE CASE OF BEARER SECURITIES, DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")). SEE "*SUBSCRIPTION AND SALE*".

AN INVESTMENT IN THE SECURITIES DOES NOT CONSTITUTE A PARTICIPATION IN A COLLECTIVE INVESTMENT SCHEME FOR SWISS LAW PURPOSES. THEREFORE, THE SECURITIES ARE NOT SUPERVISED OR APPROVED BY THE SWISS FINANCIAL MARKET SUPERVISORY AUTHORITY FINMA ("FINMA") AND INVESTORS MAY NOT BENEFIT FROM THE SPECIFIC INVESTOR PROTECTION PROVIDED UNDER THE SWISS FEDERAL ACT ON COLLECTIVE INVESTMENT SCHEMES.

Potential investors in the Securities are explicitly reminded that an investment in Securities entails financial risks. Holders of Securities run the risk of losing all or part of the amount invested by them in the Securities. All potential investors in Securities are, therefore, advised to study the full contents of the Prospectus, in particular the risk factors.

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I. SUMMARY OF THE PROSPECTUSA. SUMMARY OF THE PROSPECTUS (IN THE ENGLISH LANGUAGE)

Summaries are made up of disclosure requirements known as "Elements". These elements are numbered in Sections A – E (A.1 – E.7).

This Summary contains all the Elements required to be included in a summary for this type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "not applicable".

Element	Section A – Introduction and warnings	
A.1	Warning.	<p>This Summary should be read as an introduction to the Prospectus. Any decision to invest in the Securities should be based on consideration of the Prospectus as a whole by the investor.</p> <p>Potential investors should be aware that where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the respective European Economic Area member state, have to bear the costs of translating the document before the legal proceedings are initiated.</p> <p>Those persons who are responsible for the summary including the translation thereof, and who have initiated the preparation of the summary can be held liable, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, all required key information.</p> <p>UBS AG in its capacity as Issuer assumes responsibility for the content of this Summary (including any translation hereof) pursuant to section 5 paragraph 2b No. 4 of the German Securities Prospectus Act (<i>Wertpapierprospektgesetz</i>).</p>
A.2	<p>- Consent by the issuer or person responsible for drawing up the prospectus to the use of the prospectus for subsequent resale or final placement of securities by financial intermediaries.</p> <p>- Indication of the offer period within which subsequent resale or final placement of securities by financial intermediaries can be made and for</p>	<p>The Issuer consents to the use of the Prospectus in connection with a public offer of the Securities (a "Public Offer") by UBS Limited, 1 Finsbury Avenue, London EC2M 2PP, United Kingdom (the "Manager") as well as CAPITAL-FORUM AG, Schwaighofstrasse 13, 83684 Tegernsee, Federal Republic of Germany, (together with the Manager each an "Authorised Offeror") on the following basis:</p> <ul style="list-style-type: none"> (a) the relevant Public Offer must occur as long as the Prospectus is valid in accordance with § 9 of the German Securities Prospectus Act (<i>Wertpapierprospektgesetz</i>, WpPG) (the "Offer Period"); (b) the relevant Public Offer may only be made in the Federal Republic of Germany and the Grand Duchy of Luxembourg (each a "Public Offer Jurisdiction"); and (c) any Authorised Offeror other than the Manager must comply with the applicable selling restrictions as if it were the Manager. <p>Authorised Offerors will provide information to investors on the terms and conditions of the Public Offer of the Securities at the time such Public Offer is made by the Authorised Offeror to the investor.</p>

	<p>which consent to use the prospectus is given.</p> <ul style="list-style-type: none"> - Any other clear and objective conditions attached to the consent which are relevant for the use of the prospectus. - Notice in bold informing investors that information on the terms and conditions of the offer by any financial intermediary is to be provided at the time of the offer by the financial intermediary. 	
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Element	Section B – Issuer	
B.1	Legal and commercial name of the issuer.	The legal and commercial name of the Issuer is UBS AG (“ Issuer ” or “ UBS AG ”; together with its subsidiaries, “ UBS ”, “ UBS Group ” or the “ Group ”).
B.2	Domicile, legal form, legislation and country of incorporation of the issuer.	UBS AG's two registered offices and principal places of business are: Bahnhofstrasse 45, CH-8001 Zurich, Switzerland; and Aeschenvorstadt 1, CH-4051 Basel, Switzerland. UBS AG is entered in the Commercial Registers of Canton Zurich and Canton Basel-City under the registration number CHE-101.329.561. UBS AG is incorporated in Switzerland and operates under the Swiss Code of Obligations and Swiss Federal Banking Law as an <i>Aktiengesellschaft</i> .
B.4b	A description of any known trends affecting the issuer or the industries in which it operates.	<p>Trend Information</p> <p>As stated in UBS AG's first quarter 2014 report issued on 6 May 2014 (including UBS Group unaudited consolidated financial statements), at the start of the second quarter of 2014, many of the underlying challenges and geopolitical issues that UBS has previously highlighted remain. The continued absence of sustained and credible improvements to unresolved issues in Europe, continuing US fiscal and monetary policy issues, geopolitical instability and the mixed outlook for global growth would make improvements in prevailing market conditions unlikely. Despite these challenges, UBS will continue to execute on its strategy in order to ensure the firm's long-term success and to deliver sustainable returns for shareholders.</p>
B.5	Description of the group and the issuer's position within the group.	<p>UBS AG is the parent company of the Group. Neither the business divisions of UBS nor the Corporate Center are separate legal entities. Currently, they primarily operate out of UBS AG, through its branches worldwide. Businesses also operate through local subsidiaries where necessary or desirable.</p> <p>UBS has announced that it intends to establish a group holding company</p>

		<p>through a share for share exchange offer, which will commence later this year, subject to regulatory approvals. UBS has also announced that it intends to establish a banking subsidiary in Switzerland in mid-2015. The scope of this future subsidiary's business is expected to include the Retail & Corporate business and the Swiss-booked Wealth Management business.</p> <p>In the UK, and in consultation with the UK and Swiss regulators, UBS expects to commence the implementation of a revised business and operating model for UBS Limited in the second quarter of 2014. This will result in UBS Limited bearing and retaining a greater degree of the risk and reward of its business activities. UBS AG expects to increase the capitalization of UBS Limited accordingly.</p> <p>In the US, UBS will comply with new rules for banks under the Dodd-Frank Wall Street Reform and Consumer Protection Act that will require an intermediate holding company to own all of its operations other than US branches of UBS AG by 1 July 2016. As a result, UBS will designate an intermediate holding company to hold all US subsidiaries of UBS.</p>
B.9	Profit forecast or estimate.	Not applicable; no profit forecast or estimate is included in this Prospectus.
B.10	Qualifications in the audit report.	Not applicable. The auditor's reports on the audited historical financial information are unqualified.
B.12	Selected historical key financial information.	UBS AG derived the following selected consolidated financial data from (i) its annual report 2013, containing the audited consolidated financial statements of UBS Group, as well as additional unaudited consolidated financial data for the year ended 31 December 2013 (including comparative figures for the years ended 31 December 2012 and 2011) and (ii) its report for the first quarter 2014, containing the unaudited consolidated financial statements of UBS Group, as well as additional unaudited consolidated financial data as of or for the quarter ended 31 March 2014 (from which comparative figures as of or for the quarter ended 31 March 2013 have been derived). The consolidated financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and stated in Swiss francs (CHF).

CHF million, except where indicated	As of or for the quarter ended		As of or for the year ended		
	31.3.14	31.3.13	31.12.13	31.12.12	31.12.11
	unaudited		audited, except where indicated		
Group results					
Operating income	7,258	7,775	27,732	25,423	27,788
Operating expenses	5,865	6,327	24,461	27,216	22,482
Operating profit / (loss) before tax	1,393	1,447	3,272	(1,794)	5,307
Net profit / (loss) attributable to UBS shareholders	1,054	988	3,172	(2,480)	4,138
Diluted earnings per share (CHF)	0.27	0.26	0.83	(0.66)	1.08
Key performance indicators					
Profitability					
Return on equity (RoE) (%) ¹	8.7	8.5	6.7*	(5.1)*	9.1*
Return on assets, gross (%) ²	2.9	2.5	2.5*	1.9*	2.1*
Cost / income ratio (%) ³	81.1	81.2	88.0*	106.6*	80.7*
Growth					
Net profit growth (%) ⁴	14.9				(44.5)*
Net new money growth for combined wealth management businesses (%) ⁵	2.9	5.9	3.4*	3.2*	2.4*
Resources					
Common equity tier 1 capital ratio (fully applied, %) ^{6,7}	13.2	10.1	12.8*	9.8*	
Swiss SRB leverage ratio (phase-in, %) ⁸	5.0	3.8	4.7*	3.6*	
Additional information					
Profitability					
Return on tangible equity (%) ⁹	10.2	10.1	8.0*	1.6*	11.9*
Return on risk-weighted assets, gross (%) ¹⁰	12.6	11.9	11.4*	12.0*	13.7*
Resources					
Total assets	982,530	1,213,844	1,018,374* ¹¹	1,259,797	1,416,962
Equity attributable to UBS shareholders	49,023	47,239	48,002	45,949	48,530
Common equity tier 1 capital (fully applied) ⁷	29,937	26,176	28,908	25,182*	
Common equity tier 1 capital (phase-in) ⁷	41,187	40,235	42,179	40,032*	
Risk-weighted assets (fully applied) ⁷	226,805	258,701	225,153	258,113*	
Risk-weighted assets (phase-in) ⁷	229,879	262,454	228,557	261,800*	
Common equity tier 1 capital ratio (phase-in, %) ^{6,7}	17.9	15.3	18.5*	15.3*	
Total capital ratio (fully applied, %) ⁷	16.8	11.8	15.4*	11.4*	
Total capital ratio (phase-in, %) ⁷	22.7	18.9	22.2*	18.9*	
Other					
Invested assets (CHF billion) ¹²	2,424	2,373	2,390	2,230	2,088
Personnel (full-time equivalents)	60,326	61,782	60,205*	62,628*	64,820*
Market capitalization	70,180	55,827	65,007*	54,729*	42,843*
Total book value per share (CHF)	13.07	12.57	12.74*	12.26*	12.95*
Tangible book value per share (CHF)	11.41	10.79	11.07*	10.54*	10.36*

* unaudited

¹ Net profit / loss attributable to UBS shareholders (annualized as applicable) / average equity attributable to UBS shareholders. ² Operating income before credit loss (expense) or recovery (annualized as applicable) / average total assets. ³ Operating expenses / operating income before credit loss (expense) or recovery. ⁴ Change in net profit attributable to UBS shareholders from continuing operations between current and comparison periods / net profit attributable to UBS shareholders from continuing operations of comparison period. Not meaningful and not included if either the reporting period or the comparison period is a loss period. ⁵ Combined Wealth Management's and Wealth Management Americas' net new money for the period (annualized as applicable) / invested assets at the beginning of the period. ⁶ Common equity tier 1 capital / risk-weighted assets. ⁷ Based on the Basel III framework as applicable to Swiss systemically relevant banks (SRB), which became effective in

		<p>Switzerland on 1 January 2013. The information provided on a fully applied basis entirely reflects the effects of the new capital deductions and the phase out of ineligible capital instruments. The information provided on a phase-in basis gradually reflects those effects during the transition period. Numbers for 31 December 2012 are on a pro-forma basis.⁸ Swiss SRB Basel III common equity tier 1 capital and loss-absorbing capital / total adjusted exposure (leverage ratio denominator). The Swiss SRB leverage ratio came into force on 1 January 2013. Numbers for 31 December 2012 are on a pro-forma basis.⁹ Net profit / loss attributable to UBS shareholders before amortization and impairment of goodwill and intangible assets (annualized as applicable) / average equity attributable to UBS shareholders less average goodwill and intangible assets.¹⁰ Operating income before credit loss (expense) or recovery (annualized as applicable) / average risk-weighted assets. Based on Basel III risk-weighted assets (phase-in) for 2014 and 2013, on Basel 2.5 risk-weighted assets for 2012 and on Basel II risk-weighted assets for 2011.¹¹ On 1 January 2014, UBS Group adopted Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32, Financial Instruments: Presentation). The prior period balance sheet as of 31 December 2013 was restated to reflect the effects of adopting these amendments to IAS 32.¹² Group invested assets includes invested assets for Retail & Corporate.</p>
	Material adverse change statement.	There has been no material adverse change in the prospects of UBS AG or UBS Group since 31 December 2013.
	Significant changes statement.	There has been no significant change in the financial or trading position of UBS Group or of UBS AG since 31 March 2014.
B.13	Recent events.	Not applicable, no recent events particular to UBS AG have occurred, which are to a material extent relevant to the evaluation of the UBS AG's solvency.
B.14	Dependence upon other entities within the group.	UBS AG is the parent company of the UBS Group. As such, to a certain extent, it is dependent on certain of its subsidiaries.
B.15	Issuer's principal activities.	<p>UBS AG with its subsidiaries draws on its 150-year heritage to serve private, institutional and corporate clients worldwide, as well as retail clients in Switzerland. UBS' business strategy is centered on its (in UBS' opinion) pre-eminent global wealth management businesses and its (in UBS' opinion) leading universal bank in Switzerland, completed by its Global Asset Management business complemented and its Investment Bank, with a focus on capital efficiency and businesses that offer (in UBS' opinion) a superior structural growth and profitability outlook. Headquartered in Zurich and Basel, Switzerland, UBS has offices in more than 50 countries, including all major financial centers.</p> <p>According to Article 2 of the Articles of Association of UBS AG, dated 7 May 2014 ("Articles of Association"), the purpose of UBS AG is the operation of a bank. Its scope of operations extends to all types of banking, financial, advisory, trading and service activities in Switzerland and abroad.</p>
B.16	Direct or indirect shareholdings or control agreements of the issuer.	<p>The following are the most recent notifications of holdings in UBS AG's share capital filed in accordance with the Swiss Federal Act on Stock Exchanges and Securities Trading of 24 March 1995, as amended, based on UBS AG's registered share capital at the time of the disclosure: (i) 18 September 2013, Government of Singapore Investment Corp disclosed a change of its corporate name to GIC Private Limited and a holding of 6.40%; (ii) 30 September 2011, Norges Bank (the Central Bank of Norway), 3.04%; (iii) 17 December 2009, BlackRock Inc., New York, USA, 3.45%.</p> <p>As of 31 March 2014, the following shareholders (acting in their own name or in their capacity as nominees for other investors or beneficial owners) were registered in the share register with 3% or more of the total share capital of UBS AG: Chase Nominees Ltd., London (11.98%); GIC Private Limited, Singapore (6.39%); the US securities clearing organization DTC (Cede & Co.) New York, "The Depository Trust Company" (6.28%);</p>

		and Nortrust Nominees Ltd., London (3.51%).
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Element	Section C – Securities	
C.1	Type and the class of the securities, security identification number.	<p>Type and Form of Securities The Securities are not capital protected certificates.</p> <p>The Securities will be issued in bearer form as securities within the meaning of § 793 German Civil Code and will be represented on issue by one or more permanent global bearer security/ies (each a “Global Security”). No bearer Securities will be issued in or exchangeable into bearer definitive form, whether pursuant to the request of any Securityholder or otherwise.</p> <p>The Global Security is deposited with Clearstream Banking AG (the “Clearing System”).</p> <p>Security identification number(s) of the Securities ISIN: DE000UBS1CF4 WKN: UBS1CF Valor: 24374900</p>
C.2	Currency of the securities.	Euro (the “ Redemption Currency ”)
C.5	Restrictions on the free transferability of the securities.	Not applicable; no restrictions on the free transferability of the Securities apply.
C.8	Rights attached to the securities, including ranking and limitations to those rights.	<p>Governing law of the Securities The Securities are governed by German law.</p> <p>Rights attached to the Securities The Securities provide, subject to the Terms and Conditions of the Securities, Securityholders, upon exercise, with a claim for payment of the Redemption Amount in the Redemption Currency. During their term, the Securities do not generate any regular income (e.g. dividends or interest).</p> <p>Limitation of the rights attached to the Securities Under the conditions set out in the Terms and Conditions, the Issuer is entitled to terminate the Securities and to make certain adjustments to the Terms and Conditions.</p> <p>Status of the Securities The Securities will constitute direct, unsecured and unsubordinated obligations of the Issuer, ranking <i>pari passu</i> among themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer, other than obligations preferred by mandatory provisions of law.</p>
C.11	Admission to trading on a regulated market or other equivalent markets.	It is not intended to apply for admission of the Securities to trading on a regulated market. However, the Issuer intends to apply for inclusion of the Securities on the unofficial regulated market of the Frankfurt Stock Exchange (<i>Börse Frankfurt Zertifikate Premium</i>) and the Stuttgart Stock Exchange (<i>EUWAX</i>).
C.15	Influence of the underlying on the value of the securities.	The value of the Securities during their term depends on the performance of the notional Reference Portfolio used as the Underlying. In case the level of the Underlying increases, also the value of the Securities is likely to increase. In case the level of the Underlying decreases, also the value of the Securities is likely to decrease.

		<p>In particular, the Redemption Amount, if any, to be received by the Securityholder upon exercise of the Securities depends on the performance of the notional Reference Portfolio. In detail:</p> <p>The Securities allow investors to participate, considering the fees on the level of the notional Reference Portfolio, in the positive development of the notional Reference Portfolio. Conversely, investors in the Securities also participate in the negative development of the notional Reference Portfolio.</p> <p>Securityholders receive on the Maturity Date a Redemption Amount in the Redemption Currency equal to the Settlement Level of the Reference Portfolio. The Settlement Level of the Reference Portfolio means, subject to a Market Disruption, the Level of the Reference Portfolio as calculated by the Calculation Agent on the Valuation Date.</p> <p>For the avoidance of doubt: Whilst the Redemption Amount is linked to the market value of the Reference Portfolio Components, the Issuer is not obliged to invest the net proceeds of the issuance of the Securities in any Reference Portfolio Component at any time; the net proceeds will be used for hedging and general corporate purposes of the Issuer only. The Securityholders do not have any direct interest in, or beneficial ownership of any Reference Portfolio Component at any time.</p> <p>During their term, the Securities do not generate any regular income (e.g. dividends or interest).</p>
C.16	Expiration or maturity date, the exercise date or final reference date.	<p>The Maturity Date means the fifth Business Day following the relevant Valuation Date.</p> <p>The Valuation Date means, subject to any disruption in accordance with the Conditions of the Securities, (i) in case of a redemption of the Securities in accordance with § 1 of the Conditions of the Securities, the Expiration Date, (ii) in case of a termination of the term of the Securities by the Issuer in accordance with § 2 (3) of the Conditions of the Securities, the relevant Issuer Termination Date, (iii) in case of an automatic termination of the term of the Securities in accordance with § 3 of the Conditions of the Securities, the relevant Automatic Termination Date, and (iv) in case of an extraordinary termination by the Issuer in accordance with § 9 of the Conditions of the Securities, the relevant Extraordinary Termination Date.</p> <p>The Expiration Date means, subject to an extension of the term of the Securities in accordance with the Conditions of the Securities, 9 July 2020. If this day is not a Index Business Day, the immediately succeeding Index Business Day shall be the Expiration Date. The Issuer is entitled to extend, by giving notice to the Securityholder in accordance with the Conditions of the Securities the maturity of all outstanding Securities for additional periods of six (6) calendar years each, in which case the "Expiration Date" shall be deemed to be the date falling six (6) calendar years after the initially scheduled Expiration Date. There is no limit to the number of times the Issuer may extend the maturity of the Securities.</p>
C.17	Settlement procedure of the derivative securities.	<p>Payments shall, in all cases subject to any applicable fiscal or other laws and regulations in the place of payment or other laws and regulations to which the Issuer agree to be subject, be made in accordance with the relevant regulation and operating procedure applicable to and/or issued by the Clearing System (the "CA Rules") to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.</p> <p>The Issuer shall be discharged from its redemption obligations or any other payment obligations under the Securities by delivery to the Clearing System</p>

		in the manner described above.
C.18	A description of how the return on derivative securities takes place.	Securityholders will, subject to a Market Disruption, receive on the relevant Maturity Date (i) in case of a redemption of the Securities in accordance with § 1 of the Conditions of the Securities, the Redemption Amount, (ii) in case of a termination of the term of the Securities by the Issuer in accordance with § 2 (3) of the Conditions of the Securities, the Termination Amount, (iii) in case of an automatic termination of the term of the Securities in accordance with § 3 of the Conditions of the Securities, the Automatic Termination Amount, and (iv) in case of an extraordinary termination by the Issuer in accordance with § 9 of the Conditions of the Securities, the Extraordinary Termination Amount.
C.19	Exercise price or final reference price of the underlying.	<p>The Settlement Level of the Reference Portfolio means, subject to a Market Disruption, the Level of the Reference Portfolio as calculated by the Calculation Agent on the relevant Valuation Date.</p> <p>The Level of the Reference Portfolio is, subject to the occurrence of a Market Disruption, determined by the Calculation Agent based on the closing price or value or sale proceeds of each Constituent on each Reference Portfolio Calculation Date in relation to the Reference Portfolio Valuation Date. The calculation also takes into account the effect of the Reference Portfolio Fees.</p> <p>The Initial Reference Portfolio Level is equal to EUR 1,000.00.</p> <p>Information regarding the Level of the Reference Portfolio can be obtained from the Issuer upon request.</p>
C.20	Type of the underlying and where the information on the underlying can be found.	<p>Type of Underlying:</p> <p>The Reference Portfolio means the European Tactical Strategy Reference Portfolio, a notional Euro ("EUR") denominated Reference Portfolio actively managed, created and maintained by CAPITAL-FORUM AG (the "Reference Portfolio Advisor") but subject to adjustments by the Issuer in case of the occurrence of adjustment events (pursuant to § 7 (<i>Adjustments to the Reference Portfolio</i>) and § 8 (<i>Adjustments in relation to an Index</i>) of the Terms and Conditions of the Securities).</p> <p>The Reference Portfolio has been initiated on 9 July 2014 (the "Reference Portfolio Creation Date") by the Reference Portfolio Advisor with an initial level of EUR 1,000.00 (the "Initial Reference Portfolio Level").</p> <p>The Reference Portfolio aims to replicate (i) the performance of a long only basket of European net total return equity indices (each a "Constituent_(t)" or an "Index_(t)"), as calculated by the relevant index sponsor (each an "Index Sponsor_(t)") and (ii) from time to time, a EUR denominated cash position (the "Cash Position" which together with the Constituents shall be referred to as the "Reference Portfolio Components"), less fees and expenses.</p> <p>The Reference Portfolio, the Reference Portfolio Components and the rules in accordance with which the Reference Portfolio is managed by the Reference Portfolio Advisor are further described in the section "Information about the notional Reference Portfolio", which forms part of the Conditions of the Securities.</p>

Element	Section D – Risks
	The purchase of Securities is associated with certain risks. The Issuer expressly points out that the description of the risks associated with an investment in the Securities describes only the key risks which were known

D.2	Key information on the key risks that are specific and individual to the issuer.	<p>to the Issuer at the date of the Prospectus.</p> <p>The Securities entails an issuer risk, also referred to as debtor risk or credit risk for prospective investors. An issuer risk is the risk that UBS AG becomes temporarily or permanently unable to meet its obligations under the Securities.</p> <p>General insolvency risk</p> <p>Each investor bears the general risk that the financial situation of the Issuer could deteriorate. The debt or derivative securities of the Issuer will constitute immediate, unsecured and unsubordinated obligations of the Issuer, which, in particular in the case of insolvency of the Issuer, rank <i>pari passu</i> with each other and all other current and future unsecured and unsubordinated obligations of the Issuer, with the exception of those that have priority due to mandatory statutory provisions. The Issuer's obligations relating to the Securities are not protected by any statutory or voluntary deposit guarantee system or compensation scheme. In the event of insolvency of the Issuer, investors may thus experience a total loss of their investment in the Securities.</p> <p>UBS as Issuer is subject to various risks within its business activities. Such risks comprise in particular the following types of risks, where all of these risks might have adverse effects on the value of the Securities:</p> <ul style="list-style-type: none"> • Effect of downgrading of the Issuer's rating • Regulatory and legislative changes may adversely affect UBS's business and ability to execute its strategic plans • A decreased capital strength could have an adverse affect on the implementation of UBS's strategy, its client franchise and competitive position • UBS may not be successful in executing its announced strategic plans • A deterioration of UBS's reputation could have an adverse affect to the success of its business • Material legal and regulatory risks arise in the conduct of UBS's business • Performance in the financial services industry is affected by market conditions and the macroeconomic climate • UBS holds legacy and other risk positions that may be adversely affected by conditions in the financial markets; legacy risk positions may be difficult to liquidate • UBS's global presence subjects it to risk from currency fluctuations • UBS is dependent upon UBS's risk management and control processes to avoid or limit potential losses in UBS's trading and counterparty credit businesses • Valuations of certain positions rely on models; models have inherent limitations and may use inputs which have no observable source • UBS is exposed to possible outflows of client assets in its asset-gathering businesses and to changes affecting the profitability of its Wealth Management business division • Liquidity and funding management are critical to UBS's ongoing
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		<p>performance</p> <ul style="list-style-type: none"> • Operational risks may affect UBS's business • UBS might be unable to identify or capture revenue or competitive opportunities, or retain and attract qualified employees • UBS's financial results may be negatively affected by changes to accounting standards • UBS's financial results may be negatively affected by changes to assumptions supporting the value of UBS's goodwill • The effects of taxes on UBS's financial results are significantly influenced by changes in UBS's deferred tax assets and final determinations on audits by tax authorities
D.6	Key information on the risks that are specific and individual to the securities.	<p>Potential investors of the Securities should recognise that the Securities constitute a risk investment which can lead to a total loss of their investment in the Securities. Securityholders will incur a loss, if the amounts received in accordance with the Terms and Conditions of the Securities is below the purchase price of the Securities (including the transaction costs). Each investor in the Securities bears the risk of the Issuer's financial situation worsening and the potential subsequent inability of the Issuer to pay its obligations under the Securities. Potential investors must therefore be prepared and able to sustain a partial or even a total loss of the invested capital. Any investors interested in purchasing the Securities should assess their financial situation, to ensure that they are in a position to bear the risks of loss connected with the Securities.</p> <p>Security specific Risks</p> <p>1. <u>Special risks related to specific features of the Security structure</u> Prior to investing in the Securities, potential investors should note that the following special features of the Securities may have a negative impact on the value of the Securities or, as the case may be, on any amount, if any, payable according to the Terms and Conditions of the Securities and that the Securities accordingly have special risk profiles:</p> <p>Currency exchange rate risk The value of the Reference Portfolio Components may be determined in currencies other than the Redemption Currency. Potential investors should, therefore, be aware that investments in these Securities could entail risks due to fluctuating exchange rates, and that the risk of loss does not depend solely on the performance of the Reference Portfolio Components comprised in the notional Reference Portfolio, but also on unfavourable developments in the value of the foreign currency or currency unit.</p> <p>Such developments can additionally increase the Securityholders' exposure to losses, because an unfavourable performance of the relevant currency exchange rate may correspondingly decrease the value of the purchased Securities during their term or, as the case may be, the level of the Redemption Amount or, as the case may be, the Termination Amount, the Automatic Termination Amount or the Extraordinary Termination Amount, respectively.</p> <p>Extension of the Term of the Securities at the option of the Issuer Potential investors in the Securities should also be aware that according to the Terms and Conditions of the Securities, the Issuer is entitled to extend the maturity of all outstanding Securities for</p>

		<p>additional periods of six (6) calendar years each (the “Issuer Extension Option”). There is no limit to the number of times the Issuer may extend the maturity of the Securities. In case that the Issuer exercises the Issuer Extension Option and unless a Securityholder terminates the Securities held by it in accordance with the Terms and Conditions of the Securities by exercising the Securityholder Non-Extension Option, investors in the Securities will receive any final payments under the Securities later than scheduled at the Issue Date of the Securities.</p> <p>2. <u>Termination and Early Redemption at the option of the Issuer</u> Potential investors in the Securities should furthermore be aware that the Issuer is under certain circumstances pursuant to the Terms and Conditions of the Securities entitled to terminate and redeem the Securities in total prior to the Maturity Date. In case the Issuer terminates and redeems the Securities prior to the Maturity Date, the Securityholder is entitled to demand the payment of an amount in relation to this early redemption. However, the Securityholder is not entitled to request any further payments on the Securities after the Issuer Termination Date or the Extraordinary Termination Date, respectively.</p> <p>The Securityholder, therefore, bears the risk of not participating in the performance of the notional Reference Portfolio and its respective Reference Portfolio Components to the expected extent and during the expected period and, therefore, may receive less than its capital invested.</p> <p>In the case of a termination of the Securities by the Issuer, the Securityholder bears the risk of a reinvestment, <i>i.e.</i> the investor bears the risk that it will have to re-invest the Termination Amount or the Extraordinary Termination Amount, if any, paid by the Issuer in the case of termination at market conditions, which may be less favourable than those existing prevailing at the time of the acquisition of the Securities.</p> <p>3. <u>Possible fluctuations in the Level of the Reference Portfolio after termination of the Securities</u> In the event that the term of the Securities is terminated early by the Issuer pursuant to the Terms and Conditions of the Securities, potential investors of the Securities should note that any adverse fluctuations in the Level of the notional Reference Portfolio between the announcement of the termination by the Issuer and the determination of the level of the notional Reference Portfolio relevant for the calculation of the then payable Termination Amount or Extraordinary Termination Amount, respectively, are borne by the Securityholders.</p> <p>4. <u>Adverse impact of adjustments of the Security Right</u> It cannot be excluded that certain events occur or certain measures are taken (by parties other than the Issuer) in relation to the notional Reference Portfolio, which potentially lead to changes to the notional Reference Portfolio or result in the underlying concept of the notional Reference Portfolio being changed, so-called Extraordinary Events. In the case of the occurrence of an Extraordinary Event, the Issuer shall be entitled to effect adjustments according to the Terms and Conditions of the Securities to account for these events or measures. The adjustments to the Constituents comprised in the notional Reference Portfolio might have a negative impact on the value of the Securities.</p>
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		<p>transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for innovative financial instruments such as the Securities. Potential investors are advised not to rely upon the tax summary contained in this Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, sale and redemption of the Securities. Only these advisors are in a position to duly consider the specific situation of the potential investor.</p> <p>8. <u>Changes in Taxation in relation to the Securities</u> The considerations concerning the taxation of the Securities set forth in the Securities Note reflect the opinion of the Issuer on the basis of the legal situation identifiable as of the date of the Securities Note. However, a different tax treatment by the fiscal authorities and tax courts cannot be excluded. Each investor should seek the advice of his or her personal tax consultant before deciding whether to purchase the Securities. Potential investors should be aware that the legal situation identifiable as of the date of the Securities Note may change, possibly with retroactive effect. Neither the Issuer nor the Manager assumes any responsibility vis-à-vis the Securityholders for the tax consequences of an investment in the Securities.</p> <p>9. <u>Potential conflicts of interest</u> The Issuer and affiliated companies may participate in transactions related to the Securities in some way, for their own account or for account of a client. Such transactions may not serve to benefit the Securityholders and may have a positive or negative effect on the value of the Reference Portfolio Components comprised in the notional Reference Portfolio, and consequently on the value of the Securities. Furthermore, companies affiliated with the Issuer may become counterparties in hedging transactions relating to obligations of the Issuer stemming from the Securities. As a result, conflicts of interest can arise between companies affiliated with the Issuer, as well as between these companies and investors, in relation to obligations regarding the calculation of the price of the Securities and other associated determinations. In addition, the Issuer and its affiliates may act in other capacities with regard to the Securities, such as calculation agent, paying agent and administrative agent.</p> <p>Furthermore, the Issuer and its affiliates may issue other derivative instruments relating to the notional Reference Portfolio; introduction of such competing products may affect the value of the Securities. The Issuer and its affiliated companies may receive non-public information relating to the notional Reference Portfolio, and neither the Issuer nor any of its affiliates undertakes to make this information available to Securityholders.</p> <p>Within the context of the offering and sale of the Securities, the Issuer or any of its affiliates may directly or indirectly pay fees in varying amounts to third parties, such as distributors or investment advisors, or receive payment of fees in varying amounts, including those levied in association with the distribution of the Securities, from third parties. Potential investors should be aware that the Issuer may retain fees in part or in full. The Issuer or, as the case may be, the Manager, upon request, will provide information on the amount of these fees.</p> <p>Reference Portfolio specific Risks The Reference Portfolio aims to replicate (i) the performance of a long only basket of European net total return equity indices (each a "Constituent_n" or</p>
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		<p>an “Index_(i)”), as calculated by the relevant index sponsor (each an “Index Sponsor_(i)”) and (ii) from time to time, a EUR denominated cash position (the “Cash Position” which together with the Constituents shall be referred to as the “Reference Portfolio Components”), less fees and expenses, all as described in the sections “Key Terms and Definitions of the Securities” and “Information about the Reference Portfolio”. Investing in the Securities, hence also involves certain risks that are related to the notional Reference Portfolio:</p> <p>1. <u>General risks related to the notional Reference Portfolio</u> Investors should be aware that some risks are related to the notional Reference Portfolio in general:</p> <p>Risk of fluctuations in value The performance of the notional Reference Portfolio is subject to fluctuations. Therefore, Securityholders cannot foresee what consideration they can expect to receive for the Securities they hold on a certain day in the future. When the Securities are redeemed, exercised or otherwise disposed of on a certain day, they may be worth a lot less than if they were disposed of at a later or earlier point in time.</p> <p>Uncertainty about future performance It is not possible to reliably predict the future performance of the notional Reference Portfolio and the Reference Portfolio Components respectively. Likewise, the historical data of the notional Reference Portfolio and the Reference Portfolio Components respectively, does also not allow for any conclusions to be drawn about the future performance of the notional Reference Portfolio and the Securities.</p> <p>Consequence of the linkage to a notional Reference Portfolio The Securities have the special feature that the calculation of the level of the Settlement Amount depends on the performance of a notional Reference Portfolio comprising several Reference Portfolio Components. As a result, fluctuations in the value of one Reference Portfolio Component may be offset or intensified by fluctuations in the value of other Reference Portfolio Components comprised in the notional Reference Portfolio. Even in the case of a positive performance of one or more Reference Portfolio Components comprised in the notional Reference Portfolio, the performance of the notional Reference Portfolio as a whole may be negative if the performance of the other Reference Portfolio Components comprised in the notional Reference Portfolio is negative to a greater extent.</p> <p>2. <u>Specific risks related to the notional Reference Portfolio</u> In addition, the following risks are specifically related to the notional Reference Portfolio:</p> <p>Notional Reference Portfolio The notional Reference Portfolio is a synthetic portfolio which has been created and is managed and calculated solely for the purposes of being used as underlying of these Securities. There is no obligation on the Issuer to purchase or hold any Reference Portfolio Components and Securityholders have no rights in, or to require delivery of, any of such Reference Portfolio Components at any time. References to any rebalancing, disposal or acquisition or financing of a Reference Portfolio Component have to be understood as reference to a notional transaction and should not be construed as imposing any obligation on the Issuer or any of its affiliates or</p>
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		<p>subsidiaries, the Manager, the Calculation Agent or any person to actually directly or indirectly, physically or synthetically acquire, dispose of or effect or take delivery of, or effect transactions in, any securities, investments or other property, but are references to the change in the value of, or in notional amounts to be determined for the purposes of calculating the value of, and relate solely to the calculation of the value of any amounts payable in respect of the Securities.</p> <p>Numerous Constituents of the notional Reference Portfolio The notional Reference Portfolio may be composed of numerous Constituents. Despite the fact that Constituents' diversification is designed to help to control declines in the value of the notional Reference Portfolio, it cannot be guaranteed that the use of numerous different Constituents will be successful for these purposes and will not result in overall losses.</p> <p>Limited historic data of the Reference Portfolio The notional Reference Portfolio has been created on 9 July 2014. Accordingly, as at the date of the Prospectus only limited historic data is available on the basis of which investors might evaluate the likely performance of the notional Reference Portfolio. The past performance of the Reference Portfolio Components notionally comprised in the notional Reference Portfolio (which generally do not reflect the same fee levels as the fees incurred in relation to the Reference Portfolio), is not necessarily indicative of the future performance for the notional Reference Portfolio.</p> <p>No payment of interest or dividends None of the Securities vests a right to payment of interest or dividends and, as such, they generate no regular income. Therefore, potential reductions in the value of the Security cannot be offset by any other income from the Security.</p> <p>Fees and expenses in relation to the Reference Portfolio Reference Portfolio Fees will be deducted from the Reference Portfolio Level and, hence, result in a reduction in the Reference Portfolio Level.</p> <p>Composition of the Reference Portfolio The Reference Portfolio Advisor agreed with the Calculation Agent to adhere to specific guidelines when selecting and adjusting the notional Reference Portfolio Components.</p> <p>The selection of the initial Reference Portfolio Components, their weightings and any of the rebalancings is made in the reasonable discretion of the Reference Portfolio Advisor. Rebalancings will be initiated by the Reference Portfolio Advisor. The Calculation Agent is entitled under certain circumstances, but has no legal duty to refuse the notional purchase of any Constituent and/or the notional sale of any Constituent, and to require the Reference Portfolio Advisor to initiate a Rebalancing.</p> <p>The Reference Portfolio Advisor will select the Constituents with due diligence. No assurance can be made, however, that the selection of the Constituents will be successful, and neither the Reference Portfolio Advisor nor the Issuer are responsible for the market performance of the Constituents.</p> <p>Notwithstanding the above, the Reference Portfolio Advisor is restricted by the Reference Portfolio Guidelines in its weighting of</p>
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		<p>the Constituents; it may therefore lack the necessary flexibility to benefit from any market developments not covered by the Reference Portfolio Guidelines.</p> <p>3. <u>Specific risks related to the notional Reference Portfolio Components</u> Investors should be aware that some risks are related to the Indices, which will be comprised in the notional Reference Portfolio. Consequently, any investment in the Securities is, to a certain extent, subject to market risks similar to a direct investment in the Indices.</p> <p><u>Indices used as Reference Portfolio Components</u> The notional Reference Portfolio mirrors the performance of a long only basket of European net total return equity indices (each an "Index" and together, the "Indices"). Consequently, any investment in the Securities is, to a certain extent, subject to market risks similar to direct investment in the Indices. These risks include risks related to a direct investment in the index components, the dependence on the value of the index components, the influence of the Issuer or the index sponsor on the Index, the adverse effect of fees on the index and currency exchange risk contained in the index. Potential investors should seek respective advice and familiarise themselves with the specific risk profile of the Indices and seek the advice of a professional, if necessary.</p> <p>4. <u>Specific risks related to the Reference Portfolio Advisor</u> Additional risks are related to the Reference Portfolio Advisor.</p> <p>Dependence on the Reference Portfolio Advisor The success of the Reference Portfolio depends upon the Reference Portfolio Advisor selecting successful Reference Portfolio Components. There can be no assurance that the Reference Portfolio Advisor will be able to do so. In particular, subjective (as opposed to systematic) decisions made by the Reference Portfolio Advisor may cause the Reference Portfolio to decline (or not to increase) in a manner which less subjective decision making might have avoided.</p> <p>Reliance on Key Individuals The loss of one or more key individuals could have a material adverse effect on the Reference Portfolio Advisor's ability to perform its responsibilities in relation to the Reference Portfolio.</p> <p>Automatic Termination of the Securities According to the Terms and Conditions, the Securities will be automatically terminated and redeemed, in case that the CAPITAL-FORUM AG ceases to be or to act as Reference Portfolio Advisor. This could have a considerable impact on the value of the Securities.</p> <p>Potential conflicts of interest The Reference Portfolio Advisor may not only act as Reference Portfolio Advisor with regard to the Reference Portfolio, but may at the same time act as asset manager or financial consultant with regard to Securityholders, which may induce potential conflicts between the Securityholders' interests and the Reference Portfolio Advisor's interests, especially because the Reference Portfolio Advisor receives the Reference Portfolio Advisory Fee.</p>
	<p>Risk warning to the effect that investors may lose</p>	<p>Each investor in the Securities bears the risk of the Issuer's financial situation worsening and the potential subsequent inability of the Issuer to pay its obligations under the Securities. Potential investors must therefore be</p>

	the value of their entire investment or part of it.	prepared and able to sustain a partial or even a total loss of the invested capital. Any investors interested in purchasing the Securities should assess their financial situation, to ensure that they are in a position to bear the risks of loss connected with the Securities.
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Element	Section E – Offer	
E.2b	Reasons for the offer and use of proceeds.	Not applicable. Reasons for the offer and use of proceeds is not different from making profit and/or hedging certain risks.
E.3	Terms and conditions of the offer.	<p>It has been agreed that, on 11 July 2014 (the “Issue Date”), UBS Limited, 1 Finsbury Avenue, London EC2M 2PP, United Kingdom (the “Manager”) may purchase the Securities and shall place them for sale under terms subject to change in the Public Offer Jurisdictions.</p> <p>The Securities may be purchased in the Public Offer Jurisdictions from the Manager during normal banking hours starting on the Business Day following the publication of this Summary and Securities Note at an amount of EUR 1,000.00 per Security (the “Issue Price”).</p> <p>The Issue Price per Security is due and payable on 11 July 2014, (the “Initial Payment Date”). After the Initial Payment Date, the appropriate number of Securities shall be credited to the investor’s account in accordance with the rules of the corresponding Clearing System.</p>
E.4	Interest that is material to the issue/offer including conflicting interests.	Save for the Authorised Offerors and the Reference Portfolio Advisor regarding their relevant fees, as far as the Issuer is aware, no person involved in the issue of the Securities has an interest material to the issue / the offer of the Securities and no conflicts of interests exist.
E.7	Estimated expenses charged to the investor by the issuer or the offeror.	<p>The following fees will be deducted on the level of the notional Reference Portfolio:</p> <ul style="list-style-type: none"> ▪ Reference Portfolio Advisory Fee: A quarterly fee of 0.3125% (1.25% per year) of the Reference Portfolio Level accrued and deducted from the Reference Portfolio Level on a daily basis shall be calculated by the Calculation Agent and paid out to the ReferencePortfolio Advisor after the last Business Day of March, June, September and December of each year (or, if any such date is not a Business Day, the next following Business Day). <p>The Reference Portfolio Advisory Fee will be used to compensate the Reference Portfolio Advisor for the creation, management and maintenance of the notional Reference Portfolio as well as for any marketing activities in relation to the Securities.</p> <ul style="list-style-type: none"> ▪ UBS Management Fee: The Issuer will receive a quarterly fee of 0.075% (0.30% per year) of the Reference Portfolio Level accrued on a daily basis charged by the Calculation Agent and daily deducted from the Reference Portfolio Level. ▪ Adjustment Fee: The Issuer will receive a percentage of the notional volume of each of the purchase and/or sale of a Constituent. The Adjustment Fee equals 0.10% and is notionally added to or deducted from the sale proceeds or purchase price of such Constituent, as applicable. If the number of Rebalancings exceeds the number of 20 within a 12 month period from the Pricing Date and any 12 month period following the subsequent anniversary of that date, then the Adjustment Fee equals 0.12%

		for these additional Rebalancings above 20.
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B. SUMMARY OF THE PROSPECTUS (IN THE GERMAN LANGUAGE)**ZUSAMMENFASSUNG**

Zusammenfassungen bestehen aus bestimmten Offenlegungspflichten, den sogenannten "Punkten". Diese Punkte sind in den Abschnitten A - E enthalten und nummeriert (A.1 – E.7).

Diese Zusammenfassung enthält alle Punkte, die für eine Zusammenfassung dieses Typs von Wertpapieren und Emittent erforderlich sind. Da einige Punkte nicht adressiert werden müssen, kann es Lücken in der Nummerierungsreihenfolge geben.

Auch wenn ein Punkt aufgrund des Typs von Wertpapieren und Emittent erforderlich sein kann, besteht die Möglichkeit, dass zu diesem Punkt keine relevanten Informationen gegeben werden können. In diesem Fall wird eine kurze Beschreibung des Punktes mit der Erwähnung "Entfällt" eingefügt.

Punkt	Abschnitt A – Einleitung und Warnhinweise	
A.1	Warnung.	<p>Diese Zusammenfassung ist als Einführung in den Prospekt zu verstehen. Anleger sollten jede Entscheidung zur Anlage in die betreffenden Wertpapiere auf die Prüfung des gesamten Basisprospekts stützen.</p> <p>Potenzielle Anleger sollten sich darüber im Klaren sein, dass für den Fall, dass vor einem Gericht Ansprüche auf Grund der in dem Prospekt enthaltenen Informationen geltend gemacht werden, der als Kläger auftretende Anleger in Anwendung der einzelstaatlichen Rechtsvorschriften der Staaten des Europäischen Wirtschaftsraums die Kosten für die Übersetzung des Prospekts vor Prozessbeginn zu tragen haben könnte.</p> <p>Diejenigen Personen, die die Verantwortung für die Zusammenfassung, einschließlich deren Übersetzung, übernommen haben, und von denen der Erlass der Zusammenfassung ausgeht, können haftbar gemacht werden, jedoch nur für den Fall, dass die Zusammenfassung irreführend, unrichtig oder widersprüchlich ist, wenn sie zusammen mit den anderen Teilen des Basisprospekts gelesen wird, oder sie, wenn sie zusammen mit den anderen Teilen des Prospekts gelesen wird, nicht alle erforderlichen Schlüsselinformationen vermittelt.</p> <p>Die UBS AG in ihrer Funktion als Emittentin übernimmt für den Inhalt dieser Zusammenfassung (einschließlich einer Übersetzung hiervon) gemäß § 5 Abs. 2b Nr. 4 WpPG (Wertpapierprospektgesetz) die Verantwortung.</p>
A.2	<p>- Zustimmung des Emittenten oder der für die Erstellung des Prospekts verantwortlichen Person zur Verwendung des Prospekts für die spätere Weiterveräußerung oder endgültige Platzierung von Wertpapieren durch Finanzintermediäre</p> <p>- Angabe der Angebotsfrist, innerhalb deren die spätere Weiterveräußerung oder endgültige Platzierung von</p>	<p>Die Emittentin stimmt einer Verwendung des Prospekts im Zusammenhang mit einem öffentlichen Angebot der Wertpapiere (das "Öffentliches Angebot") durch UBS Limited, 1 Finsbury Avenue, London EC2M 2PP, Vereinigtes Königreich (der "Manager") und CAPITAL-FORUM AG, Schwaighofstrasse 13, 83684 Tegernsee, Bundesrepublik Deutschland (gemeinsam mit dem Manager jeweils ein "Berechtigter Anbieter"), auf folgender Grundlage zu:</p> <ul style="list-style-type: none"> (a) das jeweilige Öffentliche Angebot findet während der Gültigkeit dieses Prospekts gemäß § 9 des Wertpapierprospektgesetzes (die "Angebotsfrist") statt; (b) das jeweilige Öffentliche Angebot wird ausschließlich in der Bundesrepublik Deutschland und dem Großherzogtum Luxemburg (jeweils eine "Jurisdiktion des Öffentlichen Angebots") gemacht; und (c) jeder Berechtigte Anbieter, der kein Manager ist, erfüllt die anwendbaren Verkaufsbeschränkungen als wäre er der Manager. <p>Jeder Berechtigte Anbieter wird die Anleger zum Zeitpunkt der Vorlage des</p>

<p>Wertpapieren durch Finanzintermediäre erfolgen kann und für die die Zustimmung zur Verwendung des Prospekts erteilt wird</p> <p>– Alle sonstigen klaren und objektiven Bedingungen, an die die Zustimmung gebunden ist und die für die Verwendung des Prospekts relevant sind</p> <p>– Deutlich hervorgehobener Hinweis für die Anleger, dass Informationen über die Bedingungen des Angebots eines Finanzintermediärs von diesem zum Zeitpunkt der Vorlage des Angebots zur Verfügung zu stellen sind</p>	<p>Öffentlichen Angebots durch den Berechtigte Anbieter über die Bedingungen des Öffentlichen Angebots der Wertpapiere unterrichten.</p>
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Punkt	Abschnitt B – Emittentin	
B.1	Juristische und kommerzielle Bezeichnung der Emittentin.	Die juristische und kommerzielle Bezeichnung der Emittentin ist UBS AG (" Emittentin " oder " UBS AG "; gemeinsam mit ihren Tochtergesellschaften, " UBS ", " UBS Gruppe " oder die " Gruppe ").
B.2	Sitz, Rechtsform, geltendes Recht und Land der Gründung der Emittentin.	Die registrierten Sitze und wesentlichen Geschäftsstellen der UBS AG in der Schweiz sind: Bahnhofstrasse 45, CH-8001 Zürich, Schweiz, und Aeschenvorstadt 1, CH-4051 Basel, Schweiz. Die UBS AG ist im Handelsregister des Kantons Zürich und des Kantons Basel-Stadt unter der Nummer CHE-101.329.561 eingetragen. Die UBS AG wurde in der Schweiz gegründet und unterliegt als Aktiengesellschaft dem schweizerischem Obligationenrecht und den schweizerischen bankenrechtlichen Bestimmungen.
B.4b	Alle bereits bekannten Trends, die sich auf die Emittentin und die Branchen, in denen sie tätig ist, auswirken.	<p>Trendinformation</p> <p>Wie im am 6. Mai 2014 publizierten ersten Quartalsbericht 2014 von UBS AG (einschließlich ungeprüften konsolidierten Finanzangaben) dargestellt, bestehen viele der schon früher angesprochenen Herausforderungen grundsätzlicher und geopolitischer Natur auch zu Beginn des zweiten Quartals 2014 nach wie vor. Nachhaltige und glaubwürdige Fortschritte bei den ungelösten Problemen in Europa und den offenen Fragen in der amerikanischen Fiskal- und Geldpolitik blieben weiterhin aus. Hinzu kommen geopolitische Instabilität sowie durchwachsene Perspektiven für</p>

		das globale Wachstum. All dies könnte weitere Ergebnisverbesserungen unter den herrschenden Marktbedingungen unwahrscheinlich machen. Ungeachtet dieser Schwierigkeiten wird die UBS mit der Umsetzung ihrer Strategie fortfahren, um so den langfristigen Erfolg des Unternehmens sicherzustellen und für die Aktionäre nachhaltige Renditen zu erwirtschaften.
B.5	Beschreibung der Gruppe und Stellung der Emittentin innerhalb dieser Gruppe.	<p>Die UBS AG ist die Muttergesellschaft von UBS. Weder die Unternehmensbereich von UBS noch das Corporate Center sind rechtlich selbstständige Einheiten; derzeit führen sie in erster Linie vielmehr Geschäftsaktivitäten durch die weltweiten Niederlassung des Stammhauses aus. Die Geschäfte werden wo nötig oder wünschenswert auch durch lokale Tochtergesellschaften geführt.</p> <p>Wie bereits mitgeteilt, beabsichtigt die UBS die Etablierung einer Konzernholdinggesellschaft, basierend auf einem Aktientausch im Verhältnis 1:1. Es ist geplant, damit im späteren Jahresverlauf zu beginnen, unter Vorbehalt der regulatorischen Bewilligungen. Wie auch bereits mitgeteilt, plant die UBS Mitte 2015 die Gründung einer neuen Tochterbank in der Schweiz. Es wird erwartet, dass das Geschäft der künftigen Tochtergesellschaft den Bereich Retail & Corporate sowie das in der Schweiz gebuchte Wealth Management-Geschäft umfasst.</p> <p>In Großbritannien rechnet UBS damit, in Absprache mit den britischen und schweizerischen Aufsichtsbehörden im 2. Quartal 2014 mit der Implementierung des überarbeiteten Geschäfts- und operativen Modells von UBS Limited zu beginnen. In der Folge wird UBS Limited künftig einen größeren Teil der mit ihren Geschäftsaktivitäten verbundenen Risiken und Chancen tragen. Die UBS AG erwartet, die Kapitalisierung von UBS Limited entsprechend zu erhöhen.</p> <p>In den USA wird UBS den neuen Regeln für ausländische Banken gemäß dem Dodd-Frank Wall Street Reform and Consumer Protection Act entsprechen. Zu diesem Zweck wird eine Zwischenholdinggesellschaft erforderlich sein, unter der alle Geschäfte der UBS AG mit Ausnahme ihrer US-Zweigniederlassungen bis zum 1. Juli 2016 zusammengefasst werden. Sämtlich US Tochtergesellschaften von UBS werden folglich unter einer eigenen Zwischenholdinggesellschaft zusammengefasst.</p>
B.9	Gewinnprognosen oder -schätzungen.	Entfällt; es sind in dem Prospekt keine Gewinnprognosen oder -schätzungen enthalten.
B.10	Art etwaiger Beschränkungen im Bestätigungsvermerk.	Entfällt. Die Bestätigungsvermerke der geprüften historischen Finanzinformationen sind uneingeschränkt.
B.12	Ausgewählte wesentliche historische Finanzinformationen.	UBS AG hat die nachstehenden ausgewählten konsolidierten Finanzdaten (i) aus dem Geschäftsbericht für das Geschäftsjahr 2013, der die geprüften konsolidierten Finanzangaben des UBS Konzerns sowie zusätzliche ungeprüfte konsolidierte Finanzdaten für das am 31. Dezember 2013 endende Geschäftsjahr enthält (einschließlich Vergleichszahlen für die Geschäftsjahre endend am 31. Dezember 2012 und 2011) und (ii) aus dem ersten Quartalsbericht 2014, der die ungeprüften konsolidierten Finanzangaben des UBS Konzerns sowie zusätzliche ungeprüfte konsolidierte Finanzdaten für das Quartal endend am oder per 31. März 2014 enthält (einschließlich Vergleichszahlen für das Quartal endend am oder per 31. März 2013), entnommen bzw. abgeleitet. Die konsolidierten Finanzangaben wurden in Einklang mit den vom International Accounting Standards Board ("IASB") herausgegebenen International Financial

Reporting Standards ("IFRS") erstellt und sind in Schweizer Franken (CHF) aufgeführt.					
Mio. CHF (Ausnahmen sind angegeben)	Für das Quartal endend am oder per		Für das Geschäftsjahr endend am oder per		
	31.3.14	31.3.13	31.12.13	31.12.12	31.12.11
	ungeprüft		geprüft (Ausnahmen sind angegeben)		
UBS-Konzern					
Geschäftsertrag	7.258	7.775	27.732	25.423	27.788
Geschäftsaufwand	5.865	6.327	24.461	27.216	22.482
Ergebnis vor Steuern	1.393	1.447	3.272	(1.794)	5.307
Den UBS-Aktionären zurechenbares Konzernergebnis	1.054	988	3.172	(2.480)	4.138
Verwässertes Ergebnis pro Aktie (CHF)	0,27	0,26	0,83	(0,66)	1,08
Kennzahlen zur Leistungsmessung					
Profitabilität					
Eigenkapitalrendite (RoE) (%) ¹	8,7	8,5	6,7*	(5,1)*	9,1*
Rendite auf Aktiven, brutto (%) ²	2,9	2,5	2,5*	1,9*	2,1*
Verhältnis von Geschäftsaufwand / Geschäftsertrag (%) ³	81,1	81,2	88,0*	106,6*	80,7*
Wachstum					
Wachstum des Ergebnisses (%) ⁴	14,9				(44,5)*
Wachstum der Nettoneugelder für die kombinierten Wealth-Management-Einheiten (%) ⁵	2,9	5,9	3,4*	3,2*	2,4*
Ressourcen					
Harte Kernkapitalquote (CET1) (vollständig umgesetzt, %) ^{6,7}	13,2	10,1	12,8*	9,8*	
Leverage Ratio für Schweizer SRB (stufenweise umgesetzt, %) ⁸	5,0	3,8	4,7*	3,6*	
Zusätzliche Informationen					
Profitabilität					
Rendite auf Eigenkapital abzüglich Goodwill und anderer immaterieller Vermögenswerte (%) ⁹	10,2	10,1	8,0*	1,6*	11,9*
Rendite auf risikogewichteten Aktiven, brutto (%) ¹⁰	12,6	11,9	11,4*	12,0*	13,7*
Ressourcen					
Total Aktiven	982.530	1.213.844	1.018.374* ¹¹	1.259.797	1.416.962
Den UBS-Aktionären zurechenbares Eigenkapital	49.023	47.239	48.002	45.949	48.530
Hartes Kernkapital (CET1) (vollständig umgesetzt) ⁷	29.937	26.176	28.908	25.182*	
Hartes Kernkapital (CET1) (stufenweise umgesetzt) ⁷	41.187	40.235	42.179	40.032*	
Risikogewichtete Aktiven (vollständig umgesetzt) ⁷	226.805	258.701	225.153*	258.113*	
Risikogewichtete Aktiven (stufenweise umgesetzt) ⁷	229.879	262.454	228.557*	261.800*	
Harte Kernkapitalquote (CET1) (stufenweise umgesetzt, %) ^{6,7}	17,9	15,3	18,5*	15,3*	
Gesamtkapitalquote (vollständig umgesetzt, %) ⁷	16,8	11,8	15,4*	11,4*	
Gesamtkapitalquote (stufenweise umgesetzt, %) ⁷	22,7	18,9	22,2*	18,9*	
Übrige					
Verwaltete Vermögen (Mrd. CHF) ¹²	2.424	2.373	2.390	2.230	2.088
Personalbestand (auf Vollzeitbasis)	60.326	61.782	60.205*	62.628*	64.820*
Börsenkaptalisierung	70.180	55.827	65.007*	54.729*	42.843*
Buchwert des den UBS-Aktionären zurechenbaren Eigenkapitals pro Aktie (CHF)	13,07	12,57	12,74*	12,26*	12,95*
Buchwert des den UBS-Aktionären zurechenbaren Eigenkapitals abzüglich Goodwill und anderer immaterieller Vermögenswerte pro Aktie (CHF)	11,41	10,79	11,07*	10,54*	10,36*
* ungeprüft					
¹ Das den UBS-Aktionären zurechenbare Konzernergebnis (gegebenenfalls annualisiert) / Das den UBS-Aktionären zurechenbare durchschnittliche Eigenkapital. ² Geschäftsertrag vor Wertberichtigungen für Kreditrisiken (gegebenenfalls annualisiert) / Total durchschnittliche					

	<p>Erklärung hinsichtlich wesentlicher Verschlechterung. Beschreibung wesentlicher Veränderungen der Finanzlage oder Handelsposition.</p>	<p>Aktiven. ³ Geschäftsaufwand / Geschäftsertrag vor Wertberichtigungen für Kreditrisiken. ⁴ Veränderung des aktuellen den UBS-Aktionären zurechenbaren Konzernergebnisses aus fortzuführenden Geschäftsbereichen gegenüber einer Vergleichsperiode / Das den UBS-Aktionären zurechenbare Konzernergebnis aus fortzuführenden Geschäftsbereichen in einer Vergleichsperiode. Besitzt keine Aussagekraft und wird nicht ausgewiesen, falls für die laufende Periode oder die Vergleichsperiode ein Verlust verzeichnet wird. ⁵ Nettoneugelder für die kombinierten Wealth-Management-Einheiten seit Periodenbeginn (gegebenenfalls annualisiert) / Verwaltete Vermögen zu Beginn der Periode. ⁶ Hartes Kernkapital (CET1) / Risikogewichtete Aktiven. ⁷ Basiert auf den Basel-III-Richtlinien, soweit auf systemrelevante Banken (SRB) anwendbar, die am ersten Januar 2013 in der Schweiz in Kraft traten. Die auf einer vollständigen Umsetzung basierenden Informationen berücksichtigen die Auswirkungen der neuen Kapitalabzüge wie auch den Wegfall der nicht anrechenbaren Kapitalinstrumente in vollem Umfang. Die auf einer stufenweisen Umsetzung basierenden Informationen reflektieren diese Auswirkungen schrittweise während der Übergangsperiode. Die Zahlen per 31. Dezember 2012 sind Pro-forma-basiert. ⁸ Hartes Kernkapital (CET1) gemäß Basel III für Schweizer SRB und verlustabsorbierendes Kapital / Adjustiertes Gesamtengagement (Leverage Ratio Denominator). Die Schweizer Leverage Ratio für SRB trat am ersten Januar 2013 in Kraft. Die Zahlen per 31. Dezember 2012 sind Pro-forma-basiert. ⁹ Das den UBS-Aktionären zurechenbare Konzernergebnis vor Abschreibungen und Wertminderungen auf Goodwill und andere immaterielle Vermögenswerte (gegebenenfalls annualisiert) / das den UBS-Aktionären zurechenbare durchschnittliche Eigenkapital abzüglich Goodwill und anderer immaterieller Vermögenswerte. ¹⁰ Total Geschäftsertrag vor Wertberichtigungen für Kreditrisiken (gegebenenfalls annualisiert) / Durchschnittliche risikogewichtete Aktiven. Für 2014 und 2013 basieren die risikogewichteten Aktiven (stufenweise umgesetzt) auf den Basel-III-Richtlinien. Für 2012 basieren die risikogewichteten Aktiven auf den Basel-2.5-Richtlinien. Für 2011 basieren die risikogewichteten Aktiven auf den Basel-II-Richtlinien.¹¹ Per 1. Januar 2014 führte UBS <i>Saldierung finanzieller Vermögenswerte und finanzieller Verbindlichkeiten</i> (Änderungen von IAS 32, <i>Finanzinstrumente: Darstellung</i>) ein. Die Vergleichsbilanz per 31. Dezember 2013 wurde angepasst, um den Auswirkungen der Übernahme der Änderungen von IAS 32 Rechnung zu tragen. ¹² Verwaltete Vermögen des Konzerns beinhalten Vermögen unter der Verwaltung von Retail & Corporate.</p> <p>Seit dem 31. Dezember 2013 sind keine wesentlichen Verschlechterungen in den Aussichten der UBS AG oder der UBS Gruppe eingetreten</p> <p>Seit dem 31. März 2014 hat sich keine wesentliche Veränderung der Finanzlage oder der Handelsposition der UBS Gruppe oder der UBS AG ergeben.</p>
B.13	Ereignisse aus jüngster Zeit, die für die Bewertung der Zahlungsfähigkeit der Emittentin in hohem Maße relevant sind.	Entfällt; es gibt keine Ereignisse aus der jüngsten Zeit der Geschäftstätigkeit der UBS AG, die für die Bewertung ihrer Zahlungsfähigkeit in hohem Maße relevant sind.
B.14	Abhängigkeit von anderen Unternehmen der Gruppe.	Die UBS AG ist die Muttergesellschaft (sog. Stammhaus) der UBS Gruppe. Als solches ist sie, bis zu einem gewissen Grad, von bestimmten Tochtergesellschaften abhängig.
B.15	Haupttätigkeiten der Emittentin.	<p>Seit über 150 Jahren betreut UBS private, institutionelle und Firmenkunden weltweit ebenso wie Retailkunden in der Schweiz. Die Geschäftsstrategie der UBS konzentriert sich auf ihr (nach Ansicht der UBS) herausragendes globales Wealth Management sowie ihre (nach Ansicht der UBS) führende Universalbank in der Schweiz, ergänzt durch ihr Global Asset Management und ihre Investment Bank. Dabei liegt der Schwerpunkt auf Kapitaleffizienz und auf Geschäftsbereichen mit überdurchschnittlichen (nach Ansicht der UBS) strukturellen Wachstums- und Renditeaussichten. UBS hat ihren Hauptsitz in Zürich und Basel und ist in mehr als 50 Ländern und an allen wichtigen Finanzplätzen präsent.</p> <p>Gemäß Artikel 2 der Statuten der UBS AG vom 7. Mai 2014 ("Statuten") ist der Zweck der UBS AG der Betrieb einer Bank. Ihr Geschäftskreis</p>

		umfasst alle Arten von Bank-, Finanz-, Beratungs-, Dienstleistungs- und Handelsgeschäften in der Schweiz und im Ausland.
B.16	Unmittelbare oder mittelbare Beteiligungen oder Beherrschungsverhältnisse an der Emittentin	<p>Laut den letzten eingereichten Dokumenten zur Offenlegung des Aktienbesitzes an UBS AG's Aktienkapital gemäß dem revidierten Schweizer Bundesgesetz über die Börsen und den Effektenhandel vom 24. März 1995 (i) hat am 18. September 2013 die Government of Singapore Investment Corp eine Namensänderung in GIC Private Limited und eine Beteiligung von 6,40% bekannt gegeben; (ii) besitzt Norges Bank (die norwegische Zentralbank), Oslo, per 30. September 2011 einen Anteil von 3,04%; (iii) verfügte BlackRock Inc., New York, per 17. Dezember 2009 über einen Anteil von 3,45%.</p> <p>Laut dem Aktienregister der UBS AG per 31. März 2014 verfügten die folgende Aktionäre (die entweder in eigenem Namen oder als Personen, die die Aktien für andere Investoren oder wirtschaftlich Berechtigte halten, sog. Nominees, handeln) über eine Beteiligung von mindestens 3% am gesamten Aktienkapital von UBS AG: Chase Nominees Ltd., London (11,98%); GIC Private Limited, Singapur (6,39%); die US securities clearing organization DTC (Cede & Co.) New York, "The Depository Trust Company" (6,28%); und Nortrust Nominees Ltd., London (3,51%).</p>

Punkt		Abschnitt C – Wertpapiere
C.1	Art und Gattung der Wertpapiere, einschließlich jeder Wertpapierkennung.	<p>Art und Gattung der Wertpapiere Die Wertpapiere sind nicht kapitalgeschützte Zertifikate.</p> <p>Die Wertpapiere werden als Inhaberpapiere im Sinne von § 793 BGB ausgegeben und bei Ausgabe durch eine oder mehrere Dauer-Inhaber-Sammelkunde(n) (jeweils eine "Globalurkunde") verbrieft. Es werden weder auf Verlangen der Wertpapiergläubiger noch sonst Inhaberpapiere als bzw. austauschbar in effektive Stücke bzw. Einzelkunden ausgegeben.</p> <p>Die Globalurkunde ist bei Clearstream Banking AG (das "Clearingsystem") hinterlegt.</p> <p>Wertpapier-Kennnummer(n) der Wertpapiere ISIN: DE000UBS1CF4 WKN: UBS1CF Valor: 24374900</p>
C.2	Währung der Wertpapieremission.	Euro (die " Auszahlungswährung ")
C.5	Beschränkungen der freien Übertragbarkeit der Wertpapiere.	Entfällt; die freie Übertragbarkeit der Wertpapiere ist nicht beschränkt.
C.8	Mit den Wertpapieren verbundene Rechte, einschließlich der Rangordnung und Beschränkungen dieser Rechte.	<p>Maßgebliches Recht der Wertpapiere Die Wertpapiere unterliegen Deutschem Recht.</p> <p>Mit den Wertpapieren verbundene Rechte Die Wertpapiere berechtigen die Wertpapiergläubiger vorbehaltlich der Bedingungen der Wertpapiere bei Ausübung, zu einem Anspruch auf Zahlung des Auszahlungsbetrags in der Auszahlungswährung. Während der Laufzeit der Wertpapiere erhält der Anleger keine laufenden Erträge (z. B. Dividenden oder Zinsen).</p> <p>Beschränkungen der mit den Wertpapieren verbundenen Rechten. Die Emittentin ist unter den in den Bedingungen festgelegten Voraussetzungen zur Kündigung der Wertpapiere und zu Anpassungen der</p>

		<p>Bedingungen berechtigt.</p> <p>Status der Wertpapiere Die Wertpapiere begründen unmittelbare, unbesicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander und mit allen sonstigen gegenwärtigen und künftigen unbesicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind, ausgenommen solche Verbindlichkeiten, denen aufgrund zwingender gesetzlicher Vorschriften Vorrang zukommt.</p>
C.11	Antrag auf Zulassung zum Handel an einem geregelten Markt oder anderen gleichwertigen Märkten.	Es ist nicht beabsichtigt, die Zulassung der Wertpapiere zum Handel an einem regulierten Markt zu beantragen. Jedoch beabsichtigt die Emittentin, die Einbeziehung der Wertpapiere in den Freiverkehr an der Frankfurter Wertpapierbörse (<i>Börse Frankfurt Zertifikate Premium</i>) und an der Stuttgarter Wertpapierbörse (<i>EUWAX</i>) zu beantragen.
C.15	Einfluss des Basiswerts auf den Wert der Wertpapiere.	<p>Der Wert der Wertpapiere während ihrer Laufzeit hängt von der Entwicklung des virtuellen Referenz-Portfolios als Basiswert ab. Im Fall, dass der Kurs des Basiswerts steigt, wird auch der Wert der Wertpapiere wahrscheinlich steigen. Im Fall, dass der Kurs des Basiswerts fällt, wird auch der Wert der Wertpapiere wahrscheinlich fallen.</p> <p>Insbesondere hängt der gegebenenfalls an die Wertpapiergläubiger zu zahlende Auszahlungsbetrag von Entwicklung des Basiswerts ab. Im Detail:</p> <p>Mit den Wertpapieren können Anleger, unter Berücksichtigung der Gebühr auf Ebene des virtuellen Referenz-Portfolios, an der positiven Kursentwicklung des virtuellen Referenz-Portfolios partizipieren. Im Gegenzug nehmen Anleger mit den Wertpapieren aber auch an der negativen Kursentwicklung des virtuellen Referenz-Portfolios teil.</p> <p>Wertpapiergläubiger erhalten am Fälligkeitstag einen Auszahlungsbetrag in der Auszahlungswährung, dessen Höhe dem Abrechnungslevel des Referenz-Portfolios entspricht. Der Abrechnungslevel des Referenz-Portfolios bezeichnet, vorbehaltlich einer Marktstörung, den Level des Referenz-Portfolios, wie er am Bewertungstag von der Berechnungsstelle berechnet wird.</p> <p>Zur Klarstellung: Obwohl der Auszahlungsbetrag unter Bezugnahme auf den Marktwert der Referenz-Portfolio Bestandteile berechnet wird, ist die Emittentin nicht verpflichtet, den Nettoerlös der Ausgabe der Wertpapiere zu irgendeinem Zeitpunkt in die Referenz-Portfolio Bestandteile zu investieren. Die Nettoemissionserlöse werden ausschließlich für Absicherungs- und allgemeine Unternehmenszwecke der Emittentin verwendet. Die Wertpapiergläubiger haben zu keinem Zeitpunkt direkte Anteile oder Eigentumsrechte an den Referenz-Portfolio Bestandteilen.</p> <p>Während der Laufzeit der Wertpapiere erhält der Anleger keine laufenden Erträge (z. B. Dividenden oder Zinsen).</p>
C.16	Verfalltag oder Fälligkeitstermin — Ausübungstermin oder letzter Referenztermin.	<p>Der Fälligkeitstag entspricht dem fünften Geschäftstag nach dem maßgeblichen Bewertungstag.</p> <p>Der Bewertungstag entspricht, vorbehaltlich einer Störung gemäß den Wertpapierbedingungen, (i) im Fall einer Tilgung der Wertpapiere nach § 1 der Bedingungen der Wertpapiere, dem Verfalltag, (ii) im Fall einer Kündigung der Wertpapiere durch die Emittentin nach § 2 (3) der Bedingungen der Wertpapiere, dem maßgeblichen Emittentin-Kündigungstag, (iii) im Fall einer automatischen Beendigung der Laufzeit</p>

		<p>der Wertpapiere nach § 3 der Bedingungen der Wertpapiere, dem maßgeblichen Automatischen Beendigungstag, bzw. (iv) im Fall einer außerordentlichen Kündigung durch die Emittentin nach § 9 der Bedingungen der Wertpapiere, dem maßgeblichen Außerordentlichen Kündigungstag.</p> <p>Der Verfalltag entspricht, vorbehaltlich einer Verlängerung der Laufzeit der Wertpapiere gemäß der Bedingungen der Wertpapiere, dem 9. Juli 2020. Falls dieser Tag kein Index-Geschäftstag ist, dann gilt der unmittelbar darauf folgende Index-Geschäftstag als der Verfalltag. Die Emittentin ist berechtigt, die Laufzeit aller ausstehenden Wertpapiere durch Bekanntmachung gemäß der Wertpapierbedingungen an die Wertpapiergläubiger um zusätzliche Zeiträume von jeweils sechs (6) Kalenderjahren zu verlängern; in einem solchen Fall ist der „Verfalltag“ der Tag, der sechs (6) Kalenderjahre auf den ursprünglich festgelegten Verfalltag folgt. Die Emittentin kann die Laufzeit der Wertpapiere beliebig oft verlängern.</p>
C.17	Abrechnungsverfahren für die derivativen Wertpapiere.	<p>Zahlungen werden in jedem Fall vorbehaltlich sämtlicher anwendbarer steuerlicher oder sonstiger Gesetze und Vorschriften im Zusammenhang mit der Zahlung oder sonstiger Gesetze und Vorschriften, denen sich die Emittentin unterwirft, in Übereinstimmung mit den Vorschriften und Verfahren, die auf das Clearingsystem Anwendung finden und/oder von diesem herausgegeben werden (die „CS-Regeln“) dem Clearingsystem oder an dessen Order zur Gutschrift auf den Konten der betreffenden Kontoinhaber bei dem Clearingsystem bereitgestellt</p> <p>Die Emittentin wird mit der vorstehend beschriebenen Leistung an das Clearingsystem von den ihr unter diesen Bedingungen der Wertpapiere obliegenden Tilgungsverpflichtungen bzw. sonstigen Zahlungsverpflichtungen befreit.</p>
C.18	Tilgung der derivativen Wertpapiere.	<p>Die Wertpapiergläubiger erhalten, vorbehaltlich einer Marktstörung, an dem maßgeblichen Fälligkeitstag (i) im Fall einer Tilgung der Wertpapiere nach § 1 der Bedingungen der Wertpapiere, den Auszahlungsbetrag, (ii) im Fall einer Kündigung der Wertpapiere durch die Emittentin nach § 2 (3) der Bedingungen der Wertpapiere, den Kündigungsbetrag, (iii) im Fall einer automatischen Beendigung der Laufzeit der Wertpapiere nach § 3 der Bedingungen der Wertpapiere, den Automatischen Beendigungsbetrag, bzw. (iv) im Fall einer außerordentlichen Kündigung durch die Emittentin nach § 9 der Bedingungen der Wertpapiere, den Außerordentlichen Kündigungsbetrag.</p>
C.19	Ausübungspreis oder endgültiger Referenzpreis des Basiswerts.	<p>Der Abrechnungslevel des Referenz-Portfolios bezeichnet, vorbehaltlich einer Marktstörung, den Level des Referenz-Portfolios, wie er am Bewertungstag von der Berechnungsstelle berechnet wird.</p> <p>Der Level des Referenz-Portfolios wird, vorbehaltlich des Eintritts einer Marktstörung, von der Berechnungsstelle basierend auf den Schlusspreisen oder –werten oder Veräußerungserlösen jedes Bestandteils an jedem Referenz-Portfolio Berechnungstag in Bezug auf den Referenz-Portfolio Bewertungstag festgestellt. Die Berechnung berücksichtigt auch die Auswirkungen Referenz-Portfolio Gebühren.</p> <p>Der anfängliche Level des Referenz-Portfolios entspricht EUR 1.000,00.</p> <p>Informationen in Bezug auf den Level des Referenz-Portfolios sind auf Anfrage bei der Emittentin erhältlich.</p>

<p>C.20</p>	<p>Art des Basiswerts und Angabe des Ortes, an dem Informationen über den Basiswert erhältlich sind.</p>	<p>Art des Basiswerts:</p> <p>Das Referenz-Portfolio entspricht dem European Tactical Strategy Reference Portfolio, ein virtuelles Euro ("EUR") denominiertes aktiv verwaltetes Referenz-Portfolio, das von der CAPITAL-FORUM AG (der "Referenz-Portfolio Advisor"), vorbehaltlich von Anpassungen durch die Emittentin im Fall des Eintritts von Anpassungsereignissen (gemäß § 7 (<i>Anpassungen des Referenz-Portfolios</i>) und § 8 (<i>Anpassungen in Bezug auf einen Index</i>) der Wertpapierbedingungen) erstellt und verwaltet wird.</p> <p>Das Referenz-Portfolio wurde am 9. Juli 2014 (dem "Referenz-Portfolio Auflegungstag") von dem Referenz-Portfolio Advisor mit einem anfänglichen Level des Referenz-Portfolios von EUR 1.000,00 (das "Anfängliche Referenz-Portfolio Level") aufgelegt.</p> <p>Das Referenz-Portfolio zielt darauf ab, (i) die Entwicklung eines ausschließlich aus sog. Long Positionen bestehenden Korbes von europäischen Netto-Gesamtrendite-Aktienindizes (<i>net total return equity indices</i>) (jeweils ein "Bestandteil₀" oder "Index₀"), wie vom jeweiligen Indexsponsor berechnet (jeweils ein "Indexsponsor₀") und (ii) von Zeit zu Zeit einer EUR denominierten Barmittel-Position (die "Barmittel-Position", die zusammen mit den Bestandteilen als "Referenz-Portfolio Bestandteile" bezeichnet wird) abzüglich bestimmter Gebühren und Kosten abzubilden.</p> <p>Das Referenz-Portfolio, die Referenzportfolio-Bestandteile sowie die Regeln, nach denen das Referenz-Portfolio durch den Referenz-Portfolio Advisor verwaltet wird, werden im Abschnitt "Informationen über das virtuelle Referenz-Portfolio" näher beschrieben, welcher Bestandteil der Bedingungen der Wertpapiere ist.</p>
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Punkt	Abschnitt D – Risiken	
		<p>Der Erwerb von Wertpapieren ist mit bestimmten Risiken verbunden. Die Emittentin weist ausdrücklich darauf hin, dass die Beschreibung der mit einer Anlage in die Wertpapiere verbundenen Risiken nur die wesentlichen Risiken beschreibt, die der Emittentin zum Datum des Prospekts bekannt waren.</p>
<p>D.2</p>	<p>Zentrale Angaben zu den zentralen Risiken, die der Emittentin eigen sind.</p>	<p>Die Wertpapiere beinhalten ein sog. Emittentenrisiko, das auch als Schuldnerisiko oder Kreditrisiko der Investoren bezeichnet wird. Das Emittentenrisiko ist das Risiko, dass die UBS AG zeitweise oder andauernd nicht in der Lage ist, ihren Verpflichtungen unter den Wertpapieren nachzukommen.</p> <p>Allgemeines Insolvenzrisiko Jeder Investor trägt allgemein das Risiko, dass sich die finanzielle Situation der Emittentin verschlechtern könnte. Die Wertpapiere begründen unmittelbare, unbesicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die - auch im Fall der Insolvenz der Emittentin - untereinander und mit allen sonstigen gegenwärtigen und künftigen unbesicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind, ausgenommen solche Verbindlichkeiten, denen aufgrund zwingender gesetzlicher Vorschriften Vorrang zukommt. Die durch die Wertpapiere begründeten Verbindlichkeiten der Emittentin sind nicht durch ein System von Einlagensicherungen oder eine Entschädigungseinrichtung geschützt. Im Falle der Insolvenz der Emittentin könnte es folglich sein, dass Anleger einen Totalverlust ihrer Investition in die Wertpapiere erleiden.</p> <p>UBS als Emittentin unterliegt in ihrer Geschäftsaktivitäten verschiedenen Risiken. Diese Risiken umfassen insbesondere Risiken der folgenden Arten, wobei sämtliche dieser Risiken nachteilige Auswirkungen auf den Wert</p>

		<p>der Wertpapiere haben können:</p> <ul style="list-style-type: none"> • Auswirkung einer Herabstufung des Ratings der Emittentin • Aufsichtsrechtliche und gesetzliche Veränderungen können die Geschäfte von UBS sowie die Fähigkeit von UBS, die strategischen Pläne umzusetzen, nachteilig beeinflussen • Eine verringerte Kapitalstärke der UBS könnte nachteilige Auswirkungen auf die Umsetzung ihrer Strategie und den Erhalt ihrer Kundenbasis und Wettbewerbsfähigkeit haben • UBS kann ihre angekündigten strategischen Pläne möglicherweise nicht erfolgreich umsetzen • Eine Verschlechterung ihres guten Rufs könnte sich nachteilig auf den Erfolg der Geschäfte der UBS auswirken • Aus der Geschäftstätigkeit der UBS können wesentliche rechtliche und regulatorische Risiken erwachsen • Die Ergebnisse der Finanzdienstleistungsbranche hängen von den Marktbedingungen und vom makroökonomischen Umfeld ab • UBS hält Legacy- und andere Risikopositionen, die von den Bedingungen an den Finanzmärkten beeinträchtigt werden könnten; Legacy-Risikopositionen könnten schwierig zu liquidieren sein • Aufgrund ihrer globalen Präsenz unterliegt UBS Risiken, die sich aus Währungsschwankungen ergeben • UBS ist auf ihre Risikomanagement- und -kontrollprozesse angewiesen, um mögliche Verluste bei Handelsgeschäften der UBS sowie Kreditgeschäften mit Gegenparteien zu verhindern oder zu begrenzen • Bewertungen bestimmter Positionen hängen von Modellen ab, die naturgemäß ihre Grenzen haben und die unter Umständen Daten aus nicht beobachtbaren Quellen anwenden • UBS ist möglichen Abflüssen von Kundenvermögen in ihrem Vermögensverwaltungsgeschäft und Veränderungen ausgesetzt, welche die Profitabilität des Unternehmensbereichs Wealth Management der UBS beeinträchtigen können • Liquiditätsbewirtschaftung und Finanzierung sind für die laufende Performance der UBS von größter Bedeutung • Operationelle Risiken können das Geschäft der UBS beeinträchtigen • UBS könnte außerstande sein, Ertrags- oder Wettbewerbschancen zu identifizieren und zu nutzen, oder bei der Gewinnung und Bindung qualifizierter Mitarbeiter scheitern • Die Finanzergebnisse der UBS könnten durch geänderte Rechnungslegungsstandards beeinträchtigt werden • Die Finanzergebnisse der UBS könnten durch geänderte Annahmen bezüglich des Werts des Goodwills der UBS beeinträchtigt werden
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		<ul style="list-style-type: none"> Die Steuerauswirkungen auf das Finanzergebnis der UBS werden erheblich durch Änderungen in den latenten Steueransprüchen der UBS und die endgültige Festsetzung in Steuerprüfungen beeinflusst
<p>D.6</p>	<p>Zentrale Angaben zu den zentralen Risiken, die den Wertpapieren eigen sind.</p>	<p>Potenzielle Erwerber sollten sich darüber im Klaren sein, dass es sich bei Wertpapieren um eine Risikoanlage handelt, die mit der Möglichkeit von Totalverlusten hinsichtlich des eingesetzten Kapitals verbunden ist. Wertpapiergläubiger erleiden einen Verlust, wenn die gemäß den Bedingungen der Wertpapieren erhaltenen Beträge unter dem Kaufpreis der Wertpapiere (einschließlich etwaiger Transaktionskosten) liegt. Jeder Anleger in die Wertpapiere trägt das Risiko der Verschlechterung der finanziellen Situation der Emittentin und der daraus folgenden möglichen Unfähigkeit der Emittentin, ihren Verpflichtungen unter den Wertpapieren nachzukommen. Potenzielle Erwerber müssen deshalb bereit und in der Lage sein, Verluste des eingesetzten Kapitals bis hin zum Totalverlust hinzunehmen. Alle an einem Erwerber der Wertpapiere interessierten Anleger sollten ihre jeweiligen wirtschaftlichen Verhältnisse überprüfen, um sicherzustellen, dass sie in der Lage sind, die mit dem Wertpapier verbundenen Verlustrisiken zu tragen.</p> <p>Wertpapierspezifische Risikohinweise</p> <p>1. <u>Spezielle Risiken im Zusammenhang mit besonderen Merkmalen der Wertpapierstruktur</u> Potenzielle Erwerber der Wertpapiere müssen vor einer Investition in die Wertpapiere beachten, dass die folgenden Besonderheiten der Wertpapiere nachteilige Auswirkungen auf den Wert der Wertpapiere bzw. die Höhe des nach den Wertpapierbedingungen gegebenenfalls zu zahlenden Geldbetrags haben können und dementsprechend besondere Risikoprofile aufweisen:</p> <p>Währungswechselkursrisiko Der Wert der Referenz-Portfolio Bestandteile kann in einer von der Auszahlungswährung abweichenden Währung bestimmt werden, weshalb sich potenzielle Erwerber der Wertpapiere darüber im Klaren sein sollten, dass mit der Anlage in die Wertpapiere Risiken aufgrund von schwankenden Währungswechselkursen verbunden sein können und dass das Verlustrisiko nicht allein von der Entwicklung des Werts des virtuellen Referenz-Portfolios, sondern auch von ungünstigen Entwicklungen des Werts der fremden Währung oder von Währungseinheiten, abhängt.</p> <p>Derartige Entwicklungen können das Verlustrisiko der Wertpapiergläubiger zusätzlich dadurch erhöhen, dass sich durch eine ungünstige Entwicklung des betreffenden Währungswechselkurses der Wert der erworbenen Wertpapiere während ihrer Laufzeit entsprechend vermindert oder sich die Höhe des möglicherweise unter den Wertpapieren zu zahlenden Zahlungsbetrags bzw. Kündigungsbetrag bzw. dem Automatischen Beendigungsbetrag oder dem Außerordentlichen Kündigungsbetrag entsprechend vermindert.</p> <p>Verlängerung der Laufzeit der Wertpapiere durch die Emittentin Potenziellen Erwerbern der Wertpapiere sollte bewusst sein, dass die Emittentin gemäß den Bedingungen der Wertpapiere berechtigt ist, die Laufzeit aller ausstehenden Wertpapiere um zusätzliche Zeiträume von jeweils sechs (6) Kalenderjahren zu verlängern (die “Verlängerungsoption der Emittentin“). Die Emittentin kann die Laufzeit der Wertpapiere beliebig oft</p>

		<p>verlängern. Falls die Emittentin ihre Verlängerungsoption der Emittentin ausübt und ein Wertpapiergläubiger nicht gemäß den Bedingungen der Wertpapiere die von ihm gehaltenen Wertpapiere durch Ausübung der Wertpapiergläubiger Nicht-Verlängerungsoption kündigt, erhalten Anleger in die Wertpapiere die abschließende Zahlungen unter den Wertpapieren später, als beim Ausgabebetrag der Wertpapiere vorgesehen.</p> <p>2. <u>Kündigung und vorzeitige Tilgung der Wertpapiere durch die Emittentin</u> Potenziellen Erwerbern der Wertpapiere sollte bewusst sein, dass die Emittentin gemäß den Bedingungen der Wertpapiere die Möglichkeit hat, die Wertpapiere insgesamt vor dem Fälligkeitstag zu kündigen und vorzeitig zu tilgen. Wenn die Emittentin die Wertpapiere vor dem Fälligkeitstag kündigt und vorzeitig tilgt, hat der Wertpapiergläubiger das Recht, die Zahlung eines Geldbetrags in Bezug auf die vorzeitige Tilgung zu verlangen. Der Wertpapiergläubiger hat jedoch keinen Anspruch auf irgendwelche weiteren Zahlungen auf die Wertpapiere nach dem maßgeblichen Kündigungstag der Emittentin bzw. dem Außerordentlichen Kündigungstag.</p> <p>Der Wertpapiergläubiger trägt damit das Risiko, dass er an der Wertentwicklung des virtuellen Referenz-Portfolios und den Referenz-Portfolio Bestandteilen nicht in dem erwarteten Umfang und über den erwarteten Zeitraum partizipieren und damit auch weniger als sein eingesetztes Kapital zurückerhalten kann.</p> <p>Im Falle einer Kündigung der Wertpapiere durch die Emittentin trägt der Wertpapiergläubiger zudem das Wiederanlagerisiko. Dies bedeutet, dass er den durch die Emittentin im Falle einer Kündigung gegebenenfalls ausgezahlten Kündigungsbetrag bzw. Außerordentlichen Kündigungsbetrag möglicherweise nur zu ungünstigeren Marktkonditionen als denen, die beim Erwerb der Wertpapiere vorlagen, wiederanlegen kann.</p> <p>3. <u>Mögliche Kursschwankungen des Levels des virtuellen Referenz-Portfolios nach Beendigung der Laufzeit der Wertpapiere</u> Soweit die Laufzeit der Wertpapiere durch die Emittentin vorzeitig durch Kündigung gemäß den Bedingungen der Wertpapiere beendet wird, müssen potenzielle Erwerber der Wertpapiere beachten, dass ungünstige Schwankungen des Levels des virtuellen Referenz-Portfolios nach dem Zeitpunkt der Kündigungserklärung bis zur Ermittlung des für die Berechnung des dann zahlbaren Kündigungsbetrags bzw. Außerordentlichen Kündigungsbetrags verwendeten Levels des virtuellen Referenz-Portfolios zu Lasten der Wertpapiergläubiger gehen.</p> <p>4. <u>Nachteilige Auswirkungen von Anpassungen des Wertpapierrechts</u> Es kann nicht ausgeschlossen werden, dass gewisse Ereignisse eintreten oder (von Dritten, mit Ausnahme der Emittentin) in Bezug auf das virtuelle Referenz-Portfolio Maßnahmen ergriffen werden, die möglicherweise zu Änderungen an dem virtuellen Referenz-Portfolio führen oder darin resultieren, dass das dem virtuellen Referenz-Portfolio zu Grunde liegende Konzept geändert wird, so genannte außerordentliche Ereignisse. Die Emittentin ist gemäß den Bedingungen der Wertpapiere bei Vorliegen eines außerordentlichen Ereignisses berechtigt, Anpassungen der Bedingungen der Wertpapiere vorzunehmen,</p>
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		<p>um diese Ereignisse oder Maßnahmen zu berücksichtigen. Diese Anpassungen der Komponenten, die in dem virtuellen Referenz-Portfolio enthalten sind, können sich negativ auf den Wert der Wertpapiere auswirken.</p> <p>5. <u>Festlegungen durch die Berechnungsstelle</u> Die Berechnungsstelle hat nach Maßgabe der Bedingungen der Wertpapiere bestimmte Ermessensfreiheiten (i) bei der Feststellung, ob bestimmte Ereignisse (insbesondere in Übereinstimmung mit den Bedingungen der Wertpapiere ein außerordentliches Ereignis oder eine Marktstörung) eingetreten sind, (ii) bei der Feststellung der sich daraus ergebenden Anpassungen und Berechnungen, (iii) hinsichtlich der Anpassungen des Referenz-Portfolios, (iv) hinsichtlich des Verschiebens von Bewertungen oder Zahlungen in Bezug auf die Wertpapiere. Die Berechnungsstelle nimmt solche Feststellungen (gemäß § 317 BGB) nach ihrem billigen Ermessen und in wirtschaftlich angemessener Weise vor. Potenziellen Anlegern sollte bewusst sein, dass eine von der Berechnungsstelle vorgenommene Feststellung sich auf den Wert der Wertpapiere und die Erträge daraus auswirken kann. Die Ausübung eines solchen Ermessens oder die Vornahme einer Berechnung durch die Berechnungsstelle ist, außer in Fällen offensichtlichen Irrtums, für die Emittentin und die Wertpapiergläubiger endgültig, abschließend und bindend.</p> <p>6. <u>Handel in den Wertpapieren / Mangelnde Liquidität</u> Es lässt sich nicht voraussagen, ob und inwieweit sich ein Sekundärmarkt für die Wertpapiere entwickelt, zu welchem Preis die Wertpapiere in diesem Sekundärmarkt gehandelt werden und ob dieser Sekundärmarkt liquide sein wird oder nicht.</p> <p>Es werden Anträge auf Einbeziehung der Wertpapiere in den Freiverkehr an der Frankfurter Wertpapierbörse (<i>Börse Frankfurt Zertifikate Premium</i>) und an der Stuttgarter Wertpapierbörse (<i>EUWAX</i>) gestellt werden. Sofern die Wertpapiere zugelassen oder gelistet werden, besteht keine Gewähr dafür, dass eine solche Zulassung oder ein solches Listing aufrecht erhalten wird. Der Umstand, dass die Wertpapiere zum Handel zugelassen oder gelistet werden, bedeutet nicht zwangsläufig eine größere Liquidität, als wenn dies nicht der Fall wäre. Sofern die Wertpapiere an keiner Börse gelistet oder gehandelt werden, können Preisinformationen im Hinblick auf die Wertpapiere schwieriger zu erhalten sein und die Liquidität der Wertpapieren (sofern vorhanden) kann ungünstig beeinflusst werden. Die gegebenenfalls bestehende Liquidität der Wertpapiere kann ebenfalls durch Beschränkung des Kaufs und Verkaufs der Wertpapiere in bestimmten Ländern beeinflusst werden. Die Emittentin ist zudem berechtigt, jedoch nicht verpflichtet, jederzeit Wertpapiere zu einem beliebigen Kurs im offenen Markt oder im Bietungsverfahren oder durch Privatvereinbarung zu erwerben. Alle derart erworbenen Wertpapiere können gehalten, wiederverkauft oder zur Entwertung eingereicht werden.</p> <p>Darüber hinaus kann nicht ausgeschlossen werden, dass die Anzahl der tatsächlich emittierten und von Anlegern erworbenen Wertpapieren geringer ist als das geplante Ausgabevolumen der Wertpapiere. Es besteht deshalb das Risiko, dass aufgrund einer geringen Anzahl tatsächlich emittierter Wertpapiere die Liquidität der Wertpapiere geringer ist, als sie bei einer Ausgabe und des Erwerbs sämtlicher Wertpapiere durch Anleger wäre.</p>
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		<p>Der Manager beabsichtigt, unter gewöhnlichen Marktbedingungen regelmäßig Ankaufs- und Verkaufskurse für die Wertpapiere einer Emission zu stellen. Der Manager hat sich jedoch nicht aufgrund einer festen Zusage gegenüber der Emittentin zur Stellung von Liquidität mittels Geld- und Briefkursen hinsichtlich der Wertpapiere verpflichtet und übernimmt bzw. Übernehmen keinerlei Rechtspflicht zur Stellung derartiger Kurse oder hinsichtlich der Höhe oder des Zustandekommens derartiger Kurse. Potenzielle Erwerber sollten deshalb nicht darauf vertrauen, das jeweilige Wertpapier zu einer bestimmten Zeit oder einem bestimmten Kurs veräußern zu können.</p> <p>7. <u>Besteuerung der Wertpapiere</u> Potentielle Investoren sollten sich vergegenwärtigen, dass sie gegebenenfalls verpflichtet sind, Steuern oder andere Gebühren oder Abgaben nach Maßgabe der Rechtsordnung und Praktiken desjenigen Landes zu zahlen, in das die Wertpapiere übertragen werden oder möglicherweise auch nach Maßgabe anderer Rechtsordnungen. In einigen Rechtsordnungen kann es zudem an offiziellen Stellungnahmen der Finanzbehörden oder Gerichtsentscheidungen in Bezug auf innovative Finanzinstrumente wie den hiermit angebotenen Wertpapieren fehlen. Potentiellen Investoren wird daher geraten, sich nicht auf die in dem Basisprospekt enthaltene summarische Darstellung der Steuersituation zu verlassen, sondern sich in Bezug auf ihre individuelle Steuersituation hinsichtlich des Kaufs, des Verkaufs und der Rückzahlung der Wertpapiere von ihrem eigenen Steuerberater beraten zu lassen. Nur diese Berater sind in der Lage, die individuelle Situation des potentiellen Investors angemessen einzuschätzen.</p> <p>8. <u>Änderung der Grundlage der Besteuerung der Wertpapiere</u> Die in der Wertpapierbeschreibung ausgeführten Überlegungen hinsichtlich der Besteuerung der Wertpapiere geben die Ansicht der Emittentin auf Basis der zum Datum der Wertpapierbeschreibung geltenden steuerrechtliche Situation wieder. Folglich sollten Anleger vor der Entscheidung über einen Kauf der Wertpapiere ihre persönlichen Steuerberater konsultieren. Potentielle Investoren sollten sich vergegenwärtigen, dass sich die zum Datum der Wertpapierbeschreibung geltende steuerrechtliche Situation, möglicherweise auch rückwirkend, ändern kann.</p> <p>Weder die Emittentin noch der Manager übernehmen gegenüber den Wertpapiergläubigern die Verantwortung für die steuerlichen Konsequenzen einer Anlage in die Wertpapiere.</p> <p>9. <u>Potenzielle Interessenkonflikte</u> Die Emittentin und mit ihr verbundene Unternehmen können sich von Zeit zu Zeit für eigene Rechnung oder für Rechnung eines Kunden an Transaktionen beteiligen, die mit den Wertpapieren in Verbindung stehen. Diese Transaktionen sind möglicherweise nicht zum Nutzen der Wertpapiergläubiger und können positive oder negative Auswirkungen auf den Wert in dem virtuellen Referenz-Portfolio enthaltenen Referenz-Portfolio Bestandteile und damit auf den Wert der Wertpapiere haben. Mit der Emittentin verbundene Unternehmen können außerdem Gegenparteien bei Deckungsgeschäften bezüglich der Verpflichtungen der Emittentin aus den Wertpapieren werden. Daher können hinsichtlich der Pflichten bei der Ermittlung der</p>
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		<p>Kurse der Wertpapiere und anderen damit verbundenen Feststellungen sowohl unter den mit der Emittentin verbundenen Unternehmen als auch zwischen diesen Unternehmen und den Anlegern Interessenkonflikte auftreten. Zudem können die Emittentin und mit ihr verbundene Unternehmen gegebenenfalls in Bezug auf die Wertpapiere zusätzlich eine andere Funktion ausüben, zum Beispiel als Berechnungsstelle, Zahl- und Verwaltungsstelle und/oder als Index Sponsor.</p> <p>Die Emittentin und mit ihr verbundene Unternehmen können darüber hinaus weitere derivative Instrumente in Verbindung mit dem virtuellen Referenz-Portfolio ausgeben; die Einführung solcher miteinander im Wettbewerb stehenden Produkte kann sich auf den Wert der Wertpapiere auswirken. Die Emittentin und mit ihr verbundene Unternehmen können nicht-öffentliche Informationen in Bezug auf das virtuelle Referenz-Portfolio erhalten, und weder die Emittentin noch eines der mit ihr verbundenen Unternehmen verpflichtet sich, solche Informationen an einen Wertpapiergläubiger zu veröffentlichen.</p> <p>Im Zusammenhang mit dem Angebot und Verkauf der Wertpapiere kann die Emittentin oder ein mit ihr verbundenes Unternehmen, direkt oder indirekt, Gebühren in unterschiedlicher Höhe an Dritte, zum Beispiel Vertriebspartner oder Anlageberater, zahlen oder Gebühren in unterschiedlichen Höhen einschließlich solcher im Zusammenhang mit dem Vertrieb der Wertpapiere von Dritten erhalten. Potenzielle Erwerber sollten sich bewusst sein, dass die Emittentin die Gebühren teilweise oder vollständig einbehalten kann. Über die Höhe dieser Gebühren erteilt bzw. erteilen die Emittentin bzw. der Manager auf Anfrage Auskunft.</p> <p>Referenz-Portfolio-spezifische Risikohinweise</p> <p>Das Referenz-Portfolio zielt darauf ab, (i) die Entwicklung eines ausschließlich aus sog. Long Positionen bestehenden Korbes von europäischen Netto-Gesamtrendite-Aktienindizes (<i>net total return equity indices</i>) (jeweils ein "Bestandteil_(i)" oder "Index_(i)"), wie vom jeweiligen Indexsponsor berechnet (jeweils ein "Indexsponsor_(i)") und (ii) von Zeit zu Zeit einer EUR denominierten Barmittel-Position (die "Barmittel-Position", die zusammen mit den Bestandteilen als "Referenz-Portfolio Bestandteile" bezeichnet wird) abzüglich bestimmter Gebühren und Kosten abzubilden, jeweils wie in den Abschnitten "Ausstattungsmerkmale und Definitionen der Wertpapiere" und "Informationen über das Referenz-Portfolio" beschrieben.</p> <p>Eine Investition in die Wertpapiere ist daher mit Risiken verbunden, die mit dem virtuellen Referenz-Portfolio zusammenhängen:</p> <ol style="list-style-type: none"> 1. <u>Allgemeine Risiken im Zusammenhang mit dem virtuellen Referenz-Portfolio</u> Anleger sollten sich bewusst machen, dass mit dem virtuellen Referenz-Portfolio allgemeine Risiken verbunden sind: <p>Risiko von Wertschwankungen</p> <p>Die Wertentwicklung des virtuellen Referenz-Portfolios ist Schwankungen unterworfen. Daher können die Wertpapiergläubiger nicht vorhersehen, welche Gegenleistung sie zu einem bestimmten in der Zukunft liegenden Tag für die Wertpapiere erwarten können. Es können bei Tilgung, Ausübung oder sonstiger Veräußerung an einem bestimmten Tag erhebliche Wertverluste gegenüber der Veräußerung zu einem späteren oder früheren Zeitpunkt eintreten.</p>
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		<p>Unsicherheit über die zukünftige Wertentwicklung Es ist nicht möglich, zuverlässige Aussagen über die künftige Wertentwicklung des virtuellen Referenz-Portfolios und der Referenz-Portfolio Bestandteile zu treffen. Auch auf Grund historischer Daten des virtuellen Referenz-Portfolios und der Referenz-Portfolio Bestandteile können keine Rückschlüsse auf die zukünftige Wertentwicklung des virtuellen Referenz-Portfolios und der Wertpapiere gezogen werden.</p> <p>Auswirkung des Abstellens auf ein virtuelles Referenz-Portfolio Bei den Wertpapieren besteht die Besonderheit, dass sich die Höhe des Auszahlungsbetrags nach der Wertentwicklung eines virtuellen Referenz-Portfolios bestehend aus Referenz-Portfolio Bestandteilen. Dementsprechend können Schwankungen im Wert eines Referenz-Portfolio Bestandteils durch Schwankungen im Wert der anderen in dem virtuellen Referenz-Portfolio enthaltenen Referenz-Portfolio Bestandteile ausgeglichen oder verstärkt werden. Trotz der positiven Wertentwicklung eines oder mehrerer in dem virtuellen Referenz-Portfolio enthaltenen Referenz-Portfolio Bestandteile kann die Wertentwicklung des virtuellen Referenz-Portfolios in seiner Gesamtheit negativ ausfallen, wenn sich der Wert der übrigen in dem virtuellen Referenz-Portfolio enthaltenen Referenz-Portfolio Bestandteile in stärkerem Maße negativ entwickelt.</p> <p>2. <u>Spezifische Risiken im Zusammenhang mit dem virtuellen Referenz-Portfolio</u> Darüber hinaus sind die folgenden Risiken spezifisch mit dem virtuellen Referenz-Portfolio verbunden:</p> <p>Virtuelles Referenz-Portfolio Das Referenz-Portfolio ist ein virtuelles Portfolio, das ausschließlich für den Zweck geschaffen worden ist, als Basiswert für von der UBS emittierte Wertpapiere verwendet zu werden, und dafür verwaltet und berechnet wird. Die Emittentin ist nicht verpflichtet, irgendeinen Referenz-Portfolio Bestandteil zu erwerben oder zu halten, und den Wertpapiergläubigern stehen weder Rechte an solchen Referenz-Portfolio Bestandteilen, noch Rechte auf Lieferung von solchen Referenz-Portfolio Bestandteile zu. Bezugnahmen auf Gewichtungen, Umschichtungen, Veräußerung, Erwerb oder Finanzierung solcher Referenz-Portfolio Bestandteile sind nicht so auszulegen, als würden sie die Emittentin, ihre verbundenen Unternehmen oder Tochterunternehmen, die Anbieterin, die Berechnungsstelle oder eine sonstige natürliche oder juristische Person in irgendeiner Weise verpflichten, Wertpapiere, Kapitalanlagen oder sonstige Vermögenswerte tatsächlich zu erwerben, zu veräußern, zu bewirken, zu übernehmen oder Geschäfte mit diesen zu bewirken; diese Bezugnahmen verweisen statt dessen auf Wertänderungen hinsichtlich der Wertpapiere zu leistenden Zahlungen oder Änderungen fiktiver Beträge, welche für die Berechnung der Höhe dieser Zahlungen zu ermittelnden Beträge festgelegt werden und sich lediglich auf die Berechnung solcher Zahlungen beziehen.</p> <p>Zahlreiche Komponenten des Referenz-Portfolios Das virtuelle Referenz-Portfolio kann aus einer Vielzahl von Referenz-Portfolio Bestandteilen bestehen. Obwohl die Diversifizierung der Bestandteile dazu dient, ein Absinken des Werts des virtuellen Referenz-Portfolios zu verhindern, ist nicht gewährleistet, dass der Einsatz einer Vielzahl unterschiedlicher</p>
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		<p>Komponenten nicht insgesamt zu Verlusten führen wird. Es ist nicht gewährleistet, dass die Auswahl mehrerer Komponenten erfolgreich sein wird und nicht zu überwiegenden Verlusten führt.</p> <p>Eingeschränkte historische Daten zum Referenz-Portfolio Das virtuelle Referenz-Portfolio wurde am 9. Juli 2014 geschaffen. Dementsprechend sind an dem Tag, auf den der Prospekt datiert, nur eingeschränkte historische Daten verfügbar, auf deren Grundlage Anleger eine Beurteilung der wahrscheinlichen Wertentwicklung des virtuellen Referenz-Portfolios vornehmen könnten. Die vergangenen Wertentwicklungen der fiktiv als Referenz-Portfolio Bestandteile im Referenz-Portfolio enthaltenen (die generell nicht dasselbe Gebührenniveau wie das Referenz-Portfolio wiedergeben) zeigen nicht notwendigerweise die künftigen Entwicklungen des Referenz-Portfolios an.</p> <p>Keine Zins- oder Dividendenzahlungen Die Wertpapiere verbiefen weder einen Anspruch auf Zins- noch auf Dividendenzahlungen und werfen daher keine laufenden Erträge ab. Mögliche Wertverluste der Wertpapiere können daher nicht durch andere Erträge kompensiert werden.</p> <p>Gebühren und Kosten für das Referenz-Portfolio Referenz-Portfolio Gebühren werden auf Ebene des Levels des Referenz-Portfolios abgezogen und führen zu einer Verminderung des Levels des Referenz-Portfolios.</p> <p>Zusammensetzung des Referenz-Portfolios Der Referenz-Portfolio Advisor hat mit der Berechnungsstelle vereinbart, bestimmte Richtlinien bei der Auswahl und der Anpassung der virtuellen Referenz-Portfolio Bestandteile einzuhalten.</p> <p>Die Auswahl der anfänglichen Referenz-Portfolio Bestandteile, die Festlegung ihre Gewichtung und sämtliche Neugewichtungen werden nach billigem Ermessen des Referenz-Portfolio Advisors vorgenommen. Neugewichtung werden durch den Referenz-Portfolio Advisors vorgenommen. Die Berechnungsstelle ist unter gewissen Umständen berechtigt, aber nicht verpflichtet, den virtuellen Kauf oder Verkauf von Bestandteilen abzulehnen und von dem Referenz-Portfolio Advisor die Einleitung einer Neugewichtung zu verlangen.</p> <p>Der Referenz-Portfolio Advisor wird die Bestandteile mit angemessener Sorgfalt auswählen. Es kann jedoch nicht gewährleistet werden, dass die Auswahl der Bestandteile erfolgreich sein wird und weder der Referenz-Portfolio Advisor noch die Emittentin sind für die Marktentwicklung der Bestandteile verantwortlich.</p> <p>Unabhängig von dem Vorstehenden ist der Referenz-Portfolio Advisor in der Gewichtung der Bestandteile durch die Referenz-Portfolio Richtlinien eingeschränkt; ihm kann daher die Flexibilität fehlen, von jeglicher Marktentwicklung profitieren zu können, die nicht von den Referenz-Portfolio Richtlinien abgedeckt sind.</p> <p>3. <u>Spezifische Risiken im Zusammenhang mit den Referenz-Portfolio Bestandteile</u> Anleger sollten beachten, dass mit den Indizes, die in dem virtuellen Referenz-Portfolio enthalten sein werden, Risiken verbunden sind. Daher unterliegt eine Investition in die</p>
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		<p>Wertpapiere in gewissem Umfang Marktrisiken, die mit einer Direktanlage in die Indizes verbunden sind.</p> <p>Indizes als Referenz-Portfolio Bestandteile Das virtuelle Referenz-Portfolio bildet die Entwicklung eines ausschließlich aus sog. Long Positionen bestehenden Korbes von europäischen Netto-Gesamtrendite-Aktienindizes (<i>net total return equity indices</i>) (jeweils ein "Bestandteil" oder "Index") ab. Daher unterliegt eine Investition in die Wertpapiere in gewissem Umfang Marktrisiken, die mit einer Direktanlage in die Indizes verbunden sind. Diese Risiken beinhalten Risiken, die mit einer Direktanlage in die Indexkomponenten verbunden sind, die Abhängigkeit von dem Wert der Indexkomponenten, den Einfluss der Emittentin oder des Indexsponsors auf den Index, die negativen Auswirkungen von Gebühren auf den Index und im Index enthaltene Wechselkursrisiken. Potenzielle Anleger sollten sich entsprechend beraten lassen und sich mit dem spezifischen Risikoprofil der Indizes vertraut machen sowie professionellen Rat in Anspruch nehmen, wenn nötig.</p> <p>4. <u>Spezifische Risiken im Zusammenhang mit dem Referenz-Portfolio Advisor</u> Darüber hinaus sind die folgenden Risiken spezifisch mit dem Referenz-Portfolio Advisor verbunden:</p> <p>Abhängigkeit vom Referenz-Portfolio Advisor Der Erfolg des Referenz-Portfolios hängt von der Auswahl erfolgreicher Referenz-Portfolio Bestandteile durch den Referenz-Portfolio Advisor ab und es kann keine Gewähr dafür übernommen werden, dass der Referenz-Portfolio Advisor hierzu tatsächlich in der Lage ist. Insbesondere können subjektive (anstelle von systematischen) Entscheidungen des Referenz-Portfolio Advisors einen Rückgang des Wertes des virtuellen Referenz-Portfolios bewirken (oder einen Anstieg verhindern), was durch weniger subjektive Entscheidungen hätte vermieden werden können.</p> <p>Abhängigkeit von Mitarbeitern in Schlüsselpositionen Sollte der Referenz-Portfolio Advisor die Dienste bestimmter Schlüsselpersonen verlieren, könnte dies die Fähigkeit des Referenz-Portfolio Advisors beeinflussen, seine Aufgaben zu erfüllen.</p> <p>Automatische Beendigung der Wertpapiere Gemäß den Bedingungen werden die Wertpapiere automatisch gekündigt und getilgt, wenn die CAPITAL-FORUM AG nicht mehr Referenz-Portfolio Advisor ist oder als solcher fungiert. Dies kann einen erheblichen Einfluss auf den Wert der Wertpapiere haben.</p> <p>Potenzielle Interessenkonflikte Der Referenz-Portfolio Advisor kann nicht ausschließlich als Referenz-Portfolio Advisor im Hinblick auf das Referenz-Portfolio handeln, sondern kann zur selben Zeit als Vermögensverwalter oder Finanzberater für Wertpapiergläubiger handeln, was zu potenziellen Konflikten zwischen den Interessen der Wertpapiergläubiger und den Interessen des Referenz-Portfolio Advisors führen kann, insbesondere da der Referenz-Portfolio Advisor die Referenz-Portfolio Gebühr erhält.</p>
	Risikohinweis darauf, dass der Anleger	Jeder Anleger in die Wertpapiere trägt das Risiko der Verschlechterung der finanziellen Situation der Emittentin und der daraus folgenden

	<p>seinen Kapitaleinsatz ganz oder teilweise verlieren könnte.</p>	<p>möglichen Unfähigkeit der Emittentin, ihren Verpflichtungen unter den Wertpapieren nachzukommen. Potenzielle Erwerber müssen deshalb bereit und in der Lage sein, Verluste des eingesetzten Kapitals bis hin zum Totalverlust hinzunehmen. Alle an einem Erwerber der Wertpapiere interessierten Anleger sollten ihre jeweiligen wirtschaftlichen Verhältnisse überprüfen, um sicherzustellen, dass sie in der Lage sind, die mit dem Wertpapier verbundenen Verlustrisiken zu tragen.</p>
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Punkt	Abschnitt E – Angebot	
E.2b	<p>Gründe für das Angebot und Verwendung der Erlöse.</p>	<p>Entfällt. Die Gründe für das Angebot und Verwendung der Erlöse weichen nicht ab von einer Gewinnerzielung und/oder der Absicherung bestimmter Risiken.</p>
E.3	<p>Angebotskonditionen.</p>	<p>Es ist vereinbart worden, dass die Wertpapiere am 11. Juli 2014 (der "Ausgabetag") durch UBS Limited, 1 Finsbury Avenue, London EC2M 2PP, Vereinigtes Königreich (der "Manager") erworben werden können und in den Jurisdiktionen des Öffentlichen Angebots zum freibleibenden Verkauf gestellt werden sollen.</p> <p>Die Wertpapiere können in den Jurisdiktionen des Öffentlichen Angebots beginnend einen Werktag nach der Veröffentlichung dieses Prospekts zu banküblichen Geschäftszeiten beim Manager zu einem Betrag von EUR 1.000,00 (der "Ausgabepreis") erworben werden.</p> <p>Der Ausgabepreis pro Wertpapier ist 11. Juli 2014 (der "Zahltag bei Ausgabe") zur Zahlung fällig. Die Wertpapiere werden nach dem Zahltag bei Ausgabe in entsprechender Anzahl und entsprechend den Regeln des Clearingsystems dem Konto des Erwerbers gutgeschrieben.</p>
E.4	<p>Für die Emission/das Angebot wesentliche Interessen, einschließlich Interessenkonflikten.</p>	<p>Der Emittentin sind, mit Ausnahme der Berechtigten Anbieter und des Referenz-Portfolio Advisor im Hinblick auf ihre jeweiligen Gebühren, keine an der Emission der Wertpapiere beteiligten Personen, die ein wesentliches Interesse an der Emission / dem Angebot der Wertpapiere haben, und keine Interessenkonflikte bekannt.</p>
E.7	<p>Schätzung der Ausgaben, die dem Anleger von der Emittentin oder dem Anbieter in Rechnung gestellt werden.</p>	<p>Auf Ebene des virtuellen Referenz-Portfolios werden die folgenden Gebühren in Abzug gebracht:</p> <ul style="list-style-type: none"> ▪ Referenz-Portfolio Advisory Gebühr: eine quartalsweise Gebühr in Höhe von 0,3125% (pro Jahr 1,25% des Referenz-Portfolio Levels, auf täglicher Basis anfallend und tageweise abgezogen von dem Referenzportfolio Level, soll durch die Berechnungsstelle berechnet und an den Referenz-Portfolio Advisor ausgezahlt werden nach dem letzten Geschäftstag des März, Juni, September und Dezember eines jeden Jahres (oder sofern einer dieser Tage kein Geschäftstag sein sollte, am nächstfolgenden Tag, der ein Geschäftstag ist). <p>Die Referenz-Portfolio Advisory Gebühr wird verwendet, um den Referenz-Portfolio Advisor für die Erschaffung, Verwaltung und Aufrechterhaltung des fiktiven Referenz-Portfolios sowie für Marketingmaßnahmen im Zusammenhang mit den Wertpapieren zu entschädigen.</p> <ul style="list-style-type: none"> ▪ UBS Management Gebühr: Die Emittentin erhält eine quartalsweise Gebühr von 0,075% (pro Jahr 0,30%) des Referenzportfolio Levels, auf täglicher Basis anfallend, von der Berechnungsstelle berechnet und täglich von dem Referenzportfolio Level abgezogen.

		<ul style="list-style-type: none"> ▪ Anpassungsgebühr: Die Emittentin erhält einen prozentualen Anteil des virtuellen Volumens eines jeden Kaufs und/oder Verkaufs eines Bestandteils. Die Anpassungsgebühr entspricht 0,10% und wird in Bezug auf die Veräußerungserlöse oder Erberbskosten solcher Bestandteile fiktiv addiert oder abgezogen, wie anwendbar. Sofern die Anzahl der Neugewichtungen innerhalb eines Zeitraums von zwölf Monaten ab dem Preisfindungsdatum und jedem Zwölfmonatszeitraum, der auf einen späteren Jahrestag dieses Datums folgt, 20 übersteigt, beträgt die Anpassungsgebühr 0,12% für diese zusätzlichen Neugewichtungen, welche die Zahl 20 übersteigen.
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II. SECURITIES NOTE

A. RISK FACTORS

The different risk factors associated with an investment in the Securities are outlined below. Investments in the Securities should not be made until all the factors relevant to the Securities have been acknowledged and carefully considered. When making decisions relating to investments in the Securities, potential investors should consider all information contained in the Prospectus and, **if necessary, consult their legal, tax, financial or other advisor.**

I. Security specific Risks

Investing in the Securities involves certain risks. Among others, these risks may take the form of equity market, commodity market, bond market, foreign exchange, interest rate, market volatility and economic and political risks and any combination of these and other risks. The material risks are presented below. Prospective investors should be experienced with regard to transactions in instruments such as the Securities and in the notional Reference Portfolio and its respective Reference Portfolio Components. **Prospective investors should understand the risks associated with an investment in the Securities and shall only reach an investment decision, after careful considerations with their legal, tax, financial and other advisors of (i) the suitability of an investment in the Securities in the light of their own particular financial, fiscal and other circumstances; (ii) the information set out in this document and (iii) the notional Reference Portfolio and its respective Reference Portfolio Components.**

An investment in the Securities should only be made after assessing the direction, timing and magnitude of potential future changes in the value of the notional Reference Portfolio, as the value of the Securities and, hence, any amount, if any, payable according to the Terms and Conditions of the Securities will be dependent, *inter alia*, upon such changes. More than one risk factor may have simultaneous effects with regard to the Securities, so that the effect of a particular risk factor is not predictable. In addition, more than one risk factor may have a compounding effect which may not be predictable. No assurance can be given with regard to the effect that any combination of risk factors may have on the value of the Securities.

Potential investors of the Securities should recognise that the Securities **constitute a risk investment** which can lead to a **total loss** of their investment in the Securities. Securityholders will incur a loss, if the amounts received in accordance with the Terms and Conditions of the Securities are below the purchase price of the Securities (including the transaction costs). Each investor in the Securities bears the risk of the Issuer's financial situation worsening and the potential subsequent inability of the Issuer to pay its obligations under the Securities. Potential investors must therefore be prepared and able to sustain a partial or even a **total loss** of the invested capital. Any investors interested in purchasing the Securities should assess their financial situation, to ensure that they are in a position to bear the **risks of loss** connected with the Securities.

None of the Securities vests a right to payment of fixed or variable interest or dividends and, as such, they **generate no regular income**. Therefore, potential reductions in the value of the Securities cannot be offset by any other income from the Securities.

It is expressly recommended that potential investors familiarise themselves with the specific risk profile of the product type described in this Prospectus and seek the advice of a professional, if necessary.

1. **Special risks related to specific features of the Security structure**

Prior to investing in the Securities, potential investors should note that the following special features of the Securities may have a negative impact on the value of the Securities or, as the case may be, on any amount, if any, payable according to the Terms and Conditions of the Securities and that the Securities accordingly have special risk profiles:

Currency exchange rate risk

The value of the Reference Portfolio Components may be determined in currencies other than the Redemption Currency. Potential investors should, therefore, be aware that investments in these Securities entail risks due to fluctuating exchange rates, and that the risk of loss does not depend solely on the performance of the Reference Portfolio Components comprised in the notional Reference Portfolio, but also on unfavourable developments in the value of the foreign currency or currency unit.

Such developments can additionally increase the Securityholders' exposure to losses, because an unfavourable performance of the relevant currency exchange rate may correspondingly decrease the value of the purchased Securities during their term or, as the case may be, the level of the Redemption Amount or, as the case may be, the Termination Amount, the Automatic Termination Amount or the Extraordinary Termination Amount, respectively. Currency exchange rates are determined by factors of offer and demand on the international currency exchange markets, which are themselves exposed to economic factors, speculations and measures by governments and central banks (for example monetary controls or restrictions).

Extension of the Term of the Securities at the option of the Issuer

Potential investors in the Securities should also be aware that according to the Terms and Conditions of the Securities, the Issuer is in accordance with the Terms and Conditions of the Securities entitled to extend, by giving notice to the Securityholder not less than one (1) calendar year prior to the scheduled Expiration Date (or any later expiration date resulting from any extension of the maturity of the Securities) the maturity of all outstanding Securities for additional periods of six (6) calendar years each (the "Issuer Extension Option"). There is no limit to the number of times the Issuer may extend the maturity of the Securities. **In case that the Issuer exercises the Issuer Extension Option and unless a Securityholder terminates the Securities held by it in accordance with the Terms and Conditions of the Securities by exercising the Securityholder Non-Extension Option, investors in the Securities will receive final payments under the Securities, if any, later than scheduled at the Issue Date of the Securities.**

2. **No statutory or voluntary deposit guarantee scheme**

The Issuer's obligations relating to the Securities are not protected by any statutory or voluntary deposit guarantee system or compensation scheme. **In the event of insolvency of the Issuer, investors may thus experience a total loss of their investment in the Securities.**

3. **Termination and Early Redemption at the option of the Issuer**

Potential investors in the Securities should furthermore be aware that the Issuer is under certain circumstances pursuant to the Terms and Conditions of the Securities entitled to terminate and redeem the Securities in total prior to the Maturity Date. In case the Issuer terminates and redeems the Securities prior to the Maturity Date, the Securityholder is entitled to demand the payment of an amount in relation to this early redemption. However, the Securityholder is not entitled to request any further payments on the Securities after the Issuer Termination Date or the Extraordinary Termination Date, respectively.

The Securityholder, therefore, bears the risk of not participating in the performance of the notional Reference Portfolio and its respective Reference Portfolio Components to the expected extent and during the expected period and, therefore, receives less than its capital invested.

In the case of a termination of the Securities by the Issuer, the Securityholder bears the risk of a reinvestment, *i.e.* the investor bears the risk that it will have to re-invest the Termination Amount or the Extraordinary Termination Amount, if any, paid by the Issuer in the case of termination at market conditions, which may be less favourable than those existing prevailing at the time of the acquisition of the Securities.

4. **Possible fluctuations in the Level of the Reference Portfolio after termination of the Securities**

In the event that the term of the Securities is terminated early by the Issuer pursuant to the Terms and Conditions of the Securities, potential investors of the Securities should note that any adverse

fluctuations in the Level of the notional Reference Portfolio between the announcement of the termination by the Issuer and the determination of the level of the notional Reference Portfolio relevant for the calculation of the then payable Termination Amount or Extraordinary Termination Amount, respectively, are borne by the Securityholders.

5. **Adverse impact of adjustments of the Security Right**

It cannot be excluded that certain events occur or certain measures are taken (by parties other than the Issuer) in relation to the notional Reference Portfolio, which potentially lead to changes to the notional Reference Portfolio or result in the underlying concept of the notional Reference Portfolio being changed, so-called Extraordinary Events. In the case of the occurrence of an Extraordinary Event, the Issuer shall be entitled to effect adjustments according to the Terms and Conditions of the Securities to account for these events or measures. The adjustments to the Constituents comprised in the notional Reference Portfolio might have a negative impact on the value of the Securities.

6. **Determinations by the Calculation Agent**

The Calculation Agent has certain discretion under the Terms and Conditions of the Securities (i) to determine whether certain events have occurred (in particular, the occurrence of an Extraordinary Event or a Market Disruption in accordance with the Terms and Conditions of the Securities), (ii) to determine any resulting adjustments and calculations, (iii) also to make adjustments to the Reference Portfolio and (iv) to postpone valuations or payments under the Securities. The Calculation Agent will make any such determination at its reasonable discretion (in accordance with § 317 of the BGB) and in a commercially reasonable manner. Potential investors should be aware that any determination made by the Calculation Agent may have an impact on the value and financial return of the Securities. Any such discretion exercised by, or any determination made by, the Calculation Agent shall (save in the case of manifest error) be final, conclusive and binding on the Issuer and the Securityholders.

7. **Other factors affecting the value**

The value of a Security is determined not only by changes in the notional Reference Portfolio, but also by a number of other factors. Since several risk factors may have simultaneous effects on the Securities, the effect of a particular risk factor cannot be predicted. In addition, several risk factors may have a compounding effect which may not be predictable. No assurance can be given with regard to the effect that any combination of risk factors may have on the value of the Securities.

These factors include the term of the Securities, the frequency and intensity of price fluctuations (volatility), as well as the prevailing interest rate and dividend levels. A decline in the value of the Security may therefore occur even if the Level of the notional Reference Portfolio remains constant.

Prospective investors of the Securities should be aware that an investment in the Securities involves a valuation risk with regard to the notional Reference Portfolio. They should have experience with transactions in securities with a value derived from the notional Reference Portfolio and its respective Reference Portfolio Components. The value of the notional Reference Portfolio may vary over time and may increase or decrease by reference to a variety of factors which may include macro economic factors and speculation. In addition, the historical performance of the notional Reference Portfolio and its respective Reference Portfolio Components is not an indication of its future performance. Changes in the prices in relation to the notional Reference Portfolio and its respective Reference Portfolio Components will affect the trading price of the Securities, and it is impossible to predict whether the prices in relation to the notional Reference Portfolio and its respective Reference Portfolio Components will rise or fall.

8. **Effect of ancillary costs**

Commissions and other transaction costs incurred in connection with the purchase or sale of Securities may result in charges, particularly in combination with a low order value, **which can substantially reduce any Redemption Amount, if any, to be paid under the Securities**. Before acquiring a Security, potential investors should therefore inform themselves of all costs incurred through the purchase or sale of the Security, including any costs charged by their custodian banks upon purchase and maturity of the Securities.

9. **Transactions to offset or limit risk**

Potential investors of the Securities should not rely on the ability to conclude transactions at any time during the term of the Securities that will allow them to offset or limit relevant risks. This depends on

the market situation and the prevailing conditions. Transactions designed to offset or limit risks might only be possible at an unfavourable market price that will entail a loss for investors.

10. Trading in the Securities / Illiquidity

It is not possible to predict if and to what extent a secondary market may develop in the Securities or at what price the Securities will trade in the secondary market or whether such market will be liquid or illiquid.

Applications will be made for inclusion of the Securities on the unofficial regulated market of the Frankfurt Stock Exchange (*Börse Frankfurt Zertifikate Premium*) and the Stuttgart Stock Exchange (*EUWAX*). If the Securities are admitted or listed, no assurance is given that any such admission or listing will be maintained. The fact that the Securities are admitted to trading or listed does not necessarily denote greater liquidity than if this were not the case. If the Securities are not listed or traded on any exchange, pricing information for the Securities may be more difficult to obtain and the liquidity of the Securities, if any, may be adversely affected. The liquidity of the Securities, if any, may also be affected by restrictions on the purchase and sale of the Securities in some jurisdictions. Additionally, the Issuer has the right (but no obligation) to purchase Securities at any time and at any price in the open market or by tender or private agreement. Any Securities so purchased may be held or resold or surrendered for cancellation.

In addition, it cannot be excluded that the number of Securities actually issued and purchased by investors is less than the intended Issue Size of the Securities. Consequently, there is the risk that due to the low volume of Securities actually issued the liquidity of the Securities is lower than if all Securities were issued and purchased by investors.

UBS Limited, 1 Finsbury Avenue, London EC2M 2PP, United Kingdom (the "**Manager**") intends, under normal market conditions, to provide bid and offer prices for the Securities of an issue on a regular basis. However, the Manager makes no firm commitment to the Issuer to provide liquidity by means of bid and offer prices for the Securities, and assumes no legal obligation to quote any such prices or with respect to the level or determination of such prices. **Potential investors therefore should not rely on the ability to sell Securities at a specific time or at a specific price.**

11. Representation and Custody of the Securities

Securities under this Securities Note are issued physically in bearer form to be kept with the relevant Clearing System or on its behalf.

Consequently, Securityholders will have to rely on procedures of the relevant Clearing System and the applicable laws for transfer, payment and communication with the Issuer.

The Issuer has no responsibility or liability under any circumstances for any acts and omissions of any Clearing Systems as well as for any losses which might occur to a Securityholder out of such acts and omissions.

12. Pricing of Securities

Unlike most other securities the pricing of these Securities is regularly not based on the principle of offer and demand in relation to Securities, since the secondary market traders might quote independent bid and offer prices. This price calculation is based on price calculation models prevailing in the market, whereas the theoretical value of the Securities is, in principle, determined on the basis of the value of the Reference Portfolio Components comprised in the notional Reference Portfolio and the value of other features attached to the Securities, each of which features may, in economic terms, be represented by another derivative financial instrument.

The potentially quoted prices do not necessarily correspond to the Securities' intrinsic value as determined by a trader.

13. Expansion of the spread between bid and offer prices

In special market situations, where the Issuer is completely unable to conclude hedging transactions, or where such transactions are very difficult to conclude, the spread between the bid and offer prices may be temporarily expanded, in order to limit the economic risks to the Issuer. Therefore, Securityholders

who wish to sell their Securities via a stock exchange or in the over-the-counter trading might sell at a price considerably lower than the actual price of the Securities at the time of their sale.

14. Borrowed funds

If the purchase of Securities is financed by borrowed funds and investors' expectations are not met, they not only suffer the loss incurred under the Securities, but in addition also have to pay interest on and repay the loan. This produces a substantial increase in investors' risk of loss. Investors of Securities should never rely on being able to redeem and pay interest on the loan through gains from a Securities transaction. Rather, before financing the purchase of a Security with borrowed funds, the investors' financial situations should be assessed, as to their ability to pay interest on or redeem the loan immediately, even if they incur losses instead of the expected gains.

15. Effect of hedging transactions by the Issuer on the Securities

The Issuer may use all or some of the proceeds received from the sale of the Securities to enter into hedging transactions relating to the risks incurred in issuing the Securities. In such a case, the Issuer or one of its affiliated companies may conclude transactions that correspond to the Issuer's obligations arising from the Securities. Generally speaking, this type of transaction will be concluded before or on the Issue Date of the Securities, although these transactions can also be concluded after the Securities have been issued. The Issuer or one of its affiliated companies may take the necessary steps for the closing out of any hedging transactions, on or prior to the Valuation Date. It cannot be excluded that the price of the Reference Portfolio Components comprised in the notional Reference Portfolio might, in certain cases, be affected by these transactions. In the case of Securities whose value depends on the occurrence of a specific event in relation to the notional Reference Portfolio, entering into or closing out such hedging transactions may affect the likelihood of this event occurring or not occurring.

16. Taxation in relation to the Securities

Potential investors should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Securities are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for innovative financial instruments such as the Securities. Potential investors are advised not to rely upon the tax summary contained in this Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, sale and redemption of the Securities. Only these advisors are in a position to duly consider the specific situation of the potential investor.

17. Payments under the Securities may be subject to U.S. withholdings

Investors in the Securities should be aware that payments under the Securities may under certain circumstances be subject to a U.S. withholding:

Payments under the Securities may be subject to U.S. withholding under the US Tax Code

Section 871(m) of the US Tax Code requires withholding (up to 30%, depending on whether a treaty applies) on certain financial instruments (such as, *e.g.* the Securities) to the extent that the payments or deemed payments on the financial instruments are contingent upon or determined by reference to U.S.-source dividends. Under proposed U.S. Treasury Department regulations (if finalised in their current form), certain payments or deemed payments with respect to certain equity-linked instruments ("**specified ELIs**") that reference U.S. stocks may be treated as dividend equivalents ("**dividend equivalents**") which are subject to U.S. withholding tax at a rate of 30% (or lower treaty rate). Under these proposed regulations, withholding may be required even in the absence of any actual dividend-related payment or adjustment made pursuant to the Conditions of the Securities. **In case, e.g. (but not limited to) of the notional Reference Portfolio or, as the case may be, a Constituent comprised therein, providing for dividends from sources within the United States, it is possible that these rules could apply to the Securities.**

If adopted in their current form, the proposed regulations may impose a withholding tax on payments or deemed payments made on the Securities on or after 1 January 2016 that are treated as dividend equivalents for Securities acquired on or after 5 March 2014. However, under a recent notice of the U.S. Internal Revenue Service ("**IRS**") the U.S. Internal Revenue Service ("**IRS**") announced that it and the Treasury Department intend that final Treasury regulations will provide that "**specified ELIs**" will exclude equity-linked instruments issued prior to 90 days after the date such final Treasury regulations are published. Accordingly, the Issuer generally expects that Securityholders (other than US

Securityholders) should not be subject to tax under Section 871(m). However, it is possible that such withholding tax could apply to the Securities under these proposed rules if, for example, a Securityholder (other than a U.S. securityholder) enters into certain subsequent transactions in respect of the notional Reference Portfolio or, as the case may be, a Constituent comprised therein. If an amount in respect of such U.S. withholding tax were to be deducted or withheld from payments on the Securities, none of the Issuer, any paying agent or any other person would, pursuant to the Conditions of the Securities, be required to pay additional amounts as a result of the deduction or withholding of such tax.

Securityholders should, consequently, be aware that payments under the Securities may under certain circumstances be subject to U.S. withholding tax and should consult with their tax advisors regarding the application of Section 871(m) of the US Tax Code and the regulations thereunder in respect of their acquisition and ownership of the Securities.

Payments under the Securities may be subject to U.S. withholding under FATCA

The Foreign Account Tax Compliance Act (“FATCA”) imposes a 30% U.S. withholding tax on payments of U.S. source interest, dividends and certain other passive income beginning 1 July 2014, and on the gross proceeds from the sale or other disposition of certain assets and on certain “passthru payments” attributable to such income or proceeds beginning 1 January 2017, made to certain foreign financial institutions (including most foreign hedge funds, private equity funds and other investment vehicles) unless the payee foreign financial institution agrees to disclose the identity of any U.S. individuals and certain U.S. entities that directly or indirectly maintain an account with, or hold debt or equity interests in, such institution (or the relevant affiliate) and to annually report certain information about such account or interest directly, or indirectly, to the IRS. FATCA also requires withholding agents making certain payments to certain non-financial foreign entities that fail to disclose the name, address, and taxpayer identification number of any substantial direct or indirect U.S. owners of such entity to withhold a 30% tax on such payments.

Accordingly, the Issuer and other foreign financial institutions may be required under FATCA to report certain account information directly to the IRS (or to a non-U.S. governmental authority under a relevant Intergovernmental Agreement entered into between the U.S. and such non-U.S. country that will pass such information on to the IRS) regarding the holders of the Securities. Moreover, the Issuer may be required to withhold on a portion of payments made on the Securities to holders who (i) fail to provide the relevant information, or (ii) foreign financial institutions who fail to comply with FATCA.

Securityholders holding their Securities through a foreign financial institution or other foreign entity should be aware that a portion of any payments under the Securities made after 30 June 2014 may be subject to 30% withholding tax under FATCA. If an amount in respect of such withholding tax under FATCA were to be deducted or withheld from payments on the Securities, none of the Issuer, any paying agent or any other person would, pursuant to the Conditions of the Securities, be required to pay additional amounts as a result of the deduction or withholding of such tax. **Securityholders should, consequently, be aware that payments under the Securities may under certain circumstances be subject to U.S. withholding under FATCA and should consult with their tax advisors regarding the application of withholding tax under FATCA in respect of their acquisition and ownership of the Securities.**

18. Changes in Taxation in relation to the Securities

The considerations concerning the taxation of the Securities set forth in this Securities Note reflect the opinion of the Issuer on the basis of the legal situation identifiable as of the date hereof. However, a different tax treatment by the fiscal authorities and tax courts cannot be excluded. In addition, the tax considerations set forth in this Securities Note cannot be the sole basis for the assessment of an investment in the Securities from a tax point of view, as the individual circumstances of each investor also have to be taken into account. Therefore, the tax considerations set forth in this Securities Note are not to be deemed any form of definitive information or tax advice or any form of assurance or guarantee with respect to the occurrence of certain tax consequences. Potential investors should also be aware that the legal situation identifiable as of the date of the Securities Note may change, possibly with retroactive effect. Each investor should seek the advice of his or her personal tax consultant before deciding whether to purchase the Securities.

Neither the Issuer nor the Manager assumes any responsibility vis-à-vis the Securityholders for the tax consequences of an investment in the Securities.

19. Potential conflicts of interest

The Issuer and affiliated companies may participate in transactions related to the Securities in some way, for their own account or for account of a client. Such transactions may not serve to benefit the Securityholders and may have a positive or negative effect on the value of the Reference Portfolio Components comprised in the notional Reference Portfolio, and consequently on the value of the Securities. Furthermore, companies affiliated with the Issuer may become counterparties in hedging transactions relating to obligations of the Issuer stemming from the Securities. As a result, conflicts of interest can arise between companies affiliated with the Issuer, as well as between these companies and investors, in relation to obligations regarding the calculation of the price of the Securities and other associated determinations. In addition, the Issuer and its affiliates may act in other capacities with regard to the Securities, such as calculation agent, paying agent and administrative agent.

Furthermore, the Issuer and its affiliates may issue other derivative instruments relating to the notional Reference Portfolio; introduction of such competing products may affect the value of the Securities. The Issuer and its affiliated companies may receive non-public information relating to the notional Reference Portfolio, and neither the Issuer nor any of its affiliates undertakes to make this information available to Securityholders.

Within the context of the offering and sale of the Securities, the Issuer or any of its affiliates may directly or indirectly pay fees in varying amounts to third parties, such as distributors or investment advisors, or receive payment of fees in varying amounts, including those levied in association with the distribution of the Securities, from third parties. Potential investors should be aware that the Issuer may retain fees in part or in full. The Issuer or, as the case may be, the Manager, upon request, will provide information on the amount of these fees.

II. Reference Portfolio specific Risks

The Reference Portfolio aims to replicate (i) the performance of a long only basket of European net total return equity indices (each a "Constituent_(i)" or an "Index_(i)"), as calculated by the relevant index sponsor (each an "Index Sponsor_(i)") and (ii) from time to time, a EUR denominated cash position (the "Cash Position" which together with the Constituents shall be referred to as the "Reference Portfolio Components"), less fees and expenses, all as described in the sections "Key Terms and Definitions of the Securities" and "Information about the Reference Portfolio".

Investing in the Securities hence involves certain risks that are related to the notional Reference Portfolio:

1. General risks related to the notional Reference Portfolio

Investors should be aware that some risks are related to the notional Reference Portfolio in general:

Risk of fluctuations in value

The performance of the notional Reference Portfolio is subject to fluctuations. Therefore, Securityholders cannot foresee what consideration they can expect to receive for the Securities they hold on a certain day in the future. When the Securities are redeemed, exercised or otherwise disposed of on a certain day, they may be worth a lot less than if they were disposed of at a later or earlier point in time.

Uncertainty about future performance

It is not possible to reliably predict the future performance of the notional Reference Portfolio and the Reference Portfolio Components respectively. Likewise, the historical data of the notional Reference Portfolio and the Reference Portfolio Components respectively, does also not allow for any conclusions to be drawn about the future performance of the notional Reference Portfolio and the Securities.

Consequence of the linkage to a notional Reference Portfolio

The Securities have the special feature that the calculation of the level of the Settlement Amount depends on the performance of a notional Reference Portfolio comprising several Reference Portfolio Components. As a result, fluctuations in the value of one Reference Portfolio Component may be offset or intensified by fluctuations in the value of other Reference Portfolio Components comprised in the notional Reference Portfolio. Even in the case of a positive performance of one or more Reference Portfolio Components comprised in the notional Reference Portfolio, the performance of notional Reference Portfolio as a whole may be negative if the performance of the other Reference Portfolio Components comprised in the notional Reference Portfolio is negative to a greater extent.

2. Specific risks related to the notional Reference Portfolio

In addition, the following risks are specifically related to the notional Reference Portfolio:

Notional Reference Portfolio

The notional Reference Portfolio is a synthetic portfolio which has been created and is managed and calculated solely for the purposes of being used as underlying of these Securities. There is no obligation on the Issuer to purchase or hold any Reference Portfolio Components and Securityholders have no rights in, or to require delivery of, any of such Reference Portfolio Components at any time.

References to any rebalancing, disposal or acquisition or financing of a Reference Portfolio Component have to be understood as reference to a notional transaction and should not be construed as imposing any obligation on the Issuer or any of its affiliates or subsidiaries, the Manager, the Calculation Agent or any person to actually directly or indirectly, physically or synthetically acquire, dispose of or effect or take delivery of, or effect transactions in, any securities, investments or other property, but are references to the change in the value of, or in notional amounts to be determined for the purposes of calculating the value of, and relate solely to the calculation of the value of any amounts payable in respect of the Securities.

Numerous Constituents

The notional Reference Portfolio may be composed of numerous Constituents. Despite the fact that Constituents' diversification is designed to help to control declines in the value of the notional Reference Portfolio, it cannot be guaranteed that the use of numerous different Constituents will be successful for these purposes and will not result in overall losses.

Limited historic data of the Reference Portfolio

The notional Reference Portfolio has been created on 9 July 2014. Accordingly, as at the date of the Prospectus only limited historic data is available on the basis of which investors might evaluate the likely performance of the notional Reference Portfolio. The past performance of the Reference Portfolio Components notionally comprised in the notional Reference Portfolio (which generally do not reflect the same fee levels as the fees incurred in relation to the Reference Portfolio), is not necessarily indicative of the future performance for the notional Reference Portfolio.

No payment of interest or dividends

None of the Securities vests a right to payment of interest or dividends and, as such, they **generate no regular income**. Therefore, potential reductions in the value of the Security cannot be offset by any other income from the Security.

Fees and expenses in relation to the Reference Portfolio

Reference Portfolio Fees will be deducted from the Reference Portfolio Level and, hence, result in a reduction in the Reference Portfolio Level.

Composition of the Reference Portfolio

The Reference Portfolio Advisor agreed with the Calculation Agent to adhere to specific guidelines when selecting and adjusting the notional Reference Portfolio Components.

The selection of the initial Reference Portfolio Components, their weightings and any of the rebalancings is made in the reasonable discretion of the Reference Portfolio Advisor. Rebalancings will be initiated by the Reference Portfolio Advisor. The Calculation Agent is entitled in certain circumstances, but has no legal duty to refuse the notional purchase of any Constituent and/or the notional sale of any Constituent, and to require the Reference Portfolio Advisor to initiate a Rebalancing if (a) the Reference Portfolio is, or following the relevant Rebalancing would breach any of the Reference Portfolio Guidelines or any other rule or provision contained in the section "Information about the notional Reference Portfolio"; (b) a Market Disruption has occurred in respect of the relevant Constituent on the relevant Reference Portfolio Adjustment Date; (c) the Calculation Agent determines that it would not be reasonably practicable or it would otherwise be undesirable, for any reason, for a notional investor wholly or partially to establish, re-establish, substitute or maintain any hedging transaction which in the determination of the Calculation Agent would be necessary or desirable to hedge the obligations of an issuer of securities linked to the performance of the Reference Portfolio (such reasons may include, but are not limited to (i) any material illiquidity in the market for any Constituent, (ii) a change in any applicable law (including, without limitation, any tax law) or the promulgation of, or change in, the interpretation of any court, tribunal or regulatory authority with

competent jurisdiction of any applicable law (including any action taken by a taxing authority); or (iii) the general unavailability of market participants who would agree to enter into any such hedging transaction on commercially reasonable terms or at all; or (d) the Calculation Agent determines that it would not be reasonably practicable for a notional investor to make purchases and/or sales of any Constituent, as the case may be, due to compliance, regulatory, reporting or reputational constraints, take-over considerations, internal restrictions or lack of internal approval.

The Reference Portfolio Advisor will select the Constituents with due diligence. No assurance can be made, however, that the selection of the Constituents will be successful, and neither the Reference Portfolio Advisor nor the Issuer are responsible for the market performance of the Constituents.

Notwithstanding the above, the Reference Portfolio Advisor is restricted by the Reference Portfolio Guidelines in its weighting of the Constituents; it may therefore lack the necessary flexibility to benefit from any market developments not covered by the Reference Portfolio Guidelines.

3. **Specific risks related to the notional Reference Portfolio Components**

Investors should be aware that some risks are related to the indices, which will be comprised in the notional Reference Portfolio. Consequently, any investment in the Securities is, to a certain extent, subject to market risks similar to a direct investment in indices.

Indices used as Reference Portfolio Components

The notional Reference Portfolio mirrors the performance of a long only basket of European net total return equity indices (each an "Index" and together, the "Indices"). Consequently, any investment in the Securities is, to a certain extent, subject to market risks similar to direct investment in the Indices. **Potential investors should seek respective advice and familiarise themselves with the specific risk profile of the Indices and seek the advice of a professional, if necessary.**

Similar risks to a direct investment in the index components

The level of the Redemption Amount depends, *inter alia*, on the performance of the Indices. The performance of the Indices is subject to the performance of the components of the respective Index. Accordingly, an investment in the Securities may bear similar risks to a direct investment in the index components.

Dependence on the value of the index components

The value of an Index will be calculated on the basis of the value of its components. Changes to the prices of the index components, the composition of the Index as well as other factors which (may) affect the value of the index components, will also affect the value of the Securities and may thus affect the return on any investment in such Securities. Fluctuations in the value of an index component may be set-off or enhanced by fluctuations in the value of other index components. The historic performance of the Index does not constitute a guarantee of its future performance. An Index might not be available during the full term of the Securities, might be exchanged or continued to be calculated by the Issuer itself. In such or other cases as mentioned in the Conditions of the Securities, the Issuer is in accordance with the Conditions entitled to terminate the Securities.

It is possible that the Index only reflects the performance of assets in certain countries or certain industry sectors. In that case, the Securityholders are facing concentration risks. In case of unfavourable economic developments in a country or with regard to one industry sector such development may have negative impacts for the Securityholder. If several countries or sectors are represented in one Index, it is possible that these are weighted in an uneven manner. This means that an unfavourable development in a country or one industry sector with high weighting in the Index will affect the value of the Index in an unproportionately negative manner.

Securityholders should be aware that selecting an Index is not based on the expectations or evaluations of the Issuer or the Calculation Agent with regard to the future performance of the selected Index. Securityholders should therefore assess the future performance of an Index based on their own knowledge and the information available to them.

Influence of the Issuer or the index sponsor on the Index

If the Issuer or any of its affiliates is not the index sponsor, the index composition of the respective Index as well as the method of calculating the Index is determined by the index sponsor alone or in cooperation with other entities. In this case, the Issuer has no influence on the composition or method of calculating the Index. An amendment of the index composition may have an adverse impact on its performance. If, after an amendment by the index sponsor, the Index is no longer comparable to the original Index the Issuer has the right to adjust or terminate the Securities. Such an adjustment or termination may lead to losses for the Securityholders.

In accordance with the relevant index rules, the index sponsor may be entitled to make changes to the composition or calculation of the Index, which may have a negative effect on the performance of the Securities, or to permanently discontinue the calculation and publication of the Index without issuing a successor index.

If the Issuer or any of its affiliates is not the index sponsor, the Securities are not in any way sponsored, endorsed, sold or promoted by the index sponsor. Such index sponsor makes no warranty or representation whatsoever, express or implied, either as to the results to be obtained from the use of the Index or the value at which the Index stands at any particular time. Such an Index is determined, composed and calculated by its respective index sponsor, without regard to the Issuer or the Securities. Such an index sponsor is not responsible or liable for the Securities to be issued, the administration, marketing or trading of the Securities.

If the Issuer or any of its affiliates acts as index sponsor or as index calculation agent, conflicts of interests may arise, since any calculation and/or determination of the index sponsor or as index calculation agent has immediate impact on the amount payable under the Securities.

Potential investors in the Securities should furthermore be aware that the Issuer is in case that the calculation and/or publication of the index is permanently discontinued, pursuant to the Conditions of the Securities, entitled to terminate and redeem the Securities in total prior to the scheduled maturity of the Securities.

Adverse effect of fees on the index

An Index may in accordance with its index rules include fees (e.g. calculation fees or fees related to changes in the composition of the Index), which are taken into account when calculating the level of the Index. As a result, any of these index fees reduce the level of the index and have an adverse effect on the index and on any amounts to be paid under the Securities.

The basis of calculating the price of the Index may change during the term of the Security

The basis of calculating the price of the index or of the index components may vary during the term of the Securities and may negatively affect the market value of the Securities.

Risk of country or sector related indices

If an index reflects the performance only of assets in some countries or industries, this index is affected disproportionately negative in case of an unfavourable development in such a country or sector.

Currency exchange risk contained in the index

Index components may be listed in a different currency and therefore be exposed to different currency influences (this applies particularly for country or sector related indices). Also, it is possible that index components are converted first from one currency to the currency which is relevant for the calculation of the index only to then have to be converted again in order to calculate or specify an amount payable under the Securities. In such cases, Securityholders bear several currency risks, which may not be clearly recognisable for Securityholders.

Adverse effect of fees on the index level

If the index composition, specified in the relevant description of the index, changes, fees may arise, which reduce the level of the index. This may have a negative effect on the performance of the index and on the amounts to be paid under the Securities. In case of indices which reflect certain markets or industry sectors by using certain derivative financial Securities, this may lead to higher fees and thus lower performance of the index than in case of a direct investment in these markets or industry sectors.

Publication of the index composition not constantly updated

Some index sponsors publish the composition of the relevant indices not completely or only after a time lag on a website or in other media. In this case the composition shown might not always be the current composition of the respective index used for calculating the Securities. The delay may be substantial, may under certain circumstances last several months and the calculation of the Securities may be negatively affected.

4. Specific risks related to the Reference Portfolio Advisor

Additional risks are related to the Reference Portfolio Advisor.

Dependence on the Reference Portfolio Advisor

The success of the Reference Portfolio depends upon the Reference Portfolio Advisor selecting successful Reference Portfolio Components. There can be no assurance that the Reference Portfolio Advisor will be able to do so. In particular, subjective (as opposed to systematic) decisions made by the Reference Portfolio Advisor may cause the Reference Portfolio to decline (or not to increase) in a manner which less subjective decision making might have avoided.

Reliance on Key Individuals

The loss of one or more key individuals could have a material adverse effect on the Reference Portfolio Advisor's ability to perform its responsibilities in relation to the Reference Portfolio.

Automatic Termination of the Securities

According to the Terms and Conditions, the Securities will be automatically terminated and redeemed, in case that CAPITAL-FORUM AG ceases to be or to act as Reference Portfolio Advisor. This could have a considerable impact on the value of the Securities.

Potential conflicts of interest

The Reference Portfolio Advisor may not only act as Reference Portfolio Advisor with regard to the Reference Portfolio, but may at the same time act as asset manager or financial consultant with regard to Securityholders, which may induce potential conflicts between the Securityholders' interests and the Reference Portfolio Advisor's interests, especially because the Reference Portfolio Advisor receives the Reference Portfolio Advisory Fee.

B. GENERAL INFORMATION ON THE PROSPECTUS

1. Important Notice

The Prospectus, comprising the Summary, the Securities Note and the Registration Document, should be read and construed in conjunction with any supplement thereto and with any other documents incorporated by reference the Prospectus and must be interpreted accordingly.

No person has been authorised to give any information or to make any representation not contained in or not consistent with the Prospectus or any other document entered into in relation to the Prospectus or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or any Manager.

Neither the delivery of the Prospectus nor the offering, sale or delivery of any Security shall, in any circumstances, create any implication that the information contained in the Prospectus is true subsequent to the date hereof or the date upon which the Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since the date thereof or, if later, the date upon which the Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Prospectus is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. The contents of the Prospectus will be updated in accordance with the provisions of the Prospectus Directive and the WpPG.

The distribution of the Prospectus and any offering material relating to the Securities and the offering, sale and delivery of the Securities in certain jurisdictions may be restricted by law. Nobody may use the Prospectus for the purpose of an offer or solicitation if in any jurisdiction such use would be unlawful. Persons into whose possession the Prospectus comes are required by the Issuer and the Manager to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Securities and on the distribution of the Prospectus and other offering material relating to the Securities, see "*Subscription and Sale*". In particular, this document may only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the Financial Services and Markets Act 2000 does not apply. Additionally, Securities issued under the Prospectus will not be registered under the United States Securities Act of 1933, as amended, and will include Securities in bearer form that are subject to U.S. tax law requirements. Therefore, subject to certain exceptions, Securities may not be offered, sold or delivered within the United States or to U.S. persons.

The Prospectus does not constitute an offer or a solicitation of an offer to purchase any Securities and should not be considered as a recommendation by the Issuer or the Manager to any recipient of the Prospectus.

2. Responsibility Statement

UBS AG, having its registered offices at Bahnhofstrasse 45, 8001 Zurich, Switzerland, and Aeschenvorstadt 1, 4051 Basel, Switzerland, acting through its London Branch, 1 Finsbury Avenue, London EC2M 2PP, United Kingdom, as Issuer accepts responsibility for the content of the Prospectus and declares that the information contained in the Prospectus is, to the best of its knowledge, accurate and that no material facts have been omitted.

Where the Prospectus contains information obtained from third parties, such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Issuer is liable for the Summary including any translation thereof, but only if the Summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, all required key information.

The Issuer accents that following the date of approval of the Prospectus, events and changes may occur, which render the information contained in the Prospectus incorrect or incomplete. Supplemental information will only be published as required by and in a manner stipulated in section 16 of the German Securities Prospectus Act (*Wertpapierprospektgesetz* - "**WpPG**").

3. Consent to use the Prospectus

In the context of any subsequent resale or final placement of Securities that is not made within an exemption from the requirement to publish a prospectus under the Prospectus Directive (a "**Public Offer**"), the Issuer has requested the Federal Financial Services Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht – "BaFin"*) to provide a certificate of approval in accordance with Article 18 of the Prospectus Directive (a "**EEA Passport**") in relation to the passporting of the Prospectus to the competent authority of the Grand Duchy of Luxembourg (the "**Host Member State**") and together with the Federal Republic of Germany, each a "**Public Offer Jurisdiction**").

The Issuer consents to the use of the Prospectus in connection with any Public Offer of the Securities by the Manager as well as CAPITAL-FORUM AG, Schwaighofstrasse 13, 83684 Tegernsee, Federal Republic of Germany, (together with the Manager each an "**Authorised Offeror**") on the following basis:

- (a) the relevant Public Offer must occur as long as the Prospectus is valid in accordance with § 9 of the German Securities Prospectus Act (*Wertpapierprospektgesetz, WpPG*) (the "**Offer Period**"),
- (b) the relevant Public Offer may only be made in the Public Offer Jurisdictions, and
- (c) any Authorised Offeror other than the Manager must comply with the restrictions set out in "Subscription and Sale" as if it were the Manager.

The Issuer accepts responsibility in the Public Offer Jurisdictions for which it has given consent referred to herein for the content of the Prospectus in relation to any person (an "**Investor**") in a Public Offer Jurisdiction to whom an offer of any Securities is made by any Authorised Offeror, where the offer is made during the Offer Period and is in compliance with all other conditions attached to the giving of the consent. However, the Issuer has no responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

The Issuer reserves the right to withdraw its consent to the use of the Prospectus in relation to each Authorised Offeror. The Issuer may give consent to additional financial intermediaries after the date of the Prospectus and, if it does so, the Issuer will publish the above information in relation to them on the website www.ubs.com/keyinvest or a successor address thereto and make it available at the Issuer.

The consent referred to above relates to Public Offers occurring as long as the Prospectus is valid in accordance with section 9 of the German Securities Prospectus Act (*Wertpapierprospektgesetz - "WpPG"*).

The Issuer has not authorised the making of any Public Offer of any Securities by any person in any circumstances and such person is not permitted to use the Prospectus in connection with its offer of any Securities unless (1) the offer is made by an Authorised Offeror as described above or (2) the offer is otherwise made in circumstances falling within an exemption from the requirement to publish a prospectus under the Prospectus Directive. Any such unauthorised offers are not made by or on behalf of the Issuer or any Authorised Offeror and none of the Issuer or any Authorised Offeror has any responsibility or liability for the actions of any person making such offers.

An Investor intending to acquire or acquiring any Securities from an Authorised Offeror will do so, and offers and sales of the Securities to an Investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price, allocation, settlement arrangements and any expenses or taxes to be charged to the Investor (the "**Terms and Conditions of the Public Offer**"). The Issuer will not be a party to any such arrangements with Investors (other than the Manager) in connection with the offer or sale of the Securities and, accordingly, the Prospectus will not contain such information. The Terms and Conditions of the Public Offer shall be provided to Investors by that Authorised Offeror at the relevant time. None of the Issuer or Authorised Offerors has any responsibility or liability for such information.

Authorised Offerors will provide information to investors on the Terms and Conditions of the Public Offer of the Securities at the time such Public Offer is made by the relevant Authorised Offeror to the investor.

C. GENERAL INFORMATION ON THE SECURITIES

1. Object of the Prospectus / Type of Securities

The object of this Prospectus are the Strategy Certificates (ISIN: DE000UBS1CF4; WKN: UBS1CF; Valor: 24374900), issued by UBS AG in accordance with German law in the size of up to 100,000 Securities (the "Issue Size").

The Securities are not capital protected.

The Securities are each linked to the notional Euro ("EUR") denominated European Tactical Strategy Reference Portfolio (the "Underlying" or the notional "Reference Portfolio"), actively managed, created and maintained by CAPITAL-FORUM AG (the "Reference Portfolio Advisor"). The Reference Portfolio aims to replicate (i) the performance of a long only basket of European net total return equity indices (each a "Constituent_t" or an "Index_t"), as calculated by the relevant index sponsor (each an "Index Sponsor_t") and (ii) from time to time, a EUR denominated cash position (the "Cash Position" which together with the Constituents shall be referred to as the "Reference Portfolio Components"), less fees and expenses. No interest will be paid on the Cash Position.

2. Law governing the Securities

The Securities issued by the Issuer are governed by German law.

3. Status of the Securities

The Securities constitute direct, unsecured and unsubordinated obligations of the Issuer, ranking *pari passu* among themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer, other than obligations preferred by mandatory provisions of law.

4. Form of the Securities

The Securities are issued as bearer securities represented on issue by either one or more permanent global bearer security/ies (each a "Global Security"). No bearer Securities will be issued in or exchangeable into bearer definitive form, whether pursuant to the request of any Securityholder or otherwise. Global Securities are deposited with Clearstream Banking AG (the "Clearing System").

5. Clearing and Settlement of the Securities

The information set out below is subject to changes in or reinterpretation of the rules, regulations and procedures of Clearstream Banking AG from time to time. Investors wishing to use the facilities of any Clearing System must check the rules, regulations and procedures of the relevant Clearing System which are in effect at the relevant time.

General

The Securities will be cleared through the Clearing System.

Clearstream Banking AG

Clearstream Banking AG ("Clearstream, Germany") is a wholly owned subsidiary of Clearstream International S.A., Luxembourg and is established and incorporated in Germany as a stock corporation. Clearstream, Germany is a licensed central securities depository in accordance with the provisions of the Securities Deposit Act (*Depotgesetz*) and is supervised by the Federal Financial Services Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* – "BaFin").

Clearstream, Germany, holds securities for its customers and facilitates the clearance and settlement of securities transactions by book entry transfers between their accounts. Clearstream, Germany provides various

services, including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Indirect access to Clearstream, Germany, is available to other institutions which clear through or maintain a custodial relationship with an account holder of Clearstream, Germany.

The address of Clearstream, Germany, is Clearstream Banking AG, Mergenthalerallee 61, 65760 Eschborn, Federal Republic of Germany.

6. Listing or Trading of the Securities

The Issuer intends to apply for inclusion of the Securities on the unofficial regulated market of the Frankfurt Stock Exchange (*Börse Frankfurt Zertifikate Premium*) and the Stuttgart Stock Exchange (*EUWAX*).

7. Maturity of the Securities; Issuer Extension Option

Subject to the Issuer Extension Option (as defined below), the Securities expire – provided that the Securities are not terminated or expired early in accordance with the Terms and Conditions of the Securities – on 9 July 2020 (the “**Expiration Date**”).

The Issuer is in accordance with the Terms and Conditions of the Securities entitled to extend, by giving notice to the Securityholder not less than one (1) calendar year prior to the scheduled Expiration Date (or any later expiration date resulting from any extension of the maturity of the Securities) the maturity of all outstanding Securities for additional periods of six (6) calendar years each (the “**Issuer Extension Option**”). There is no limit to the number of times the Issuer may extend the maturity of the Securities. In case that the Issuer exercises the Issuer Extension Option and unless a Securityholder terminates the Securities held by it in accordance with the Terms and Conditions of the Securities by exercising the Securityholder Non-Extension Option, investors in the Securities will receive any final payments under the Securities later than scheduled at the Issue Date of the Securities.

8. Functioning of the Securities and Dependency on the Underlying

The Securities allow investors to participate, considering the fees on the level of the notional Reference Portfolio, in the positive development of the notional Reference Portfolio. Conversely, investors in the Securities also participate in the negative development of the notional Reference Portfolio.

With the purchase of each (1) Security, the investor acquires the right, under certain conditions and as provided for in the Terms and Conditions of the Securities, to demand from the Issuer the payment of the Settlement Level of the Reference Portfolio in the Redemption Currency, commercially rounded to two decimal points (the “**Redemption Amount**”) (the “**Security Right**”), all as defined in the section “Special Conditions of the Securities”.

For the avoidance of doubt: Whilst the Redemption Amount is linked to the market value of the Reference Portfolio Components, the Issuer is not obliged to invest the net proceeds of the issuance of the Strategy Certificates in any Reference Portfolio Component at any time; the net proceeds will be used for hedging and general corporate purposes of the Issuer only. The holders of the Strategy Certificates do not have any direct interest in, or beneficial ownership of any Reference Portfolio Component at any time.

The value of the Securities during their term depends on the performance of the notional Reference Portfolio used as Underlying. In case the Level of the Reference Portfolio increases, also the value of the Securities (disregarding any special features of the Securities) is likely to increase.

During their term, the Securities do not generate any regular income (e.g. dividends or interest).

D. TERMS AND CONDITIONS OF THE SECURITIES

Terms and Conditions of the Securities

*The following terms and conditions of the Securities, comprising the Special Conditions of the Securities and the General Conditions of the Securities, shall be read in conjunction with, and are subject to, the “Key Terms and Definitions of the Securities” (the “**Conditions**”).*

The Conditions of the Securities are composed of

- Part 1: Key Terms and Definitions of the Securities**
- Part 2: Special Conditions of the Securities**
- Part 3: General Conditions of the Securities**

Terms and Conditions of the Securities Part 1: Key Terms and Definitions of the Securities

The Securities use the following definitions and have, subject to an adjustment according to the Conditions of the Securities, the following key terms, both as described below in alphabetical order.

B.

Business Day:

The Business Day means any calendar day on which (i) commercial banks in London are open for business (including dealings in foreign exchange and foreign currency deposits) and (ii) the Trans-European Automated Real-time Gross settlement Express Transfer System (“TARGET2”) is open.

C.

Calculation Agent:

The Calculation Agent means UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland, and Aeschenvorstadt 1, 4051 Basel, Switzerland, acting through its London Branch, 1 Finsbury Avenue, London EC2M 2PP, United Kingdom.

CA Rules:

CA Rules means any regulation and operating procedure applicable to and/or issued by the Clearing System.

Clearing System:

Clearing System means Clearstream Banking AG, Frankfurt am Main, (Mergenthalerallee 61, 65760 Eschborn, Federal Republic of Germany) or any successor in this capacity.

Commissions:

None.

- (i) Underwriting and/or placing fee:
- (ii) Selling commission:
- (iii) Listing commission:
- (iv) Other:

None

None

None

Reference Portfolio Fees, as further described in the section “Information about the notional Reference Portfolio”, which forms part of the Conditions of the Securities.

E.

Expiration Date:

The Expiration Date means, **subject to an extension of the Term of the Securities in accordance with § 2 (2) of the Conditions of the Securities**, 9 July 2020. If this day is not a Index Business Day, the immediately succeeding Index Business Day shall be the Expiration Date.

F.

Fixing Date:

The Fixing Date means 9 July 2014.

I.

Index Business Day

Index Business Day means in relation to each Index_(i) comprised in the notional Reference Portfolio any day on which (i) the Index Sponsor_(i) of the Index_(i) comprised in the notional Reference Portfolio determines, calculates and publishes the official price of this Index_(i), and (ii) the components, which are comprised in the Index_(i) are, to the extent of at least 80 % of the market capitalisation of all components comprised in the Index_(i) or of the overall value of the Index_(i), available for trading and quotation on the Relevant Exchange_(i).

The term “Index Business Day” shall also refer to all Index Business Days.

Issue Date:

The Issue Date of the Securities means 11 July 2014.

- Issue Price:** The Issue Price means an amount in the Redemption Currency equal to 100% of the Initial Reference Portfolio Level (*i.e.* EUR 1,000.00).
- Issuer:** The Issuer means UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland, and Aeschenvorstadt 1, 4051 Basel, Switzerland, acting through its London Branch, 1 Finsbury Avenue, London EC2M 2PP, United Kingdom.
- Issue Size:** The Issue Size equals up to 100,000 Securities.
- L.**
- Level of the Reference Portfolio:** The Level of the Reference Portfolio is determined by the Calculation Agent based on the closing price or value or sale proceeds of each Constituent on the relevant Reference Portfolio Valuation Date and as described in the section “Information about the notional Reference Portfolio”, which forms part of the Conditions of the Securities. The calculation also takes into account the effect of the Reference Portfolio Fee.
- The Initial Reference Portfolio Level is equal to EUR 1,000.00.
- The Level of the Reference Portfolio is, subject to the occurrence of a Market Disruption in accordance with the Terms and Conditions of the Securities, calculated on each Reference Portfolio Calculation Date in relation to the Reference Portfolio Valuation Date, as further described in the section “Information about the notional Reference Portfolio”, which forms part of the Conditions of the Securities.
- Information regarding the Level of the Reference Portfolio can be obtained from the Issuer upon request.
- M.**
- Maturity Date:** The Maturity Date means the fifth Business Day following the relevant Valuation Date.
- Minimum Trading Size:** The Minimum Trading Size equals one (1) Security or an integral multiple thereof.
- P.**
- Paying Agent:** The Paying Agent means UBS Limited c/o UBS Deutschland AG, Bockenheimer Landstrasse 2 - 4, 60306 Frankfurt am Main, Federal Republic of Germany.
- R.**
- Redemption Currency:** The Redemption Currency means Euro (“EUR”).
- Reference Portfolio:** The Reference Portfolio means the **European Tactical Strategy Reference Portfolio**, a notional Euro (“EUR”) denominated Reference Portfolio actively managed, created and maintained by CAPITAL-FORUM AG (the “**Reference Portfolio Advisor**”) but subject to adjustments by the Issuer in case of the occurrence of adjustment events (pursuant to § 7 (*Adjustments to the Reference Portfolio*) and § 8 (*Adjustments in relation to an Index*) of the Terms and Conditions of the Securities).
- The Reference Portfolio has been initiated on 9 July 2014 (the “**Reference Portfolio Creation Date**”) by the Reference Portfolio Advisor with an

initial level of EUR 1,000.00 (the “**Initial Reference Portfolio Level**”).

The Reference Portfolio aims to replicate

(i) the performance of a long only basket of European net total return equity indices (each a “**Constituent_(i)**” or an “**Index_(i)**”), as calculated by the relevant index sponsor (each an “**Index Sponsor_(i)**”) and

(ii) from time to time, a EUR denominated cash position (the “**Cash Position**” which together with the Constituents shall be referred to as the “**Reference Portfolio Components**”), less fees and expenses.

The Reference Portfolio, the Reference Portfolio Components and the rules in accordance with which the Reference Portfolio is managed by the Reference Portfolio Advisor are further described in the section “Information about the notional Reference Portfolio”, which forms part of the Conditions of the Securities.

Reference Portfolio Calculation Date: Reference Portfolio Calculation Date means each Business Day immediately succeeding a Reference Portfolio Valuation Date.

Reference Portfolio Valuation Date: Reference Portfolio Valuation Date means each Business Day, which is an Index Business Day in relation to all Constituents comprised in the notional Reference Portfolio.

Relevant Exchange: The Relevant Exchange means in relation to each Index_(i) comprised in the notional Reference Portfolio the stock exchange(s) on which the components comprised in the Index_(i) are traded, as determined by the Index Sponsor_(i). The term “Relevant Exchange” shall also refer to all Relevant Exchanges.

**S.
Securities:**

Securities means the Strategy Certificates denominated in EUR and issued by the Issuer in the Issue Size with the security identification codes: ISIN: DE000UBS1CF4; WKN: UBS1CF; Valor: 24374900.

The Securities are being issued in bearer form as securities within the meaning of § 793 German Civil Code and will be represented on issue by one or more permanent global bearer security/ies (each a “**Global Security**”) and will not be represented by definitive securities.

**V.
Valuation Date:**

The Valuation Date means, **subject to any disruption in accordance with § 10 of the Conditions of the Securities,**

(i) in case of a redemption of the Securities in accordance with § 1 of the Conditions of the Securities, the Expiration Date,

(ii) in case of a termination of the term of the Securities by the Issuer in accordance with § 2 (4) of the Conditions of the Securities, the relevant Issuer Termination Date,

(iii) in case of an automatic termination of the term of the Securities in accordance with § 3 of the Conditions of the Securities, the relevant Automatic Termination Date, and

(iv) in case of an extraordinary termination by the Issuer in accordance with § 9 of the Conditions of the Securities, the relevant Extraordinary Termination Date.

Terms and Conditions of the Securities Part 2: Special Conditions of the Securities

§ 1 Security Right

(1) Security Right of the Securityholders

The Issuer hereby warrants to the Securityholder (§ 4 (2)) of each (1) Security relating to the Reference Portfolio in accordance with these Conditions that such Securityholder shall have the right (the “**Security Right**”) to receive the Settlement Level (§ 1 (2)) of the Reference Portfolio in the Redemption Currency, commercially rounded to two decimal points (the “**Redemption Amount**”).

(2) Settlement Level of the Reference Portfolio

The “**Settlement Level**” of the Reference Portfolio means, subject to a Market Disruption (§ 10 (1)), the level of the Reference Portfolio as calculated by the Calculation Agent in relation to a Valuation Date, whereby the relevant level of the Reference Portfolio shall be the sum of

- (i) the sale proceeds as converted into EUR where applicable, using the then prevailing exchange rate, as determined by the Calculation Agent in its reasonable discretion (in accordance with § 317 of the BGB), that would be realized by a notional investor (in the same position as the Issuer) when selling and/or, as the case may be, unwinding the Constituents and/or, as the case may be, the components comprised therein, then comprised in the notional Reference Portfolio and
- (ii) the value of the Cash Position minus
- (iii) any accrued but unpaid Reference Portfolio Fees.

For the avoidance of doubt: Whilst the Redemption Amount is linked to the market value of the Reference Portfolio Components, the Issuer is not obliged to invest the net proceeds of the issuance of Securities in any Reference Portfolio Component at any time; the net proceeds will be used for hedging and general corporate purposes of the Issuer only. The Securityholders do not have any direct interest in, or beneficial ownership of any Reference Portfolio Component at any time.

(3) Determinations and Calculations in connection with the Security Right

Any determination and calculation in connection with the Security Right, in particular the calculation of the Redemption Amount, will be made by the Calculation Agent (§ 11). Determinations and calculations made in this respect by the Calculation Agent are final and binding for all participants except in the event of a manifest error.

§ 2 Term of the Securities; Extension of the Term of the Securities; Termination by the Securityholders or the Issuer

(1) Term of the Securities

Subject to a termination of the Securities in accordance with these Conditions, the term of the Securities ends on the Expiration Date, unless the Issuer has exercised its right for extension of the term of the Securities in accordance with § 2 (2) of these Conditions.

(2) Extension of the Term of the Securities

The Issuer is entitled to extend, by giving notice to the Securityholder in accordance with § 13 of these Conditions (the “**Issuer Extension Option Exercise Notice**”) not less than one (1) calendar year prior to the scheduled Expiration Date (or any later expiration date resulting from any extension of the maturity of the Securities) the maturity of all outstanding Securities for additional periods of six (6) calendar years each (the “**Issuer Extension Option**”), in which case the “Expiration Date” shall be deemed to be the date falling six (6) calendar years after the initially scheduled Expiration Date.

There is no limit to the number of times the Issuer may extend the maturity of the Securities.

(3) Securityholder's Termination Right

Upon exercise of the Issuer Extension Option, each Securityholder is entitled to terminate the Securities outstanding and held by it in whole or in part by exercising its Securityholder Non-Extension Option not less than ninety (90) calendar days prior to the scheduled Expiration Date (or any later expiration date resulting from any extension of the maturity of the Securities).

For the exercise of the "**Securityholder Non-Extension Option**", the Issuer must have received written and legally signed notice by the Securityholder stating his intention to exercise the Securityholder Non-Extension Option (the "**Exercise Notice**"). The Exercise Notice is irrevocable and binding and shall contain among other things (a) the name of the Securityholder, (b) the number of Securities to be terminated by such Securityholder and (c) the account of the Securityholder with a credit institution, to which the transfer of the Redemption Amount, if any, shall be effected.

Following the valid exercise of the Securityholder Non-Extension Option by the Securityholder, the relevant Securities of such Securityholder will be redeemed by the Issuer and the Securityholder is entitled to receive the relevant Redemption Amount (as defined in § 1(1) of these Conditions) per Security (so terminated), if any, payable on the Maturity Date in relation to the scheduled Expiration Date or, as the case may be, the scheduled extended Expiration Date.

(4) Ordinary Termination by the Issuer

The Issuer shall be entitled on the last Business Day of each month of March, June, September and December (each an "**Issuer Termination Date**") for the first time on 30 September 2014 (including) to terminate and redeem, subject to a period of notice of forty-five (45) Business Days, all but not some of the Securities by way of publication pursuant to § 13 of these Conditions with effect as of the relevant Issuer Termination Date.

In the case of termination and redemption by the Issuer, the Issuer shall pay to each Securityholder with respect to each Security it holds, an amount equal to the Redemption Amount (as defined in § 1(1) of these Conditions) (the "**Termination Amount**").

§ 3

Automatic Termination of the Securities

In the case of the occurrence of an Automatic Termination Event (as defined below) the term of all outstanding Securities is automatically terminated on the Automatic Termination Date (as defined below) and each Securityholder shall have in accordance with these Conditions the right (the "**Security Right**") to receive the Early Settlement Level (as defined below) of the Reference Portfolio in the Redemption Currency, if applicable, commercially rounded to two decimal points (the "**Automatic Termination Amount**").

The Issuer shall notify the Securityholders pursuant to § 13 of these Conditions without delay of (i) the occurrence of an Automatic Termination Event and (ii) of the day, on which the Automatic Termination Event has occurred (such day is referred to as the "**Automatic Termination Date**") (but failure to give such notice, or non-receipt thereof, shall not affect the validity of the automatic termination of the term of the Securities).

In such context:

An "**Automatic Termination Event**" shall occur if CAPITAL-FORUM AG ceases to be or to act as Reference Portfolio Advisor.

The "**Early Settlement Level**" of the Reference Portfolio means, subject to a Market Disruption (§ 10 (1)), the Level of the Reference Portfolio as calculated by the Calculation Agent in relation to the relevant Valuation Date, whereby the relevant Level of the Reference Portfolio shall be the sum of

- (i) the sale proceeds as converted into EUR where applicable, using the then prevailing exchange rate, as determined by the Calculation Agent in its reasonable discretion (in accordance with § 317 of the BGB), that would be realized by a notional investor (in the same position as the Issuer) when selling and/or, as the case may be, unwinding the Constituents and/or, as the case may be, the components comprised therein, then comprised in the notional Reference Portfolio and

- (ii) the value of the Cash Position minus
- (iii) any accrued but unpaid Reference Portfolio Fee.

For the avoidance of doubt: Whilst the Automatic Termination Amount is linked to the market value of the Reference Portfolio Components, the Issuer is not obliged to invest the net proceeds of the issuance of the Securities in any Reference Portfolio Component at any time; the net proceeds will be used for hedging and general corporate purposes of the Issuer only. The Securityholders do not have any direct interest in, or beneficial ownership of any Reference Portfolio Component at any time.

Terms and Conditions of the Securities Part 3: General Conditions of the Securities

§ 4

Form of Securities; Title and Transfer; Status

(1) Form of Securities

The bearer Securities issued by the Issuer are represented by one or more permanent global bearer security/securities (the “**Global Security**”) without coupons which shall be signed manually by two authorised signatories of the Issuer. No definitive securities will be issued. The right to request the delivery of definitive securities is excluded.

The Global Security is deposited with the Clearing System in accordance with the applicable rules and regulations.

(2) Securityholder; Title and Transfer

“**Securityholder**” means any holder of a proportionate co-ownership interest or right in the Global Security, acknowledged by German law as legal owner of the Securities. The Securityholder shall, for all purposes, be treated by the Issuer and the Security Agents (§ 11 (1)) as the person entitled to such Securities and the person entitled to receive the benefits of the rights represented by such Securities.

The Securities are transferable as co-ownership interests in the Global Security in accordance with applicable law and the relevant CA Rules and may be transferred within the collective securities settlement procedure in the Minimum Trading Size or an integral multiple thereof only. Such transfer becomes effective upon registration of the transfer in the records of the relevant Clearing System.

(3) Status of the Securities

The Securities constitute direct, unsecured and unsubordinated obligations of the Issuer, ranking *pari passu* among themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer, other than obligations preferred by mandatory provisions of law.

§ 5

Settlement; Period of Presentation

(1) Settlement of the Securities

The Securities will, subject to a Market Disruption (§ 10(1)), be redeemed on the relevant Maturity Date by payment of the Redemption Amount, Termination Amount, Automatic Termination Amount or of the Extraordinary Termination Amount or of any other amount payable under the Conditions in relation to the relevant Maturity Date in the Redemption Currency.

The Issuer shall, in all cases subject to any applicable fiscal or other laws and regulations in the place of payment or other laws and regulations to which the Issuer agrees to be subject, provide any performance due under these Conditions to the relevant Clearing System or the relevant intermediary or to its order for credit to the accounts of the relevant account holders of the Clearing System or the relevant intermediary.

The period of presentation as established in § 801 section 1 sentence 1 of the German Civil Code (“**BGB**”) is reduced to ten years.

(2) Discharging effect

The Issuer shall be discharged from its redemption obligations or any other payment obligations under these Conditions of the Securities by delivery to the Clearing System in the manner described above.

(3) Taxes, charges and/or expenses

All taxes, charges and/or expenses, if any, incurred in connection with the redemption of the Securities or any other payment or delivery obligations under these Conditions of the Securities shall be borne and paid by the relevant Securityholder. The Issuer and the Paying Agent, as the case may be, are entitled, but not obliged, to withhold from any required performance under these Conditions such taxes, charges and/or expenses as be paid by the Securityholder in accordance with the preceding sentence.

§ 6
Taxes

Payments in respect of the Securities shall in all cases only be made after deduction and withholding of current or future taxes, levies or governmental charges, regardless of their nature, which are imposed, levied or collected (the “**Taxes**”) under any applicable system of law or in any country which claims fiscal jurisdiction by or for the account of any political subdivision thereof or government agency therein authorised to levy Taxes, to the extent that such deduction or withholding is required by law or administrative practice. The Issuer shall account for the deducted or withheld Taxes with the competent government agencies.

§ 7
Adjustments to the Reference Portfolio

(1) Changes in the calculation; Making of Adjustments

Any changes in the calculation (including corrections) of the Reference Portfolio or of the composition or of the weighting of the Reference Portfolio Components, on which the calculation of the Reference Portfolio is based, shall not lead to an adjustment unless the Issuer and the Calculation Agent, upon exercise of their reasonable discretion (in accordance with § 317 of the BGB), determine that the underlying concept and the calculation (including corrections) of the Reference Portfolio are no longer comparable to the underlying concept or calculation of the Reference Portfolio applicable prior to such change. This applies especially, if due to any change the Level of the Reference Portfolio changes considerably, although the prices and weightings of the Constituents included in the Reference Portfolio remain unchanged.

For the purpose of making any adjustments the Issuer and the Calculation Agent shall at their reasonable discretion (in accordance with § 315 of the BGB or, as the case may be, § 317 of the BGB) determine an adjusted Level of the Reference Portfolio as the basis of the determination of the Level of the Reference Portfolio, which in its result corresponds with the economic result prior to this change, and shall, taking into account the time the change occurred, determine the day, on which the adjusted Level of the Reference Portfolio used shall apply for the first time. The adjusted Level of the Reference Portfolio as well as the date of its first application shall be published without undue delay pursuant to § 13 of these Conditions.

(2) Making of Adjustments and Determinations; Publication

The adjustments and determinations of the Issuer pursuant to the paragraphs above shall be effected by the Issuer or, as the case may be, by the Calculation Agent at their reasonable discretion (in accordance with § 315 of the BGB or, as the case may be, § 317 of the BGB) and shall be published by the Issuer in accordance with § 13 of these Conditions. Any adjustment and determination shall be final, conclusive and binding on all parties, except where there is a manifest error.

§ 8
Adjustments in relation to an Index

(1) Consequences of the cessation of an Index

If an Index_(i) used as Constituent is ultimately not maintained by the relevant Index Sponsor_(i) and/or not calculated and published by the respective Index Sponsor any longer, the Issuer shall be entitled to replace the Index Sponsor_(i) by a person, company or institution, which is acceptable to the Calculation Agent and the Issuer at their reasonable discretion (in accordance with § 315 of the BGB or, as the case may be, § 317 of the BGB) (the “**Successor Index Sponsor**”).

In such case, the Successor Index Sponsor will be deemed to be the Index Sponsor_(i) and each reference in these Conditions to the Index Sponsor_(i) shall be deemed to refer to the Successor Index Sponsor_(i).

(2) Changes in the calculation; Making of Adjustments

Any changes in the calculation (including corrections) of an Index_(i) or of the composition or of the weighting of the components comprised therein, on which the calculation of the Index_(i) is based, shall not lead to an adjustment unless the Issuer and the Calculation Agent, upon exercise of their reasonable discretion (in accordance with § 315 of the BGB or, as the case may be, § 317 of the BGB), determine that the underlying concept and the calculation (including corrections) of the Index_(i) are no longer comparable to the underlying concept or calculation of the Index_(i) applicable prior to such change. This applies especially, if due to any change the Index_(i) value changes considerably, although the prices and weightings of the components included in the Index_(i) remain unchanged. Adjustments may also be made as a result of the termination of the Index_(i) and/or its substitution by another underlying.

For the purpose of making any adjustments, the Calculation Agent shall at its reasonable discretion (in accordance with § 317 of the BGB) determine an adjusted value per unit of the affected Index_(i) as the basis of the determination of the Level of the Reference Portfolio, which in its result corresponds with the economic result prior to this change, and shall, taking into account the time the change occurred, determine the day on which the adjusted value per unit of the affected Index_(i) shall apply for the first time. The adjusted value per unit of the Index as well as the date of its first application shall be published without undue delay pursuant to § 13 of these Conditions.

(3) Termination or replacement of an Index

In the event that, the authorisation of the Issuer, the Calculation Agent or of the Reference Portfolio Advisor, as the case may be, to use an Index_(i) for the purposes of the Securities or the Reference Portfolio is terminated or that the Index_(i) is terminated and/or replaced by another index, the Issuer and the Calculation Agent shall determine at their reasonable discretion (in accordance with § 315 of the BGB or, as the case may be, § 317 of the BGB), after having made appropriate adjustments according to the paragraph above, which index shall be applicable in the future (the “**Successor Index**”). The Successor Index and the date it is applied for the first time shall be published without undue delay in accordance with § 13 of these Conditions.

Any reference in these Conditions to the affected Index_(i) shall, to the extent appropriate, be deemed to refer to the Successor Index.

(4) Making of Adjustments and Determinations; Publication

Adjustments and determinations pursuant to the paragraphs above shall be effected by the Issuer or, as the case may be, by the Calculation Agent, at their reasonable discretion (in accordance with § 315 of the BGB or, as the case may be, § 317 of the BGB), under consideration of the market conditions then prevailing and preserving the value of the previous economic development of the Securities. The Issuer reserves the right to determine at its reasonable discretion (in accordance with § 315 of the BGB) in cases of doubt the required adjustment. Any adjustment or determination shall be published by the Issuer in accordance with § 13 of these Conditions and shall be final, conclusive and binding on all parties, except where there is a manifest error.

§ 9**Extraordinary Termination Right of the Issuer****(1) Extraordinary Termination by the Issuer**

The Issuer shall in the case of the occurrence of one of the following Termination Events, be entitled to terminate and redeem all but not some of the Securities by giving notice to the Securityholders in accordance with § 13 of these Conditions. Such termination shall become effective at the time of the notice in accordance with § 13 or at the time indicated in the notice (the “**Extraordinary Termination Date**”).

(2) Occurrence of a Extraordinary Termination Event

A “**Extraordinary Termination Event**” means any of the following events:

- (a) The determination and/or publication of one of the Constituents is discontinued permanently, or the Issuer or the Calculation Agent obtains knowledge about the intention to do so.
- (b) Adjustments pursuant to § 8 of these Conditions are not possible or not justifiable with regard to the

Issuer and/or the Securityholders.

- (c) In the opinion of the Calculation Agent at its reasonable discretion (in accordance with § 317 of the BGB), another material change in the market conditions occurred in relation to the Relevant Exchange⁽ⁱ⁾ used for the purposes of an Index⁽ⁱ⁾.
- (d) In the opinion of the Issuer and the Calculation Agent at their reasonable discretion (pursuant to § 315 of the BGB or, as the case may be, § 317 of the BGB), a Change in Law and/or a Hedging Disruption and/or an Increased Cost of Hedging occurred.

In this context:

“Change in Law” means that, on or after the Issue Date of the Securities (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines in good faith that (X) it has become illegal to hold, acquire or dispose of any transaction(s) or asset(s) in relation to the notional Reference Portfolio used as Underlying, or (Y) it will incur a materially increased cost in performing its obligations under the Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);

“Hedging Disruption” means that the Issuer is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge price risks of issuing and performing its obligations with respect to the Securities, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s); and

“Increased Cost of Hedging” means that the Issuer would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk of issuing and performing its obligations with respect to the Securities, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be deemed an Increased Cost of Hedging.

(3) Payment of the Extraordinary Termination Amount

In the case of termination by the Issuer the Issuer shall pay to each Securityholder with respect to each Security it holds, an amount in the Redemption Currency with respect to each Security, which is determined by the Calculation Agent at its reasonable discretion (in accordance with § 317 of the BGB) and, if applicable, considering the then prevailing Level of the Reference Portfolio and the expenses of the Issuer caused by the termination, as the fair market price of a Security at the occurrence of termination (the **“Extraordinary Termination Amount”**).

§ 10 Market Disruptions

(1) Consequences of a Market Disruption

- (a) In the event that the Calculation Agent determines that any Business Day is a Disrupted Day (§ 10 (2)) with respect to any Index⁽ⁱ⁾ selected by the Reference Portfolio Advisor for the purposes of a Rebalancing, then such affected Index⁽ⁱ⁾ shall not be notionally sold or purchased on the relevant Rebalancing Date.
- (b) In the event that the Calculation Agent determines that any Reference Portfolio Valuation Date is a Disrupted Day with respect to any Constituent, then for the purposes of determining the value of the Reference Portfolio as at such Reference Portfolio Valuation Date, (a) the price of each Index not affected by the occurrence of such Disrupted Day shall be the closing price of such Index as calculated and published by the relevant Index Sponsor and (b) the price of each Index⁽ⁱ⁾ affected by the occurrence of such Disrupted Day shall be determined by the Calculation Agent as its good faith estimate of the fair market value (which may be zero) of such Index⁽ⁱ⁾ as of such Reference Portfolio Valuation Date.
- (c) If the Calculation Agent determines that any Valuation Date is a Disrupted Day in respect of any Index⁽ⁱ⁾

(such event in relation to a Valuation Date constitutes a “**Market Disruption**”), such date shall be the final valuation date for those Indices which are not affected by the occurrence of a Disrupted Day while final valuation date for any Index_(i) that is affected by the occurrence of a Disrupted Day shall be postponed to the following Index Business Day with respect to such Constituent *provided* that if such day does not occur within 8 (eight) such Index Business Days immediately following the date scheduled to be the relevant Valuation Date, the price of such Index_(i) shall be determined by the Calculation Agent at its reasonable discretion (in accordance with § 317 of the BGB) by reference to its good faith estimate of the value for such Index_(i) on that eighth Index Business Day.

(2) Disrupted Day

“**Disrupted Day**” means any Index Business Day on which the Calculation Agent determines that trading and/or transactions in the relevant Constituent, as the case may be, is or are adversely affected (including without limitation where trading and/or transactions are limited by reason of illiquidity, any circumstances of market or trading disruption or the unavailability for any reason of any quote, official price or valuation in relation to the relevant Constituent).

The Issuer shall endeavour to notify the Securityholders pursuant to § 13 of these Conditions without delay of the occurrence of a Disrupted Day. However, there is no notification obligation.

§ 11

Calculation Agent; Paying Agent

(1) General

The Calculation Agent and the Paying Agent (the “**Security Agents**”) shall assume the role as Security Agent in accordance with these Conditions.

(2) Vicarious Agent

Each of the Security Agents acts exclusively as vicarious agent of the Issuer and has no obligations to the Securityholder.

Each of the Security Agents is exempt from the restrictions under § 181 of the BGB.

(3) Replacement, Appointment and Revocation

The Issuer is entitled at any time to replace any or all of the Security Agents by another company, to appoint one or several additional Security Agents, and to revoke their appointments. Such replacement, appointment and revocation shall be notified in accordance with § 13 of these Conditions.

(4) Resignation of Security Agents

Each of the Security Agents is entitled to resign at any time from its function upon prior written notice to the Issuer. Such resignation shall only become effective if another company is appointed by the Issuer as Calculation Agent, the Security Agent or as Paying Agent, as the case may be. Resignation and appointment are notified in accordance with § 13 of these Conditions.

§ 12

Substitution of the Issuer

(1) Substitution of the Issuer

Provided that the Issuer is not in default with its obligations under the Securities, the Issuer is at any time entitled, without the consent of the Securityholders, to substitute another company within the UBS Group as issuer (the “**New Issuer**”) with respect to all obligations under or in connection with the Securities, if

- (i) the New Issuer assumes all obligations of the Issuer under or in connection with the Securities,
- (ii) (A) the Issuer and the New Issuer have obtained all necessary authorisations as well as consents and (B) may transfer to the Principal Paying Agent in the Redemption Currency and without being obligated to

deduct or withhold taxes or other duties of whatever nature levied by the country, in which the New Issuer or the Issuer has its domicile or tax residence, all amounts required for the fulfilment of the payment obligations arising under the Securities;

- (iii) the New Issuer has agreed to indemnify and hold harmless each Securityholder against any tax, duty or other governmental charge imposed on such Securityholder in respect of such substitution;
- (iv) the Issuer unconditionally and irrevocably guarantees the obligations of the New Issuer.

(2) References

In the event of any such substitution, any reference in these Conditions to the Issuer shall from then on be deemed to refer to the New Issuer. Furthermore, any reference to the country, in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of the New Issuer.

(3) Publication

The substitution of the Issuer shall be final, binding and conclusive on the Securityholders and will be published to the Securityholders without undue delay in accordance with § 13 of these Conditions.

§ 13 Publications

(1) General

To the extent these Conditions provide for a notice pursuant to this § 13 of these Conditions, these will be published on the website of the Issuer at www.ubs.com/keyinvest or a successor website and become effective vis-à-vis the Securityholders through such publication unless the notice provides for a later effective date.

If and to the extent that binding provisions of effective law or stock exchange provisions provide for other forms of publication, such publications must be made in addition and as provided for.

Any such notice shall be effective as of the publishing date (or, in the case of several publications as of the date of the first such publication).

(2) Notification to the Clearing System

The Issuer shall, to the extent legally possible, be entitled to effect publications instead by way of notification to the Clearing System for the purpose of notifying the Securityholders (as set forth in the applicable rules and regulations of the Clearing System), provided that in cases, in which the Securities are listed on a Security Exchange, the regulations of such Security Exchange permit this type of notice. Any such notice shall be deemed as having been effect as of the seventh day after the date of the notification to the Clearing System.

§ 14 Issue of further Securities; Purchase of Securities; Cancellation

(1) Issue of further Securities

The Issuer is entitled at any time to issue, without the consent of the Securityholders, further securities having the same terms and conditions as the Securities so that the same shall be consolidated and form a single series with such Securities, and references to "Security" shall be construed accordingly.

(2) Purchase of Securities

The Issuer and any of its subsidiaries is entitled at any time to purchase, without the consent of the Securityholders, Securities at any price in the open market or otherwise. If purchases are made by tender, tenders must be made available to all Securityholders by way of publication in accordance with § 13.

Such Securities may be held, reissued, resold or cancelled, all at the option of the Issuer.

(3) Cancellation of Securities

All Securities redeemed in full may be reissued or resold.

**§ 15
Language**

These Conditions are written in the English language only.

**§ 16
Governing Law; Jurisdiction**

(1) Governing Law

The form and content of the Securities as well as all rights and duties arising from the matters provided for in these Conditions shall, subject to § 16 (2) of these Conditions, in every respect be governed by, and shall be construed in accordance with, the laws of the Federal Republic of Germany.

(2) Jurisdiction

The District Court (*Landgericht*) of Frankfurt am Main shall have jurisdiction to settle any proceedings that may arise out of or in connection with any Securities and accordingly any proceedings may be brought in such court. The Issuer irrevocably submits to the jurisdiction of the District Court (*Landgericht*) of Frankfurt am Main and waives any objection to proceedings in such court on the ground of venue or on the ground that the proceedings have been brought in an inconvenient forum. These submissions are made for the benefit of Securityholder and shall not affect the right of any Securityholders to take proceedings in any other court of competent jurisdiction nor shall the taking of proceedings in one or more jurisdictions preclude the taking of proceedings in any other jurisdiction (whether concurrently or not).

The Issuer hereby appoints UBS Deutschland AG, Bockenheimer Landstrasse 2 - 4, 60306 Frankfurt am Main, Federal Republic of Germany, as its agent in the Federal Republic of Germany to receive service of process in any proceedings under or in connection with the Securities in the Federal Republic of Germany (the "**Agent of Process**"). If, for any reason, such Agent of Process ceases to act as such or no longer has an address in the Federal Republic of Germany, the issuer agrees to appoint a substitute agent of process in the Federal Republic of Germany. Nothing herein shall affect the right to serve the process in any other manner permitted by law.

**§ 17
Corrections; Severability**

(1) Issuer's right for a Rescission

Obvious spelling and calculation errors as well as similar obvious inaccuracies in the Conditions, including those where the information provided clearly cannot be reconciled with the Issue Price or value-determining factors of the Security, entitle the Issuer for a rescission. Immediate notice of such rescission shall be given in accordance with § 13 of these Conditions as soon as the Issuer has become aware of the relevant error. The publication shall make reference to § 17 of these Conditions and indicate the information in the Conditions affected by the error. The term of the Securities ends with immediate effect as a result of the rescission.

(2) Corrections; Securityholder's Right for Termination

If the Issuer does not make use of its right of rescission, it may correct obvious spelling and calculation errors as well as similar obvious inaccuracies by correcting the Conditions. A correction of the Conditions is to be notified immediately in accordance with § 13 of these Conditions and with reference to this § 17 of these Conditions as soon as the Issuer becomes aware of the error concerned.

In this case, however, each Securityholder is entitled to terminate the Securities held by it prior to the correction of these Conditions taking effect. Such a termination must be made by notifying the Principal Paying Agent in writing within four weeks of the publication of the correction. The termination shall take effect upon receipt by the Issuer of the notice of redemption.

The Issuer determines the content of the correction on the basis of the information that would have been provided if the error had not occurred. The correction must be reasonable for the Securityholders taking into account the economic purpose of the Securities. This is only the case if, as a result of the correction, the economic value of the Securities is adjusted to their Issue Price at the time of issue. The correction takes effect four weeks after the day of notification and the publication must make reference to this four-week deadline and the Securityholders' redemption right.

(3) Compensation

In the event of a challenge by the Issuer in accordance with § 17 (1) of these Conditions or a termination by Securityholders in accordance with § 17 (2) of these Conditions, the affected Securityholders will receive an amount in the Redemption Currency equal to the market price of the Securities on the day, when the rescission or redemption becomes effective; the resulting payment is due on the fifth Business Day after this date.

If a Securityholder proves that the market price is lower than the amount he/she paid to acquire the Securities, less any payments already made by the Issuer, he/she will be entitled to the corresponding amount.

This does not affect the Securityholder's right to claim damages for any loss incurred as a result of negative interest (*Vertrauensschaden*) in accordance with § 122 (1) BGB.

For Securities listed in the regulated market or for trading over-the-counter at a stock exchange (referred to in the following as "**Listing**") the market price shall be the closing price published by the stock exchange on the relevant date. In the case of multiple stock exchanges this shall be the closing price at the stock exchange where the largest turnover of the Securities took place at last. If a closing price was not published on this date or if a Market Disruption occurred, the provisions of § 10 (2) of these Conditions shall apply *mutatis mutandis*.

In the case of Securities without a Listing, the market price shall be determined by the Calculation Agent in its reasonable discretion (in accordance with § 317 BGB) and in consultation with an independent expert named by the Calculation Agent.

(4) Abuse of Rights

If the obvious spelling and calculation errors as well as similar obvious inaccuracies in the Conditions, and its correct content, are clearly apparent to an expert investor for the relevant Security, and if the difference between the erroneous and correct content gives rise to a market price of the Security, based on the erroneous content, which is more than 30 % higher at the time of the initial issue of the Securities, the correct content shall apply in place of the erroneous content.

The Issuer may also invoke the unlawful application of an erroneous term against individual Securityholders where this is appropriate to the circumstances of individual cases.

(5) Invalidity in whole or in part

If any of the provisions of these Conditions is or becomes invalid in whole or in part, the remaining provisions shall remain valid. The invalid provision shall be replaced by a valid provision, which, to the extent legally possible, serves the economic purposes of the invalid provision. The same applies to gaps, if any, in these Conditions.

E. INFORMATION ABOUT THE NOTIONAL REFERENCE PORTFOLIO

The following description forms an integral part of the Terms and Conditions and shall be construed in accordance with these Terms and Conditions. Capitalised terms not otherwise defined in the following description shall have the meanings given to them in the Terms and Conditions.

The Reference Portfolio Advisor creates and maintains the Reference Portfolio as a theoretical portfolio by selecting the initial Reference Portfolio Components and their weightings and thereafter actively managing and maintaining the Reference Portfolio by rebalancing the Reference Portfolio, i.e. changing the weightings of the Reference Portfolio Components, in its reasonable discretion.

The notional Reference Portfolio is a synthetic portfolio which has been created and is managed and calculated solely for the purposes of being used as underlying of these Securities. There is no obligation on the Issuer to purchase or hold any Reference Portfolio Components and Securityholders have no rights in, or to require delivery of, any of such Reference Portfolio Components at any time. References to any rebalancing, disposal or acquisition or financing of a Reference Portfolio Component have to be understood as reference to a notional transaction and should not be construed as imposing any obligation on the Issuer or any of its affiliates or subsidiaries, the Manager, the Calculation Agent or any person to actually directly or indirectly, physically or synthetically acquire, dispose of or effect or take delivery of, or effect transactions in, any securities, investments or other property, but are references to the change in the value of, or in notional amounts to be determined for the purposes of calculating the value of, and relate solely to the calculation of the value of any amounts payable in respect of the Securities.

Whilst the Redemption Amount is linked to the market value of the Reference Portfolio Components, the Issuer is not obliged to invest the net proceeds of the issuance of the Securities in any Reference Portfolio Components at any time; the net proceeds will be used for hedging and general corporate purposes of the Issuer only. The Securityholders do not have any direct interest in, or beneficial ownership of any Reference Portfolio Component at any time.

Information on the Indices contained herein is solely intended for the description of the notional Reference Portfolio and for the use of investors in the Securities and does not constitute an offer of the Indices.

1. General information about the Reference Portfolio

The European Tactical Strategy Reference Portfolio (the "**Reference Portfolio**") is a notional Euro ("**EUR**") denominated reference portfolio, actively created, managed and maintained by CAPITAL-FORUM AG ("**Reference Portfolio Advisor**"). The Reference Portfolio aims to replicate (i) the performance of a long only basket of European net total return equity indices (each a "**Constituent_(t)**" or an "**Index_(t)**"), as calculated by the relevant index sponsor (each an "**Index Sponsor_(t)**") and (ii) from time to time, a EUR denominated cash position (the "**Cash Position**", which together with the Constituents shall be referred to as the "**Reference-Portfolio Components**"), less fees and expenses. No interest will be paid on the Cash Position.

The Reference Portfolio represents a notional investment in the Constituents, plus any Cash Position, as described in Section 2 below.

The Reference Portfolio Advisor has created the Reference Portfolio by selecting the initial weighting of the Reference Portfolio Components on 9 July 2014 (the "**Reference Portfolio Creation Date**") with an initial level of EUR 1,000.00 (the "**Initial Reference Portfolio Level**"). The initial weightings of the Reference Portfolio Components are listed in Section 3 below.

The Reference Portfolio Advisor is responsible for adjusting the allocation of the Reference Portfolio Components (any such adjustment, a "**Rebalancing**") from time to time thereafter in accordance with Section 4 below. Certain limitations apply as to the composition of the Reference Portfolio from time to time as described in such Section.

The level of the Reference Portfolio as determined in accordance with Section 7.2 and 7.3 below (the "**Reference Portfolio Level**") is calculated in EUR net of certain fees, costs, taxes, charges and expenses that may be incurred from time to time in connection with the creation, maintenance and management of the Reference Portfolio, as described in Section 5 below.

The Calculation Agent may adjust the composition of the Reference Portfolio from time to time to account for corporate actions in respect of the Constituents and other similar events, as described in Section 6 below.

UBS AG, acting through its London Branch (the “**Calculation Agent**”) is responsible for calculating the Reference Portfolio Level from time to time in accordance with Section 7 below.

2. Reference Portfolio Components

The Reference Portfolio, whose composition may vary from time to time, is actively managed by the Reference Portfolio Advisor and represents a notional investment in the following Reference Portfolio Components:

2.1 Indices

The Reference Portfolio may reference as Constituents long positions in the below listed European net total return indices:

Name	Bloomberg	Currency
MSCI Daily TR Net Germany Local	NDDLGR Index	EUR
MSCI Daily TR Net Switzerland Local	NDDL SZ Index	CHF
EURO STOXX 50 Net Return Index	SX5T Index	EUR

Where such Constituent is non EUR denominated, the notional investment will be converted into EUR at the relevant time by applying the then prevailing FX exchange rate as determined by the Calculation Agent in its reasonable discretion in accordance with § 317 BGB.

2.2 Cash Position

From time to time, the notional Reference Portfolio may also contain a Cash Position as a Reference Portfolio Component, which represents a notional holding of a cash account not accruing interest, denominated in EUR.

The Cash Position on the Reference Portfolio Creation Date was set at EUR 1,000.00.

The value of the Cash Position will thereafter be positively or negatively affected by Rebalancings, as described in Section 4 below.

3. Initial Composition of the Reference Portfolio

The Reference Portfolio was created on the Reference Portfolio Creation Date with an opening value of EUR 1,000.00. On the Reference Portfolio Creation Date, the Reference Portfolio Components were as set out below.

Reference Portfolio Components	Bloomberg	Currency	Weight
MSCI Daily TR Net Germany Local	NDDLGR Index	EUR	0%
MSCI Daily TR Net Switzerland Local	NDDL SZ Index	CHF	0%
EURO STOXX 50 Net Return Index	SX5T Index	EUR	0%
Cash Position	Not applicable	EUR	100%

4. Rebalancings of the Reference Portfolio

4.1 A Rebalancing may be initiated by the Reference Portfolio Advisor on any Business Day following the Reference Portfolio Creation Date (such day, a “**Reference Portfolio Adjustment Date**”), effective as of the immediately following Index Business Day subject to the occurrence of a Market Disruption on such Index Business Day. However, no more than 20 Rebalancings (in case of any unexpected events and upon request by the Reference Portfolio Advisor temporarily extendable to a maximum of 30 Rebalancings) in a 12 month period starting from the Pricing Date and any 12 month period following the subsequent anniversary of that date may be effected.

- 4.2 On any Business Day, the Reference Portfolio Advisor may, as it deems appropriate in its reasonable discretion, give notice to the Calculation Agent not later than 2 pm, London time, of its intention to effect a Rebalancing on such day (a "**Rebalancing Notice**"). Save as the Calculation Agent may otherwise agree, a Rebalancing Notice shall not be effective if, at the time of such Rebalancing Notice is received, a Rebalancing in respect of any Rebalancing Notice received earlier has not yet been completed or otherwise rejected. For the purposes hereof, a Rebalancing is deemed completed upon notification by the Calculation Agent to the Reference Portfolio Advisor, with respect to the relevant Rebalancing, of the relevant Notional Net Acquisition Cost of each Constituent notionally included in the Reference Portfolio, Notional Net Disposal Value(s) of each Constituent notionally removed from the Reference Portfolio and weightings of each Reference Portfolio Component notionally comprised in the Reference Portfolio following the relevant Rebalancing as provided in sub-Section 4.7 below.
- 4.3 The Calculation Agent will determine the exact number of Constituents based on prevailing market conditions, including exchange rates when relevant, in its reasonable discretion. Such number may deviate from the exact weighting as advised by the Reference Portfolio Advisor.
- 4.4 On each Reference Portfolio Adjustment Date, notional debits and credits to the Cash Position shall be made as follows:
- (i) In respect of the notional purchase of a Constituent, a notional debit shall be made to the Cash Position corresponding to the Notional Net Acquisition Cost of such Constituent with effect from the date of such Constituent's notional purchase;
 - (ii) In respect of the notional sale or unwind of a Constituent, a notional credit (which may be equal to zero) shall be made to the Cash Position corresponding to the Notional Net Disposal Value (which may be equal to zero) of such Constituent with effect from the date of such Constituent's notional sale.
- 4.5 The Constituents may be selected by the Reference Portfolio Advisor for notional purchase or, as the case may be, sale in accordance with the following guidelines (the "**Reference Portfolio Guidelines**"):
- (i) On any Reference Portfolio Adjustment Date, the allocation to any Constituent is capped at a maximum weight of 100%;
 - (ii) There is no minimum allocation in respect of the Constituents.
- 4.6 The Calculation Agent is entitled but has no legal duty to refuse the notional purchase of any Constituent and/or the notional sale of any Constituent, and to require the Reference Portfolio Advisor to initiate a Rebalancing in certain circumstances, as follows:
- (i) The Reference Portfolio is, or following the relevant Rebalancing would breach any of the Reference Portfolio Guidelines or any other rule or provision contained herein;
 - (ii) A Market Disruption has occurred in respect of the relevant Constituent on the relevant Reference Portfolio Adjustment Date;
 - (iii) The Calculation Agent determines that a Hedging Disruption Event has occurred in relation to any Constituent. In this paragraph, "**Hedging Disruption Event**" means the determination by the Calculation Agent that it would not be reasonably practicable or it would otherwise be undesirable, for any reason, for a notional Investor wholly or partially to establish, re-establish, substitute or maintain any hedging transaction which in the determination of the Calculation Agent would be necessary or desirable to hedge the obligations of an issuer of securities linked to the performance of the Reference Portfolio (such reasons may include, but are not limited to (i) any material illiquidity in the market for any Constituent, (ii) a change in any applicable law (including, without limitation, any tax law) or the promulgation of, or change in, the interpretation of any court, tribunal or regulatory authority with competent jurisdiction of any applicable law (including any action taken by a taxing authority); or (iii) the general unavailability of market participants who would agree to enter into any such hedging transaction on commercially reasonable terms or at all;

- (iv) The Calculation Agent determines that it would not be reasonably practicable for a notional Investor to make purchases and/or sales of any Constituent, as the case may be, due to compliance, regulatory, reporting or reputational constraints, take-over considerations, internal restrictions or lack of internal approval.

In the event that the Calculation Agent requires the Reference Portfolio Advisor to initiate a Rebalancing such that the Reference Portfolio complies with the foregoing, the Reference Portfolio Advisor shall, as soon as is reasonably practicable and without undue delay, initiate a Rebalancing such that the Reference Portfolio complies with the foregoing as at the immediately following Reference Portfolio Adjustment Date. The Reference Portfolio Advisor has no right to object to such Rebalancing required by the Calculation Agent.

In any case, the sole responsibility and legal duty to comply with the rules and provisions contained herein is with the Reference Portfolio Advisor.

- 4.7 As soon as is reasonably practicable after receipt of an effective Rebalancing Notice on a Reference Portfolio Adjustment Date, and subject to any rejection pursuant to sub-Section 4.6 above, the Calculation Agent shall notify the Reference Portfolio Advisor of (a) the Notional Net Acquisition Cost and Notional Net Disposal Value applicable to each Constituent that is subject to the Rebalancing and (b) the weighting of each Constituent comprised in the Reference Portfolio as a result of the Rebalancing. Upon receipt by the Reference Portfolio Advisor of such notice from the Calculation Agent, the Rebalancing shall be binding and conclusive on the Reference Portfolio Advisor in the absence of manifest error.

For the avoidance of doubt, a proposed Rebalancing shall be effective only if and to the extent that the Calculation Agent, on the Reference Portfolio Adjustment Date on which the relevant Rebalancing Notice is given, notifies to the Reference Portfolio Advisor the information mentioned in (a) and (b) above. Should a proposed Rebalancing not be fully effective on a Reference Portfolio Adjustment Date, the Reference Portfolio Advisor will be required to deliver one or more further Rebalancing Notices in accordance with the provisions hereof to execute the remainder of the initially proposed Rebalancing.

- 4.8 In this Section:

- (i) **“Notional Net Acquisition Cost”** means, in relation to an Constituent, the sum of (i) the notional price at which the Calculation Agent determines that a notional Investor would be able to purchase or otherwise acquire such Constituent (where applicable, on the Relevant Exchange) on the relevant Reference Portfolio Adjustment Date, as converted into EUR where such Eligible Constituent is non EUR denominated, at the then prevailing exchange rate, as determined by the Calculation Agent in its reasonable discretion (in accordance with § 317 of the BGB) and (ii) the Adjustment Fee; and
- (ii) **“Notional Net Disposal Value”** means, in relation to a Constituent, (i) the notional price at which the Calculation Agent determines that a notional Investor would be able to sell or otherwise realise or dispose of such Constituent (where applicable, on the Relevant Exchange) on the relevant Reference Portfolio Adjustment Date as converted into EUR, where such Constituent is non EUR denominated, at the then prevailing exchange rate, as determined by the Calculation Agent in its reasonable discretion (in accordance with § 317 of the BGB) less (ii) the Adjustment Fee.

5. Fees and Costs applicable to the Reference Portfolio

The Reference Portfolio is calculated net of certain fees, costs, taxes, charges and expenses that may be incurred from time to time in connection with the creation, maintenance and management of the Reference Portfolio) (the **“Reference Portfolio Fees”**), as follows:

- Reference Portfolio Advisory Fee: A quarterly fee of 0.3125% (1.25% per year) of the Reference Portfolio Level accrued and deducted from the Reference Portfolio Level on a daily basis shall be calculated by the Calculation Agent and paid out to the ReferencePortfolio Advisor after the last Business Day of March, June, September and December of each year (or, if any such date is not a Business Day, the next following Business Day).

The Reference Portfolio Advisory Fee will be used to compensate the Reference Portfolio Advisor for the creation, management and maintenance of the notional Reference Portfolio as well as for any marketing activities in relation to the Securities.

- UBS Management Fee: The Issuer will receive a quarterly fee of 0.075% (0.30% per year) of the Reference Portfolio Level accrued on a daily basis charged by the Calculation Agent and daily deducted from the Reference Portfolio Level.
- Adjustment Fee: The Issuer will receive a percentage of the notional volume of each of the purchase and/or sale of a Constituent. The Adjustment Fee equals 0.10% and is notionally added to or deducted from the sale proceeds or purchase price of such Constituent, as applicable. If the number of Rebalancings exceeds the number of 20 within a 12 month period from the Pricing Date and any 12 month period following the subsequent anniversary of that date, then the Adjustment Fee equals 0.12% for these additional Rebalancings above 20.

6. Adjustments of the Reference Portfolio

If, at any time, any event occurs in relation to any Constituent which the Calculation Agent determines requires any adjustment(s) to be made to the composition of the Reference Portfolio, then the Calculation Agent shall (i) determine which adjustment(s) are to be made to the Reference Portfolio with a view to account for the effect of the relevant event and to preserve the prevailing composition of the Reference Portfolio immediately prior to the occurrence of such event and (ii) determine the date on which such adjustment(s) shall take effect.

7. Calculation of the Reference Portfolio Level

7.1 As the Calculation Agent, UBS AG, acting through its London Branch, is responsible for calculating the Reference Portfolio Level in respect of each Reference Portfolio Valuation Date during the life of the product on the relevant Reference Portfolio Calculation Date.

7.2 For indicative pricing purposes, a valuation level for the Reference Portfolio shall be calculated by the Calculation Agent in respect of each Business Day, subject to the occurrence of a Market Disruption in accordance with the Terms and Conditions of the Securities (the "**Reference Portfolio Valuation Date**").

The Calculation Agent will calculate on each Business Day immediately succeeding such Reference Portfolio Valuation Date (the "**Reference Portfolio Calculation Date**") the level of the Reference Portfolio in respect of each Reference Portfolio Valuation Date based on the closing price or value of each Constituent on such Reference Portfolio Valuation Date.

In respect of a Reference Portfolio Valuation Date, the Reference Portfolio Level is determined by the Calculation Agent in its reasonable discretion (in accordance with § 317 of the BGB) as

- (i) the sum of the notional exposure in each Constituent by converting into the Redemption Currency at the prevailing exchange rate as determined by the Calculation Agent in its reasonable discretion (in accordance with § 317 of the BGB), plus
- (ii) the value of the Cash Position minus
- (iii) any accrued but unpaid Reference Portfolio Fees.

7.3 In respect of the final Reference Portfolio Valuation Date scheduled to fall on the Expiration Date, the Issuer Termination Date or the Automatic Termination Date, as applicable, the Reference Portfolio Level shall be determined by the Calculation Agent on the final Reference Portfolio Calculation Date as the sum of:

- (i) the sale proceeds as converted into EUR where applicable, using the then prevailing exchange rate, as determined by the Calculation Agent in its reasonable discretion (in accordance with § 317 of the BGB), that would be realized by a notional investor (in the same position as the Issuer) when selling and/or, as the case may be, unwinding the Constituents and/or, as the case may be, the components comprised therein, then comprised in the Reference Portfolio and
- (ii) the value of the Cash Position minus

- (iii) any accrued but unpaid Reference Portfolio Fees.

F. SUBSCRIPTION AND SALE

1. Issue and Sale

It has been agreed that, on 11 July 2014 (the "**Issue Date**") UBS Limited, 1 Finsbury Avenue, London EC2M 2PP, United Kingdom (the "**Manager**") may purchase the Securities by means of an underwriting agreement dated as of the Issue Date and shall place them for sale under terms subject to change in the Public Offer Jurisdictions.

The Manager shall be responsible for coordinating the entire Securities offering.

2. Subscription, Purchase and Delivery of the Securities

The Securities may be purchased in the Public Offer Jurisdictions from the Manager during normal banking hours starting on the business day following the publication of this Summary and Securities Note at an amount of EUR 1,000.00 per Security (the "**Issue Price**").

The Issue Price per Security is due and payable on 11 July 2014, (the "**Initial Payment Date**"). After the Initial Payment Date, the appropriate number of Securities shall be credited to the investor's account in accordance with the rules of the corresponding Clearing System.

3. Selling Restrictions

General

The Manager has represented and agreed (and each additional Manager will be required to represent and agree) that it will comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Securities or possesses or distributes the Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Securities under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any Manager shall have any responsibility therefore. Neither the Issuer nor the Manager has represented that Securities may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or has assumed any responsibility for facilitating such sale.

The Securities may not be offered, sold, re-offered or re-sold in any jurisdiction except in circumstances where any such offer, sale, re-offer or re-sale is in compliance with all applicable laws, regulations and exchange control restrictions. In particular, investors should seek specific advice, if the intended offer, sale, re-offer or re-sale of the Securities is made in any of the countries whose currencies comprise the Reference Portfolio or to any resident of any such country, to ensure that there will be no breach of such applicable laws, regulations and exchange control restrictions.

United States of America

The Securities have not been registered and will not be registered under the United States Securities Act of 1933, as amended, (the "**Securities Act**"), or with any securities regulatory authority of any state or other jurisdiction of the United States. Trading in the Securities has not been approved by the U.S. Commodity Futures Trading Commission under the U.S. Commodity Exchange Act of 1936, as amended (the "**Commodity Exchange Act**") or by the United States Securities and Exchange Commission. The Securities (or any rights thereunder) will be offered only outside of the United States and only to persons that are not U.S. persons as defined in Regulation S of the Securities Act.

The Securities may not be offered, sold or delivered within the United States or its possessions or to United States persons, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

The Manager has represented and agreed (and each additional Manager will be required to represent and agree) that, except as permitted, it has not offered, sold or delivered, and will not offer, sell or deliver, Securities of any Series (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the date of issue of the relevant Series of Securities and the completion of the distribution of such Series as certified to the principal Paying Agent or the Issuer by the relevant Manager within the United States or to, or

for the account or of benefit of, U.S. persons, and that it will have sent to each Manager to which it sells Securities of such Series during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of such Securities within the United States or to, or for the account of benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of any Series of Securities an offer or sale of Securities of such Series within the United States by a Manager (whether or not participating in the offering of such Securities) may violate the registration requirements of the Securities Act.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Manager has represented and agreed, and each further Manager appointed under the Prospectus will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Securities which are the subject of the offering contemplated by the Prospectus to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Securities to the public in that Relevant Member State:

- (a) *Approved prospectus*: if the Prospectus in relation to the Securities specifies that an offer of those Securities may be made other than pursuant to Article 3 (2) of the Prospectus Directive in that Relevant Member State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to such Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) *Fewer than 100 offerees*: at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Manager nominated by the Issuer for any such offer; or
- (d) *Other exempt offers*: at any time in any other circumstances falling within Article 3 (2) of the Prospectus Directive,

provided that no such offer of Securities referred to in (b) to (d) above shall require the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression “**offer of Securities to the public**” in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression “**Prospectus Directive**” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU.

Hong Kong

Each purchaser has represented and agreed that it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Securities which are or are intended to

be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

This is a structured product which involves derivatives. Do not invest in it unless you fully understand and are willing to assume the risks associated with it. If you are in any doubt about the risks involved in the Securities, you may clarify with the intermediary or seek independent professional advice.

Singapore

This document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities may not be circulated or distributed, nor may the Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act (Chapter 289) of Singapore (the “SFA”), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Securities is subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the securities pursuant of an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276 (4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276 (7) of the SFA; or
- (5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Switzerland

The Securities may only be sold to Qualified Investors as defined in Article 10 of the Swiss Collective Investment Schemes Act (“CISA”) and the related Ordinance.

G. TAXATION

The following is a general description of certain tax considerations relating to the EU Savings Tax Directive and to the taxation of the Securities in the Federal Republic of Germany, the Grand Duchy of Luxembourg and Switzerland. It does not purport to be a complete analysis of all tax considerations relating to the Securities, whether in those countries or elsewhere. **Prospective purchasers of Securities should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Securities and receiving payments of interest, principal and/or other amounts under the Securities and the consequences of such actions under the tax laws of those countries.** This summary is based upon the law as in effect on the date of this Securities Note and is subject to any change in law that may take effect after such date.

The Issuer does not assume any responsibility for the withholding of taxes at the source.

1. EU Savings Tax Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**EU Savings Directive**"), each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State; however, for a transitional period, Austria and Luxembourg apply instead a withholding system in relation to such payments, deducting tax at a rate of meanwhile 35% (unless during that transitional period they elect to provide information in accordance with the EU Savings Directive). The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments. On 18 March 2014, the Luxembourg government has submitted to the Luxembourg Parliament the draft Bill N° 6668 on taxation of savings income putting an end to the current withholding tax regime as from 1 January 2015 and implementing the automatic exchange of information as from that date. This draft Bill is in line with the announcement of the Luxembourg government dated 10 April 2013.

A number of non-EU countries, and certain dependent or associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

The European Council formally adopted a Council Directive amending the EU Savings Directive on 24 March 2014 (*the "Amending Directive"*). The Amending Directive will, inter alia, amend and broaden the scope of the EU Savings Directive to include (i) payments made through certain intermediate structures (in addition to those already covered) for the ultimate benefit of an EU resident individual, and (ii) a wider range of income similar to interest. Member States have time until 1 January 2016 to implement the Amending Directive into domestic law.

2. Taxation in the Federal Republic of Germany

The information about the German taxation of the Securities issued under the Prospectus set out in the following section deals only with German withholding tax and is not exhaustive. It is based on current tax laws in force at the time when this Securities Note was published. Such tax laws may be subject to change at short notice and, within certain limits, also with retroactive effect.

The following is a general description of certain German withholding tax considerations relating to the Securities. It does not purport to be a complete analysis of all German tax considerations relating to the Securities. In particular, this discussion does not consider any specific facts or circumstances that may apply to a particular investor. This summary does not allow any conclusions to be drawn with respect to issues not specifically addressed.

Prospective purchasers of Securities are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposition of the Securities on the basis of this Prospectus, including the effect of any state or local taxes, under the tax laws of Germany and each country of which they are residents.

German withholding tax

In principle, only persons (individuals and incorporated entities) who are tax resident in Germany (in particular, persons having a residence, habitual abode, seat or place of management in Germany) are subject to German withholding tax with respect to payments under debt instruments. Non-resident persons generally do not suffer German withholding tax. If, however, the income from the Securities is subject to German tax, i.e. if (i) the Securities are held as business assets (*Betriebsvermögen*) of a German permanent establishment (including a permanent representative) which is maintained by the relevant investor or (ii) the income from the Securities qualifies for other reasons as taxable German source income, German withholding tax is applied, as a rule, as in the case of a German tax resident investor.

German withholding tax will be levied at a flat withholding tax rate of 26.375% (including solidarity surcharge (*Solidaritätszuschlag*)) on proceeds from the sale of the Securities if the Securities are held in a custodial account which the relevant investor maintains with a German branch of a German or non-German credit or financial services institution or with a German securities trading business or a German securities trading bank (a "**German Disbursing Agent**"). If the Securities are redeemed, repaid, assigned or contributed into a corporation by way of a hidden contribution (*verdeckte Einlage*), such transaction is treated like a sale. If the Issuer exercises the right to substitute the debtor of the Securities, the substitution might, for German tax purposes, be treated as an exchange of the Securities for new notes issued by the new debtor. Such a substitution could result in the recognition of a taxable gain or loss for the respective investors.

If an investor sells or redeems the Securities, the tax base is, in principle, the difference between the acquisition costs and the proceeds from the sale or redemption of the Securities reduced by expenses directly and factually related to the sale or redemption. Where the Securities are acquired and/or sold in a currency other than Euro, the sales/redemption price and the acquisition costs have to be converted into Euro on the basis of the foreign exchange rates prevailing on the sale or redemption date and the acquisition date respectively. If the Securities have not been held in the custodial account maintained with the Disbursing Agent since their acquisition and the acquisition costs of the Securities are not proven to the German Disbursing Agent in the form required by law (e.g. if the Securities had been transferred from a non-EU custodial account prior to the sale), withholding tax is applied to 30% of the proceeds from the sale or redemption of the Securities.

When computing the tax base for withholding tax purposes, the German Disbursing Agent has to deduct any negative savings income (*negative Kapitalerträge*) or paid accrued interest (*Stückzinsen*) in the same calendar year or unused negative savings income of previous calendar years.

Individuals who are subject to church tax may apply in writing for this tax to be withheld as a surcharge to the withholding tax. Individuals subject to church tax but declining the application have to include their savings income in their tax return and will then be assessed to church tax. For German credit institutions an electronic information system as regards church withholding tax shall apply in respect of interest received after 31 December 2014, with the effect that church tax will be collected by the German Disbursing Agent by way of withholding unless the investor has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*), in which case the obligation to include savings income in the tax return for church tax purposes will persist.

With regard to individuals holding the Securities as private assets, any withholding tax levied shall, in principle, become definitive and replace the income taxation of the relevant investor. If no withholding tax has been levied other than by virtue of a withholding tax exemption certificate (*Freistellungsauftrag*) and in certain other cases, the relevant investor is nevertheless obliged to file a tax return, and the savings income will then be taxed within the tax assessment procedure. However, the separate tax rate for savings income applies in most cases also within the assessment procedure. In certain cases, the investor may apply to be assessed on the basis of its personal tax rate if such rate is lower than the above tax rate. Such application can only be filed consistently for all savings income within the assessment period. In case of jointly assessed husband and wife the application can only be filed for savings income of both spouses.

With regard to other investors, German withholding tax is a prepayment of (corporate) income tax and will be credited or refunded within the tax assessment procedure.

No German withholding tax will be levied if an individual holding the Securities as private assets has filed a withholding tax exemption certificate (*Freistellungsauftrag*) with the German Disbursing Agent, but only to the extent the savings income does not exceed the exemption amount shown on the withholding tax exemption certificate. Currently, the maximum exemption amount is EUR 801 (EUR 1,602 in the case of jointly assessed husband and wife). Similarly, no withholding tax will be levied if the relevant investor has submitted a

certificate of non-assessment (*Nichtveranlagungs-Bescheinigung*) issued by the relevant local tax office to the German Disbursing Agent. Further, with regard to investors holding the Securities as business assets, no withholding tax will be levied on capital gains from the redemption, sale or assignment of the Securities if (a) the Securities are held by a corporation or (b) the proceeds from the Securities qualify as income of a domestic business and the investor has notified this to the German Disbursing Agent by use of the officially required form.

The Issuer is not obliged to levy German withholding tax in respect of payments on the Securities.

3. Taxation in Luxembourg

The following discussion contains a description of certain material Luxembourg income tax considerations that may be relevant to the purchase, ownership and disposal of the Securities by a Securityholder. It does not purport to be a complete analysis of all tax considerations relating to the Securities, whether in Luxembourg or elsewhere. Prospective Securityholders should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Securities and the consequences of such actions under the tax laws of Luxembourg. This summary is based upon tax laws of Luxembourg as in effect on the date of this Prospectus, which are subject to change, possibly with retroactive effect, and to differing interpretations. The information contained within this section is limited to taxation issues, and prospective investors should not apply any information set out below to other areas, including (but not limited to) the legality of transactions involving the Securities.

Please be aware that the residence concept used in the headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy, impost or other charge or withholding of a similar nature refers only to Luxembourg tax law and/or concepts. Also, please note that a reference to Luxembourg income tax generally encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*), as well as personal income tax (*impôt sur le revenu*). Investors may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax as well as the solidarity surcharge invariably apply to most corporate taxpayers who are considered as residents of Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may also apply.

Prospective Securityholders are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposition of the Securities on the basis of this Prospectus, including the effect of any state or local taxes, under the tax laws of Luxembourg and each country of which they are residents.

Withholding tax - Luxembourg non-residents

Under Luxembourg tax law currently in effect and subject to the application of the amended Luxembourg laws dated 21 June 2005 (the "**Laws**") implementing the EU Savings Directive and several agreements concluded between Luxembourg and certain dependent and associated territories of the European Union (the "**Territories**"), all payments of interest made by the Issuer in the context of the holding, disposal, redemption or repurchase of the Securities can be made free and clear of any withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein, in accordance with the applicable Luxembourg law.

However, under the Laws, a Luxembourg-based paying agent (within the meaning of the EU Savings Directive) is required to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual resident Securityholder in another EU Member State or in one of the Territories, or to a residual entity in the sense of article 4.2 of the EU Savings Directive, unless the beneficiary of the interest payments elects for the procedure of exchange of information or the tax certificate procedure. The withholding tax rate is currently 35 per cent. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. On 18 March 2014, the Luxembourg government has submitted to the Luxembourg Parliament the draft Bill N° 6668 on taxation of savings income putting an end to the current withholding tax regime as from 1 January 2015 and implementing the automatic exchange of information as from that date. This draft Bill is in line with the announcement of the Luxembourg government dated 10 April 2013.

Withholding tax - Luxembourg residents

The term “**interest**” used hereafter should have the same meaning as in the Laws.

According to the amended Luxembourg law dated 23 December 2005 (the “**December 2005 Law**”), a 10 per cent. withholding tax has been introduced on payments of savings income (i.e., with certain exemptions, savings income within the meaning of the Laws) made by Luxembourg paying agents (defined in the same way as in the EU Savings Directive) to (or for the benefit of) Luxembourg individual resident Securityholders who are the beneficial owners of such savings income.

Pursuant to the December 2005 Law as amended by the law of 17 July 2008, Luxembourg resident individuals can opt to self-declare and pay a 10 per cent. levy on savings income paid by paying agents (as such term is defined in the EU Savings Directive) located in an EU Member State other than Luxembourg, a Member State of the European Economic Area other than Luxembourg, or in a State or territory which has concluded an international agreement with Luxembourg directly related to the EU Savings Directive. In such case, the 10 per cent. levy is calculated on the same amounts as for the payments made by Luxembourg paying agents.

The 10 per cent. withholding tax as described above or the 10 per cent. levy are final when Luxembourg resident individuals are acting in the context of the management of their private wealth.

Responsibility for the withholding of tax in application of the above mentioned the Laws and the December 2005 Law, as amended, is assumed by the Luxembourg paying agent within the meaning of these laws and not by the Issuer (unless the Issuer acts as a paying agent).

Income tax on principal, interest, gains on sales or redemption

Non-resident Securityholders

Subject to the Laws, Securityholders who are non-residents of Luxembourg and who do not have a permanent establishment, a permanent representative or a fixed place of business in Luxembourg with which/whom the holding of the Securities is connected, will not be subject to taxes (income taxes and net wealth tax) or duties in Luxembourg with respect to payments of principal or interest (including accrued but unpaid interest), payments received upon redemption, repurchase or exchange of the Securities or capital gains realised upon disposal or repayment, in any form whatsoever, of the Securities.

Securityholders who are non-residents of Luxembourg but who are acting in the course of management of a professional or business undertaking, who have a permanent establishment, a permanent representative or a fixed place of business in Luxembourg to which/whom the Securities are attributable are subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts, under the Securities and on any gains realised upon the sale or disposal, in any form whatsoever, of the Securities.

Luxembourg resident corporate Securityholders

Luxembourg resident corporate Securityholders must include any interest received or accrued, as well as any gain realised on the disposal of the Securities, in their taxable income for Luxembourg income tax assessment purposes. Securityholders who have a permanent establishment, a permanent representative or a fixed place of business in Luxembourg with which the holding of the Securities is connected, must for income tax purposes include any interest received or accrued as well as the difference between the sale or redemption price and the book value of the Securities sold or redeemed in their taxable income for Luxembourg tax assessment purposes. They will not be liable for any Luxembourg income tax on repayment of principal.

Luxembourg resident corporate Securityholders which are companies benefiting from a special tax regime (such as family estate management companies subject to the amended law of 11 May 2007, undertakings for collective investment subject to the amended law of 17 December 2010 or specialised investment funds subject to the amended law of 13 February 2007) are tax exempt entities in Luxembourg, and are thus not subject to any Luxembourg tax (i.e. corporate income tax, municipal business tax and net wealth tax) other than the annual subscription tax calculated on their (paid-up) share capital (and share premium) or net asset value.

Luxembourg resident individual Securityholders

A resident individual Securityholder acting in the course of the management of a professional or business undertaking must include any interest accrued or received, any redemption premium or issue discount, as well

as any gain realised on the sale or disposal, in any form whatsoever, of the Securities, in its taxable income for Luxembourg income tax assessment purposes. If applicable, the tax levied in accordance with the December 2005 Law will be credited against his/her final tax liability.

A resident individual Securityholder acting in the course of the management of his/her private wealth, is subject to Luxembourg income tax at progressive rates in respect of interest received, accrued but unpaid interest in case of disposal of the Securities, redemption premiums or issue discounts under the Securities except if (i) the 10 per cent. final withholding tax has been levied on such payments in accordance with the December 2005 Law or (ii) the individual Securityholder has opted for the application of a 10 per cent. levy in full discharge of income tax in accordance with the December 2005 Law as amended.

Under Luxembourg domestic tax law, Luxembourg resident individual Securityholders who act in the course of the management of their private wealth, are not subject to taxation on capital gains upon the disposal of the Securities, unless the disposal of the Securities precedes the acquisition of the Securities or the Securities are disposed of within six months of the date of acquisition of these Securities. Upon a redemption of the Securities, individual Luxembourg resident Securityholders who act in the course of the management of their private wealth must however include the portion of the redemption price corresponding to accrued but unpaid interest in their taxable income.

Net wealth tax

Luxembourg net wealth tax will be levied on a Luxembourg resident corporate Securityholder, as well as a non-resident Securityholder who has a permanent establishment, a permanent representative or a fixed place of business in Luxembourg to which the Securities are attributed, unless, the Securityholder is (i) an undertaking for collective investment subject to the amended law of 17 December 2010, (ii) a specialised investment fund governed by the amended law of 13 February 2007, (iii) a securitisation company governed by the amended law of 22 March 2004 on securitisation, (iv) an investment company in risk capital governed by the amended law of 15 June 2004 on the investment company in risk capital, or (v) a family wealth management company governed by the amended law of 11 May 2007 on family estate management companies.

Luxembourg net wealth tax has been abolished for individual Securityholders as from the year 2006.

Other taxes

There is no Luxembourg registration tax, capital tax, stamp duty or any other similar tax or duty payable in Luxembourg in respect of or in connection with the execution, delivery and enforcement by legal proceedings (including any foreign judgement in the courts of Luxembourg) of the Securities except that in the case of court proceedings in a Luxembourg court or the presentation of the documents relative to the Securities issue to an "autorité constituée," such a court or "autorité constituée" may require registration thereof, in which case the documents will be subject to registration duties depending on the nature of the documents.

Inheritance and gift tax

Where the Securities are transferred for no consideration:

- (i) no Luxembourg inheritance tax is levied on the transfer of the Securities upon death of a Securityholder in cases where the deceased Securityholder was not a resident of Luxembourg for inheritance tax purposes.
- (ii) At the time of death, the Securities are included in the taxable estate for inheritance tax assessment purposes in cases where the deceased Securityholder was a resident of Luxembourg for inheritance tax purposes.
- (ii) Luxembourg gift tax will be levied on the transfer of a Security by a way of a gift by the Securityholder if this gift is registered in Luxembourg (e.g., if it is made pursuant to a notarial deed signed before a Luxembourg notary).

Residence

A Securityholder will not become resident, or deemed to be resident, in Luxembourg by reason only of the holding of a Security or the execution, performance, delivery and/or enforcement of the Security.

4. Taxation in Switzerland

The following is a generic summary only of the Issuer's understanding of current law and practice in Switzerland relating to the taxation of the Securities issued under the Prospectus. Because this summary does not address all tax considerations under Swiss law and as the specific tax situation of an investor cannot be considered in this context, potential investors are recommended to consult their personal tax advisors as to the tax consequences of the purchase, ownership, sale or redemption of and the income derived from the Securities issued under the Prospectus including, in particular, the effect of tax laws of any other jurisdiction.

The Swiss Federal Tax Administration has issued on 7 February 2007 a Circular Letter No. 15 regarding Certificates and Derivative Financial Instruments subject to Direct Federal Tax, Withholding Tax and Stamp Tax. The Securities issued under the Prospectus will be taxed in accordance with this Circular Letter No. 15 and its appendices. Depending on the qualification of the relevant Security by the competent Swiss tax authorities the taxation of each Security may be different.

The taxation depends on the set-up of each single Security for which reason the following remarks are again only of generic nature.

Income Tax

For private investors resident in Switzerland holding the Securities (understood as the right but not the obligation of the holder which it acquired against consideration to buy or sell a specific amount of a certain underlying at or until a fixed date at an agreed price) as private assets any capital gains realized in relation to such Securities are in principle not subject to individual income tax in Switzerland. However, Low Exercise Price Options in the sense of the practice of the Swiss Federal Tax Administration (defined as an option with a tenor of more than 12 months and a strike price of less than half of the market value of the underlying at issuance) are an exception to the before-mentioned principle in that an interest component is taxable at redemption or at exercise.

For individual investors resident in Switzerland holding the Securities as business assets as well as for Swiss corporate investors, capital gains realized upon a sale, re-evaluation or redemption of such Securities are in principle subject to either Swiss individual income tax with respect to an individual investor resident in Switzerland holding the Securities as business assets or subject to Swiss corporate income tax with respect to a corporate investor resident in Switzerland.

If the Securities are combined with other financial instruments ("**Structured Products**"; e.g. combination of a Security with a bond for a capital protected Security) the taxation is different and depends on the set-up of each single Structured Product for which reason the following remarks are again only of generic nature.

For private investors resident in Switzerland holding the Structured Products as private assets capital gains realized are in principle Swiss individual income tax exempt whereas investment income (such as, in particular but not limited to, interest, dividends etc.) deriving from the Structured Products is subject to Swiss personal income tax. For individual or corporate investors resident in Switzerland holding the Structured Products as business assets, capital gains realized upon a sale, exchange, redemption or re-evaluation of the Structured Products or income derived from Structured Products, irrespective of whether such income stems from investment income or capital gains, are in principle subject to either Swiss individual income tax with respect to an individual investor resident in Switzerland holding the Structured Products as business assets or subject to Swiss corporate income tax with respect to a corporate investor resident in Switzerland.

Withholding Tax

In principle profits derived from transactions in Securities are not subject to Swiss Withholding Tax.

If the Securities are combined with other financial instruments ("**Structured Products**"; e.g. combination of a Security with a bond for a capital protected Security) the taxation is different and depends on the set-up of each single Structured Product for which reason the following remarks are again only of generic nature.

The Swiss Withholding Tax is in principle levied on income (such as, but not limited to, interest, pensions, profit distributions etc.) from, amongst others, bonds and other similar negotiable debt instruments issued by a Swiss tax resident ("*Inländer*"), distributions from Swiss tax resident corporations, interest on deposits with Swiss banks as well as distributions of or in connection with Swiss tax resident collective investment schemes. For Swiss Withholding Tax purposes, an individual or corporation qualifies as a Swiss tax resident ("*Inländer*") being subject to withholding taxation if it (i) is resident in Switzerland, (ii) has its permanent abode in Switzerland, (iii)

is a company incorporated under Swiss law having its statutory seat in Switzerland, (iv) is a company incorporated under foreign law but with a registered office in Switzerland, or (v) is a company incorporated under foreign law but is managed and conducts business activities in Switzerland. Hence, as long as the Structured Products are not issued by an issuer qualifying as a Swiss tax resident for the purposes of the Swiss Withholding Tax, income derived from the *Structured Products* is in principle not subject to Swiss Withholding Tax.

The Swiss Federal Council proposed draft legislation as part of the Swiss TBTF (Too Big To Fail) legislation. For bonds, this draft legislation foresees a shift from the current source withholding tax system to a paying agent tax system with regard to interest payments. According to the current practice of the Swiss Federal Tax Administration certain Structured Products qualify as bonds. Therefore, if this legislation is enacted, Swiss paying agents such as banks in Switzerland would be required to deduct Swiss withholding tax at a rate of 35 per cent on certain payments to certain investors irrespective of the fact whether the Structured Products are issued by UBS AG Switzerland or a foreign branch of UBS AG. According to the draft legislation Swiss paying agents would be required to deduct a Swiss paying agent tax on interest paid on bonds to Swiss-resident individuals as final recipients. For the time being not all relevant details of the proposed regime are published.

Neither the Issuer nor any other person would pursuant to the General Conditions of the Securities or Structured Products be obliged to pay additional amounts with respect to any Security or Structured Product as a result of the deduction or imposition of such Swiss Withholding Tax.

Transfer and Issue Stamp Tax

Swiss Stamp Tax is, amongst other, either levied as securities transfer tax or as issuance tax.

In principle Securities do not qualify as taxable securities for Swiss Stamp Tax purposes. They are in principle neither subject to Swiss Transfer Stamp Tax nor to Issuance Stamp Tax.

If, however, the Securities are combined with other financial instruments ("**Structured Products**"; e.g. combination of a Security with a bond for a capital protected Security) the taxation is different and depends on the set-up of each single Structured Product for which reason the following remarks are again only of generic nature. Further, Low Exercise Price Options in the sense of the practice of the Swiss Federal Tax Administration (defined as an option with a tenor of more than 12 months and a strike price of less than half of the market value of the underlying at issuance) do qualify as taxable securities and are subject to Swiss Transfer Stamp Tax.

Swiss Transfer Stamp Tax is levied on the transfer of ownership against consideration of certain taxable securities if a Swiss securities dealer in the sense of the Swiss Stamp Tax Act is involved in the transaction and no exemption applies. This tax levy applies in particular to Structured Products which include a bond component or which qualify as instruments similar to a collective investment scheme or as shares and share-like instruments as per the practice of the Swiss Federal Tax Administration. If shares or other taxable securities are delivered to the investor at redemption or due to an exercise right, the delivery of the security may be subject to Swiss Transfer Stamp Tax.

Swiss Issuance Stamp Tax is levied on the issuance of Swiss shares and similar participation rights. For Swiss Stamp Tax purposes, an individual or corporation qualifies as a Swiss tax resident ("*Inländer*") being subject to Swiss Stamp Tax if it (i) is resident in Switzerland, (ii) has its permanent abode in Switzerland, (iii) is incorporated under Swiss law and having its statutory or legal seat in Switzerland or (v) if it is registered as an enterprise with the Swiss register of commerce. Hence, as long as the Securities are not issued by an issuer qualifying as a Swiss tax resident they are not subject to Swiss Issuance Stamp Tax.

Measures equivalent to the EU Savings Directive

Switzerland has introduced a tax retention (withholding tax) of 35% pursuant to the agreement between the European Community and the Swiss Confederation providing for measures equivalent to those laid down in the Council Directive 2003/48/EC on taxation of savings income in the form of interest payments effective as of 1 July 2005 on interest payments or similar income paid by a Swiss paying agent to an individual resident in an EU Member State, unless the interest payments are made as debt-claims issued by debtors who are residents of Switzerland or pertaining to permanent establishments in Switzerland of non-residents.

The beneficial owner may avoid the retention by expressly authorizing the paying agent in Switzerland to report the interest payments. If the paying agent receives such an authorisation, he reports the interest payment to

the Swiss Federal Tax Administration which in turn communicates the information to the competent authority of the EU Member State of residence of the beneficial owner.

Bilateral agreements (Quellensteuerabkommen)

Switzerland has signed agreements on a final withholding tax (Quellensteuerabkommen) with the United Kingdom and with Austria. Furthermore, it is possible that Switzerland will sign similar agreements with other countries in the near future. According to these agreements, qualifying Swiss paying agents levy a final withholding tax on any investment income if the Securities or the Structured Products are held in custody account with a qualifying Swiss paying agent and if the custody account is directly or indirectly owned by an individual resident in the other contracting state (e.g. Austria). The applicable final withholding tax rate may vary depending on the applicable tax rate in the other contracting state and the type of realised investment income (dividend, interest, capital gain, etc.). Furthermore, the calculation of the income subject to a final withholding tax may vary depending on the applicable agreement. A person subject to a final withholding tax ("**Relevant Person**") may avoid such final withholding tax by expressly allowing the qualifying Swiss paying agent to report to the foreign tax authorities in the state of residence of the Relevant Person, amongst others, the identity of the Relevant Person and the amount the realised investment income in a certain period.

H. GENERAL INFORMATION

1. Form of Document

This document comprises a securities note (the “**Securities Note**”) and a summary (the “**Summary**”) and, together with the registration document of UBS AG dated 19 May 2014, as supplemented from time to time, (the “**Registration Document**”), constitutes a prospectus (the “**Prospectus**”) according to Art. 5 (3) of the Prospectus Directive (Directive 2003/71/EC, as amended), as implemented by the relevant provisions of the EU member states, in connection with Regulation 809/2004 of the European Commission, as amended.

2. Publication

The Prospectus will be published on the website of UBS at www.ubs.com/keyinvest (or a successor thereto). In case of admission to trading of Securities on a regulated market of a stock exchange, the Prospectus will be published in accordance with the rules of such stock exchange.

The Prospectus will also be available at the registered offices of the Issuer at Bahnhofstrasse 45, CH-8001 Zurich, Switzerland and Aeschenvorstadt 1, CH-4051 Basel, Switzerland.

3. Authorisation

The Issuer does not need to obtain (individual) authorisation from its Management Board to issue the Securities. There exists a general resolution for the issue of the Securities.

4. Approval of the Prospectus and Notification

Application has been made by the Issuer to the Federal Financial Services Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* – “**BaFin**”) as competent authority under and in accordance with the Securities Prospectus Act which implements Directive 2003/71/EC of the European Parliament and the Council of 4th November 2003 into German law to approve this document, comprising the Summary and the Securities Note, as part of a tri-partite prospectus. The BaFin approved the Summary and the Securities Note after completing a review of this document for completeness, including a review of the coherence and comprehensibility of the information provided.

In order to be able to conduct a public offer and/or a listing of the Securities on an organised market (within the meaning of Directive 93/22/EEC) (the “**EEA Passport**”) in Luxembourg, the Issuer has applied for a notification of the Prospectus pursuant to Sections 17, 18 of the WpPG into Luxembourg. The Issuer reserves the right to apply to the BaFin for EEA Passports into further EEA states.

A special permit allowing for the Securities to be offered or the prospectus to be distributed in a jurisdiction outside of those countries for which an EEA Passport is possible and a permit required has not been obtained.

5. Use of Proceeds

The reasons for the offer are making profit and/or hedging certain risks.

The net proceeds from the issuance of the Securities will be used for hedging and general corporate purposes of the Issuer only. The Issuer shall not employ the net proceeds within Switzerland. A separate (“special purpose”) fund will not be established.

In particular, the Issuer is not obliged to invest the net proceeds from the issuance of the Securities in any Reference Portfolio Component at any time. The Securityholders do not have any direct interest in, or beneficial ownership of any Reference Portfolio Component at any time.

6. Availability of the Prospectus and other documents

As long as any of the Securities are outstanding, copies of the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), at the registered offices of the Issuer at Bahnhofstrasse 45, CH-8001 Zurich, Switzerland and Aeschenvorstadt 1, CH-4051 Basel, Switzerland:

- (a) a copy of the Articles of Association of UBS AG;
- (b) a copy of the Registration Document of UBS AG dated 19 May 2014, as supplemented from time to time;
- (c) a copy of the Annual Report of UBS AG as of 31 December 2012, comprising the sections (1) Operating environment and strategy, (2) Financial and operating performance, (3) Risk, treasury and capital management, (4) Corporate governance, responsibility and compensation, (5) Financial information (including the "Report of the statutory auditor and the independent registered public accounting firm on the consolidated financial statements" and the "Report of the statutory auditor on the financial statements");
- (d) a copy of the Annual Report of UBS AG as of 31 December 2013, comprising the sections (1) Operating environment and strategy, (2) Financial and operating performance, (3) Risk, treasury and capital management, (4) Corporate governance, responsibility and compensation, (5) Financial information (including the "Report of the statutory auditor and the independent registered public accounting firm on the consolidated financial statements" and the "Report of the statutory auditor on the financial statements");
- (e) a copy of the Securities Note dated 7 July 2014, as supplemented from time to time; and
- (f) a copy of the Summary dated 7 July 2014, as supplemented from time to time.

Copies of the above documents shall, as long as any of the Securities are outstanding, also be maintained in printed format, for free distribution, at the registered offices of the Issuer. In addition, any annual and quarterly reports of UBS AG are published on the UBS website, at www.ubs.com/investors or a successor address.

7. Any interest, including potential conflicting ones, of natural and legal persons involved that is material to the issue/offer of the Securities

The Issuer and affiliated companies may participate in transactions related to the Securities in some way, for their own account or for account of a client. Such transactions may not serve to benefit the Securityholders and may have a positive or negative effect on the value of the Reference Portfolio Components comprised in the notional Reference Portfolio, and consequently on the value of the Securities. Furthermore, companies affiliated with the Issuer may become counterparties in hedging transactions relating to obligations of the Issuer stemming from the Securities. As a result, conflicts of interest can arise between companies affiliated with the Issuer, as well as between these companies and investors, in relation to obligations regarding the calculation of the price of the Securities and other associated determinations. In addition, the Issuer and its affiliates may act in other capacities with regard to the Securities, such as calculation agent, paying agent and administrative agent.

Furthermore, the Issuer and its affiliates may issue other derivative instruments relating to the notional Reference Portfolio; introduction of such competing products may affect the value of the Securities. The Issuer and its affiliated companies may receive non-public information relating to the notional Reference Portfolio, and neither the Issuer nor any of its affiliates undertakes to make this information available to Securityholders.

Within the context of the offering and sale of the Securities, the Issuer or any of its affiliates may directly or indirectly pay fees in varying amounts to third parties, such as distributors or investment advisors, or receive payment of fees in varying amounts, including those levied in association with the distribution of the Securities, from third parties. Potential investors should be aware that the Issuer may retain fees in part or in full. The Issuer or, as the case may be, the Manager, upon request, will provide information on the amount of these fees.

Save for the Authorised Offerors and the Reference Portfolio Advisor regarding their relevant fees, as far as the Issuer is aware, no person involved in the issue of the Securities has an interest material to the issue / the offer of the Securities.

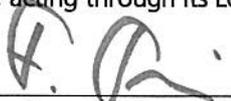
I. SIGNATORIES

Signed on behalf of the Issuer,

7 July 2014:

UBS AG, acting through its London branch

By:



(signed by François Thouvenin)

By:



(signed by Stefanie Ganz)