

Supplement No. 6 pursuant to § 16 (1) of the German Securities Prospectus Act

Dated 19 November 2014 to the already published Base Prospectus dated 10 March 2014 for the Issuance of UBS Performance Securities of UBS AG

This supplement serves as supplementing an additional Index to the Base Prospectus mentioned above:

Supplementing the UBS Risk Adjusted Dynamic Alpha (RADA) Net Total Return Index (USD) on S&P 500® to the above mentioned Base Prospectus – Decision on 26 September 2014 to publicly offer Securities linked to the UBS Risk Adjusted Dynamic Alpha (RADA) Net Total Return Index (USD) on S&P 500® in some of the Public Offer Jurisdictions.

The following table shows the supplemented information that has become available after the date of the Base Prospectus, as mentioned above.

| Updated information | Revisions |
|----------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| Risk Factors | The section Risk factors (III. Underlying specific Risks, III. Basiswertspezifische Risikofaktoren) has been supplemented. |
| Information about the Underlying | The description of "UBS Risk Adjusted Dynamic Alpha (RADA) Net Total Return Index (USD) on S&P 500®" has been supplemented. |

The attention of the investors is in particular drawn to the following: Investors who have already agreed to purchase or subscribe for the Notes, Certificates, Bonds or Securities, as the case may be, before this supplement is published have, pursuant to § 16 (3) of the German Securities Prospectus Act, the right, exercisable within a time limit of two working days after the publication of this supplement, to withdraw their acceptances, provided that the new circumstances or the incorrectness causing the supplement occurred before the closing of the public offering and before the delivery of the securities. A withdrawal, if any, of an order must be communicated in writing to the Issuer at its registered office specified in the address list hereof.

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- 1) In relation to the Base Prospectus dated 10 March 2014 for the Issuance of UBS Performance Securities in section "C. Risk Factors" and "1. Risk Factors (in the English Language)" in the section headed "III. Underlying specific Risks" the risks specifically related to the UBS Risk Adjusted Dynamic Alpha (RADA) Net Total Return Index (USD) on S&P 500® have been supplemented as follows:

In case of the **UBS Risk Adjusted Dynamic Alpha (RADA) Net Total Return Index (USD) on S&P 500® as the Underlying or a Basket Component, as the case may be**, as specified in the definition of "Underlying" contained in the section "Product Terms" of the relevant Final Terms,

potential investors should consider the following risks **specifically related to the UBS Risk Adjusted Dynamic Alpha (RADA) Net Total Return Index (USD) on S&P 500® as Underlying or a Basket Component**, as the case may be:

Rules-based Index

The Index operates on the basis of pre-determined rules. No assurance can be given that the algorithm on which the Index is based will be successful or that the Index will outperform any alternative algorithm that could have been employed.

Investors could lose their entire investment

The level of the Index (the "Index Level") depends on the performance of the components of the Index (the "Index Components"), each of which may increase or decrease in value. Neither the Index nor any of the Index Components includes any element of capital protection or guaranteed return. The value of any Index Component, or the Index itself, may fall below its initial value.

Market risks may affect the Index Level

Economic, financial, political, regulatory, geographical, judicial or other events which affect the investment climate and economic sentiment may affect the value of the Index Components and, therefore, the Index Level.

The Index is not actively managed

The Index operates in accordance with a pre-determined methodology and formulae, and UBS AG, acting through its London Branch (or its successor) (in such capacity, the "Index Administrator") exercises discretion only in limited situations. The Index is, therefore, not actively managed. There will be no active management of the Index so as to enhance returns beyond those embedded in the Index. Market participants are often able to adjust their investments promptly in view of market, political, financial or other factors, and an actively managed product could potentially respond more directly and appropriately to immediate market, political, financial or other factors than a non-actively managed index. In contrast, the pre-determined methodology and formulae in respect of the Index will rebalance the weights or quantity assigned to each Index Component to its specified value only on each rebalance date.

Neither UBS AG, acting through its London Branch (or any successor thereto) (in such capacity, the "Index Owner") nor the Index Administrator is acting as an investment adviser or performing a discretionary management role with respect to the Index and, as a result, has any fiduciary duty to any person in respect of the Index.

Influence of Currency Exchange Rates

Index Components may be denominated in currencies different from the currency of the Index, and the Index is not currency-hedged. An unfavourable performance of such

currencies in relation to the currency of the Index may have an adverse effect on the Index Level at any given time.

No rights in any Index Component

The Index is purely synthetic. The exposure to each Index Component is purely notional and will exist only in the records held by the Index Administrator. A notional investment in the Index will not make a Securityholder the owner of, or as the case may be, a party to, any Index Component comprising the Index.

The Index relies on the use of third-party information about Index Components

All information in this Prospectus about any Index Component has been derived from publicly available documents. The Issuer has not participated and will not participate in the preparation of any of those documents. Nor has the Issuer made or will the Issuer make any "due diligence" investigation or any inquiry with respect to the sponsor or issuer of any Index Component in connection with the maintenance of the Index. The Issuer does not make any representation or warranty that any such publicly available document or any other relevant publicly available information is accurate or complete.

Furthermore, the Issuer does not know whether all events occurring before the 19 November 2014, including events that would affect the accuracy or completeness of the publicly available documents referred to above or the level, value or price of any Index Component, have been publicly disclosed. Subsequent disclosure of any events of this kind or the disclosure of or failure to disclose material future events concerning any Index Component could affect the Index Level.

The Index Administrator may rely upon third party and other external and internal data sources which may be inaccessible and/or inaccurate, and the inputs used by the Index Administrator to run the Index calculations may affect the Index Level

The Index Administrator may rely upon third party brokers or external dealers and other external and internal sources to obtain certain inputs necessary to compute the Index Level. The inability of the Index Administrator to source necessary data to calculate the relevant formulae of the Index may affect the Index Level. In addition, the Index Administrator makes no warranty as to the correctness or completeness of that information and takes no responsibility for the accuracy of such data or the impact of any inaccuracy of such data on the Index Level.

The policies of the Index Administrator and changes that affect the composition and the Index Components could affect the Index Level

The policies of the Index Administrator concerning the calculation of the Index Level and the values of the Index Components could affect the Index Level.

The Index Administrator may, subject to the Index Administrator obtaining the prior consent of the Index Owner, modify the methodology for calculating the Index Level and the values of the Index Components. In addition, under a number of circumstances the Index Administrator may make certain changes to the way in which the Index Level or the value of any of the Index Components is calculated. The Index Administrator may also discontinue or suspend calculation or publication of the Index, in which case it may become difficult to determine the Index Level. Notice of such amendments shall be provided in advance on the Bloomberg Page and/or the Reuters Page and/or on the UBS Website.

The historical or hypothetical performance of the Index or any Index Component is not an indication of future performance

The historical or hypothetical performance of the Index or any Index Component should not be taken as an indication of the future performance of the Index or any Index Component. It is impossible to predict whether the future level, value or price of the

Index or any Index Component will fall or rise. Past fluctuations and trends in the Index or any Index Component are not necessarily indicative of fluctuations or trends that may occur in the future.

The level of any Index Component that is an underlying index may affect the Index Level at any time.

The level of any Index Component that is an underlying index may affect the Index Level at any time. Prospective investors should carefully read and consider the relevant information about such underlying index, including the risk factors associated with a notional investment in such underlying index.

The occurrence of certain events with respect to an Index Component that is an underlying index may affect the Index Level

The prices of component securities or other financial instruments comprising an Underlying Index may be adversely impacted by a wide range of events. For example, component securities or other financial instruments comprised in an Underlying Index may be subject to corporate actions and other extraordinary events, such as mergers, tender offers, extraordinary dividends and nationalisations. The administrator of the underlying index may be entitled to adjust the composition of the underlying index pursuant to the rules of the underlying index. Any such events or actions may affect or have an adverse effect on the level of such underlying index and in turn on the Index Level.

Market and other activities in respect of the underlying index may contribute to an increased level of investment in the underlying index.

The administrator of the underlying index has licensed, and may continue to license, the underlying index for use by other market participants, for publication in newspapers and periodicals, for distribution by information and data dissemination services and for various other purposes, any of which may contribute to an increased level of investment in the underlying index. This may have an adverse impact on the level of the underlying index and consequently the Index Level.

The administrator of the underlying index may be required to replace a component security comprised in an underlying index if the existing component security is removed.

The underlying index comprises component securities. Data concerning the component securities will be used to calculate the underlying index. If any component security was to be removed in accordance with the rules of the index methodology of the underlying index, a comparable security may be selected by the administrator of the underlying index, if available, to replace that component security. The replacement of any component security may have an adverse impact on the level of the underlying index and consequently, the Index Level.

The policies of the administrator of the underlying index and changes that affect the underlying index could affect the level of the underlying index.

The policies of the administrator of the underlying index concerning its calculation could affect the level of the underlying index. The level of the underlying index could also be affected if the administrator of the underlying index changes these policies, for example, by materially changing the manner in which it calculates the underlying index, or if it cancels or fails to calculate or publish the underlying index, in which case it may become difficult or inappropriate to determine the market value of any financial products linked to the underlying index (including the Index Level). If any such policies relating to the underlying index are changed, or the calculation or publication of the underlying index is discontinued or suspended, this could affect the Index Level.

The administrator of the underlying index will have the authority to make determinations that could materially affect the performance of the underlying index in various ways.

The underlying index was developed, and is currently owned, calculated and maintained, by the administrator of the underlying index. The administrator of the underlying index is responsible for the composition, calculation and maintenance of the underlying index and has determinative influence over its composition, calculation and maintenance. The judgements that the administrator of the underlying index makes in connection with the composition, calculation and maintenance of the underlying index, could affect the level of the underlying index and therefore the Index Level. The administrator of the underlying index may decide to discontinue calculating and publishing the underlying index and has no obligation to take the interests of holders of any product directly or indirectly linked to the performance of the underlying index into consideration for any reason in making such determination.

There is no affiliation between the administrator of the underlying index and the Index Administrator and the Index Administrator is not responsible for any disclosure by the administrator of the underlying index.

Neither the Index Administrator nor any of its affiliates is affiliated with the administrator of the underlying index as administrator of the underlying index. Neither the Index Administrator nor any of its affiliates assume any responsibility for the accuracy or the completeness of any information about the underlying index. Prospective investors should make their own investigation into the underlying index.

Short Positions, Use of Derivative Instruments and Leveraging

An asset or liability value to which the Index is linked may involve taking short positions in investments, through the use of short selling. This may represent significant investment risk as borrowed securities must be replaced by purchases at current market prices in order to close out a short position, and any appreciation in the value of the investments concerned will result in losses, as well as stock borrowing costs being incurred and may be only suitable for prospective investors who understand the risks involved in trading in sophisticated and volatile markets. In addition, a trading strategy may involve trading in futures, options, forward exchange contracts and other derivative instruments and may also involve leveraged trading positions. This may also represent a significant investment risk. As a result, relatively small price movements may result in substantial losses or gains.

Trading and other transactions by the Index Administrator and its affiliates in the Index or the Index Components may affect the Index Level.

The Index Administrator and its affiliates may also engage in trading in the Index, the Index Components, futures or options on the Index Components and other investments relating to or based on the Index or the Index Components on a regular basis as part of its general business, for proprietary accounts, for other accounts under management, to facilitate transactions for customers or to hedge obligations under products linked to the Index or Index Components. Although they are not intended to, any of these activities could adversely affect the value of the Index Components or the Index Level. It is possible that one or more of the Index Administrator and its affiliates could receive substantial returns from these activities while the value of the Index Components and the Index Level decline.

The Index Administrator or its affiliates may also issue or underwrite securities or financial or derivative instruments with returns linked or related to changes in the performance of any of the foregoing.

With respect to any of the activities described above, neither the Index Administrator nor its affiliates has any obligation to take into consideration at any time the impact of such activities on the value of the Index Components or the Index Level.

Termination or Suspension of the Index

The Index Administrator is under no obligation to continue the calculation, publication and dissemination of the Index. The Index may be terminated or temporarily suspended at any time. Should the Index cease to exist, this may have a negative impact on the return on the Securities.

Amendment or Modification to the Index

The Index may be amended, modified or adjusted from time to time by the Index Administrator, subject to the Index Administrator obtaining the prior consent of the Index Owner. Any such amendment, modification or adjustment may have an adverse effect on the Index Level. The Index Administrator will apply the method described in the Index Manual for the composition of the Index and calculation of the Index Level. However it cannot be excluded that the market environment, supervisory, legal, financial or tax reasons may require changes to be made to this method. The Index Administrator may, subject to the Index Administrator obtaining the prior consent of the Index Owner, also make changes to the provisions of the Index Manual and the method applied to calculate the Index Level, which it deems to be necessary and desirable in order to prevent obvious or demonstrable error or to remedy, correct or supplement incorrect or ambiguous provisions. Notice of such amendments, modifications or adjustments shall be provided on the Bloomberg Page and/or the Reuters Page and/or on the UBS Website.

Index Administrator Discretion

The Index confers discretion on the Index Administrator in making certain determinations, calculations and corrections from time to time. Although any such determinations, calculations and corrections must be made by the Index Administrator in good faith, the exercise of such discretion in the making of any calculations, determinations and corrections may adversely affect the performance of the Index. Any such determination, calculation or correction by the Index Administrator will be, in the absence of manifest error, final, conclusive and binding. The Index Administrator will determine whether any such correction shall apply retrospectively or from the relevant date forward.

The role played by UBS AG, as Index Administrator and the exercise of the kinds of discretion described above could present it with significant conflicts of interest in light of the fact that UBS AG, of which the Index Administrator is a division, is the issuer or counterparty of Index Products. Neither the Index Administrator nor the Index Owner has any obligation to take into consideration the needs of any Securityholder at any time.

Change of Index Owner and Index Administrator

The Index Owner may without the consent of the Securityholders replace the Index Administrator (the "Successor Index Administrator") at its discretion, and furthermore, may also designate a successor Index Owner (the "Successor Index Owner") at its discretion – in the event of such replacement, any reference to the "Index Administrator" and/or the "Index Owner" shall be construed as a reference to the Successor Index Administrator and the Successor Index Owner, respectively.

Fees and Costs

The Index Level will be reduced by bid/offer spreads and/or a fee deduction which represents an approximation of the costs incurred by a hypothetical investor replicating

the Index, including but not limited to those costs attributable to linking (and, therefore, notionally exposing) the relevant strategy to the Index Components. Such cost is not passed on to the Securityholders as a payment but will instead be deducted from the Index Level in accordance with this Prospectus. As such, prospective investors should understand that such cost may have a material effect on the Index Level.

Simulated history

As limited historical performance data exist with respect to the Index, any notional investment in the Index may involve greater risk than a notional investment in indices or strategies with a proven track record. The Index was first calculated on or around the index commencement date and, therefore, lacks historical performance prior to such date. All such retrospective closing levels are simulated based on quantitative screening only. They must be considered hypothetical and illustrative only.

The actual performance of the Index may be materially different from the results presented in any simulated history relating to the Index. Past performance should not be considered indicative of future performance.

Equity market risks may affect the Index Level

Because the Index, and/or any Index Component that is an index, includes equity securities, it is expected that the Index Level will fluctuate in accordance with changes in the financial condition of the relevant issuer(s) of its component stocks, the value of common stocks generally and other factors. The financial condition of the issuer(s) of the equity securities may become impaired or the general condition of the equity market may deteriorate, either of which may cause a decrease in the Index Level. Common stocks are susceptible to general equity market fluctuations, to speculative trading by third parties and to volatile increases and decreases in value as market confidence in and perceptions regarding the security or securities comprising the Index change. Investor perceptions regarding the issuer of an equity security comprising the Index or an Index Component are based on various and unpredictable factors, including expectations regarding government, economic, monetary and fiscal policies, inflation and interest rates, economic expansion or contraction, and global or regional political, economic, and banking crises.

- 2) In relation to the Base Prospectus dated 10 March 2014 for the Issuance of UBS Performance Securities in section "C. Risk Factors" and "2. Risk Factors (in the German Language)" in the section headed "III. Basiswertspezifische Risikofaktoren" the risks specifically related to the UBS Risk Adjusted Dynamic Alpha (RADA) Net Total Return Index (USD) on S&P 500® have been supplemented as follows:

Im Fall des **UBS Risk Adjusted Dynamic Alpha (RADA) Net Total Return Index (USD) on S&P 500® als Basiswert bzw. Korbbestandteil**, wie in der Definition "Basiswert" in dem Abschnitt "Produktbedingungen" der maßgeblichen Endgültigen Bedingungen festgelegt,

sollten potentielle Erwerber die folgenden Risiken, die speziell mit dem UBS Risk Adjusted Dynamic Alpha (RADA) Net Total Return Index (USD) on S&P 500® als Basiswert bzw. Korbbestandteil verbunden sind, beachten:

Regelbasierter Index

Der Index richtet sich nach bestimmten, vorab festgelegten Vorgaben. Es kann keine verbindliche Aussage darüber getroffen werden, ob mit dem dem Index zugrundeliegenden Algorithmus Erfolge erzielt werden, oder ob die Entwicklung des Index die Entwicklung anderer Algorithmen übertrifft, die möglicherweise hätten angewandt werden können.

Anleger können ihren Kapitaleinsatz verlieren

Der Wert des Index (der "Indexwert") hängt von der Entwicklung der Bestandteile des Index ("Indexbestandteile") ab, deren Wert zu- oder abnehmen kann. Weder der Index noch ein Indexbestandteil umfassen ein Element des Kapitalschutzes oder einen garantierten Ertrag. Der Wert eines Indexbestandteils oder des Indexes selbst kann unter seinen ursprünglichen Wert fallen.

Marktrisiken können sich auf den Indexwert auswirken

Wirtschaftliche, finanzielle, politische, regulatorische, geographische, rechtliche oder sonstige Ereignisse können das Investitionsklima und das wirtschaftliche Umfeld beeinflussen, die wiederum Auswirkungen auf den Wert der Indexbestandteile und damit den Indexwert haben.

Kein aktives Management des Index

Der Index wendet bestimmte, zuvor festgelegte Methoden und Formeln an, und UBS AG, die durch ihre Londoner Niederlassung (oder deren Nachfolger) handelt (der "Indexverwalter"), entscheidet nur in Einzelfällen nach ihrem Ermessen. Der Index unterliegt daher keinem aktiven Management. Es erfolgt kein aktives Management des Index um Erträge zu verstärken, die jenseits der im Index angelegten Erträge liegen. Marktteilnehmer sind oft in der Lage, ihre Anlagen unverzüglich an Marktentwicklungen, politische, finanzielle und andere Faktoren anzupassen und ein Produkt, das aktivem Management unterliegt, könnte potenziell unmittelbarer und angemessen auf direkte Marktentwicklungen, politische, finanzielle und andere Faktoren reagieren, was für einen nicht einem aktiven Management unterliegenden Index nicht der Fall ist. Im Gegenteil, die zuvor festgelegten Methoden und Formeln des Index werden die Gewichtung und jedem Indexbestandteil zugewiesenen Mengen nur am Neugewichtungstermin an ihren jeweiligen Wert anpassen.

Weder UBS AG, die durch ihre Londoner Niederlassung (oder deren Nachfolger) handelt (der "Indexeigentümer"), noch der Indexverwalter handeln bezüglich des Index als Anlageberater und haben auch keine Managementposition mit Ermessenspielraum inne, weshalb sie keine treuhänderischen Verpflichtungen gegenüber Dritten haben, was den Index betrifft.

Einfluss von Wechselkursen

Indexbestandteile können auf Währungen lauten, die von der Währung des Index abweichen und der Index ist nicht durch Absicherungsgeschäfte gegen Währungsschwankungen abgesichert. Eine ungünstige Wertentwicklung solcher Währungen gegenüber der Indexwährung kann jederzeit negative Folgen für das Index-Niveau haben.

Keine Rechte an einem Indexbestandteil

Der Index ist rein synthetisch. Das Engagement in die Bestandteile des Index ist rein fiktiv und existiert lediglich in den beim Indexverwalter befindlichen Unterlagen. Eine fiktive Anlage in den Index führt nicht dazu, dass ein Anleger Eigentümer des Index bzw. Partei eines Indexbestandteils wird.

Der Index ist von Informationen Dritter über die Indexbestandteile abhängig

Sämtliche Informationen in diesem Prospekt über Indexbestandteile sind allgemein zugänglichen Dokumenten entnommen. Die dort veröffentlichten Dokumente wurden in der Vergangenheit und werden auch künftig ohne Mitwirkung der Emittentin erstellt. Untersuchungen oder Nachforschungen über Sponsor oder Emittentin der Indexbestandteile im Zusammenhang mit der Fortführung des Index wurden und werden von der Emittentin nicht angestellt. Die Emittentin übernimmt keinerlei Zusicherung oder Gewährleistung, dass öffentlich zugängliche Unterlagen oder sonst einschlägige veröffentlichte Informationen zutreffend oder vollständig sind.

Auch ist der Emittentin nicht bekannt, ob alle vor dem 19. November 2014 eingetretenen Ereignisse, insbesondere solche Ereignisse, die Einfluss auf die Richtigkeit oder Vollständigkeit der oben genannten öffentlich zugänglichen Unterlagen oder den Stand, Wert oder Preis eines Indexbestandteils haben würden, ihrerseits veröffentlicht wurden. Eine verspätete Veröffentlichung solcher Ereignisse oder die Veröffentlichung oder Nichtveröffentlichung von wesentlichen künftigen Ereignissen betreffend einen Indexbestandteil können Auswirkungen auf den Indexwert haben.

Der Indexverwalter verlässt sich u.U. auf Dritte sowie sonstige externe und interne Datenquellen, die nicht zugänglich oder ungenau sein können, die vom Indexverwalter für die Indexberechnungen benutzten Angaben können den Indexwert beeinflussen

Der Indexverwalter kann sich auf externe Händler oder Platzeure und sonstige externe und interne Datenquellen verlassen, um von diesen bestimmte Angaben zu erlangen, derer er für die Berechnung des Indexwerts bedarf. Sollte es dem Indexverwalter unmöglich sein, die erforderlichen Daten für die Berechnung der relevanten Formeln des Index zu erhalten, kann dies den Indexwert beeinflussen. Darüber hinaus gibt der Indexverwalter keinerlei Garantien über die Richtigkeit oder Vollständigkeit dieser Angaben ab und übernimmt auch keine Haftung für deren Richtigkeit oder die Auswirkung der Unrichtigkeit dieser Angaben auf den Indexwert.

Einfluss von Richtlinien des Indexverwalters und Änderungen bei der Zusammensetzung und den Indexbestandteilen auf den Indexwert

Die Richtlinien des Indexverwalters zur Berechnung des Indexwerts und des Werts der Indexbestandteile können den Indexwert beeinflussen.

Der Indexverwalter kann vorbehaltlich einer vorherigen Zustimmung des Indexeigentümers die Methoden zur Berechnung des Niveaus und der Bestandteile des Index ändern. Darüber hinaus kann der Indexverwalter in einer Reihe von Fällen bestimmte Änderungen der Art und Weise der Berechnung des Index oder einzelner Indexbestandteile vornehmen. Der Indexverwalter kann auch die Berechnung oder Veröffentlichung des Index unterbrechen oder aussetzen, was die Feststellung des Indexwerts erschweren kann. Eine Mitteilung solcher Änderungen erfolgt auf der Bloomberg-Seite, der Reuters-Seite oder der UBS-Webseite.

Künftige Wertentwicklung des Index oder seiner Bestandteile werden nicht durch historische oder hypothetische Wertentwicklung indiziert

Die historische oder hypothetische Wertentwicklung des Index oder einzelner Indexbestandteile sollte nicht als Indikator der künftigen Wertentwicklung des Index oder einzelner Indexbestandteile verstanden werden. Es ist nicht möglich, im Voraus zu bestimmen, ob das Niveau oder der Kurs des Index oder eines Indexbestandteils zukünftig steigen oder fallen wird. Aus Fluktuationen und Trends des Index oder einzelner Indexbestandteile in der Vergangenheit lassen sich potenzielle künftige Fluktuationen und Trends nicht notwendigerweise ablesen.

Der Wert eines Indexbestandteils, der ein zugrundeliegender Index ist, kann den Indexwert jederzeit beeinflussen

Der Wert eines Indexbestandteils, der ein zugrundeliegender Index ist, kann den Indexwert jederzeit beeinflussen. Potentielle Anleger sollten die relevanten Informationen über den betreffenden zugrundeliegenden Index, sorgfältig lesen und berücksichtigen, insbesondere die Risikofaktoren, die mit einer fiktiven Anlage in den zugrundeliegenden Index verbunden sind.

Der Eintritt bestimmter Ereignisse im Hinblick auf einen Indexbestandteil, der ein zugrundeliegenden Index ist, kann den Indexwert beeinflussen

Die Kurse der Wertpapiere, die Bestandteile des Index sind, oder anderer Finanzinstrumente, die einen zugrundeliegenden Index beinhalten, können von zahlreichen Ereignissen nachteilig beeinflusst werden. Zum Beispiel können in dem zugrundeliegenden Index enthaltene Wertpapiere oder andere Finanzinstrumente von unternehmerischen Maßnahmen und anderen außerordentlichen Ereignissen betroffen sein, etwa einer Fusion, einem Übernahmeangebot, einer außerordentlichen Dividendenausschüttungen oder einer Verstaatlichung. Der Verwalter des zugrundeliegenden Index kann berechtigt sein, die Zusammensetzung des zugrundeliegenden Index nach Maßgabe von dessen Regeln anzupassen. Ein solches Ereignis oder eine solche Maßnahme kann nachteilige Auswirkungen auf den Wert des zugrundeliegenden Index und damit auf den Indexwert haben.

Markt- und sonstige Aktivitäten in Bezug auf den zugrundeliegenden Index können zu einem höheren Anlageniveau in den zugrundeliegenden Index führen

Der Verwalter des zugrundeliegenden Index hat den zugrundeliegenden Index für Nutzung durch andere Marktteilnehmer, zur Veröffentlichung in Zeitungen und regelmäßig erscheinenden Publikationen, zur Verbreitung durch Informations- und Datenvertriebsdienste und zu zahlreichen anderen Zwecken lizenziert und kann dies auch weiterhin tun, wobei jede dieser Maßnahmen zu einer Erhöhung des Anlageniveaus in den zugrundeliegenden Index führen kann. Dies kann negative Auswirkungen auf den Wert des zugrundeliegenden Index und damit auf den Indexwert haben.

Der Verwalter des zugrundeliegenden Index kann verpflichtet sein, ein in einem zugrundeliegenden Index enthaltenes Wertpapier zu ersetzen, wenn der bisherige Bestandteil entfernt wird

Der zugrundeliegenden Index enthält bestimmte Wertpapiere. Daten betreffend die enthaltenen Wertpapiere werden zur Berechnung des zugrundeliegenden Index verwendet. Wenn ein enthaltenes Wertpapier gemäß den Regeln der Berechnungsmethode des zugrundeliegenden Index entfernt werden musste, kann der Verwalter des zugrundeliegenden Index ein vergleichbares Wertpapier auswählen, sofern vorhanden, das das enthaltene Wertpapier ersetzt. Dieser Austausch eines enthaltenen Wertpapiers kann negative Auswirkungen auf den Wert des zugrundeliegenden Index und damit auf den Indexwert haben.

Die Richtlinien des Verwalters des zugrundeliegenden Index und Änderungen, die den zugrundeliegenden Index beeinflussen, können auch seinen Wert beeinflussen

Die Richtlinien des Verwalters des zugrundeliegenden Index betreffend seine Berechnung können auch den Wert des zugrundeliegenden Index beeinflussen. Der Wert des zugrundeliegenden Index kann auch betroffen sein, wenn der Verwalter des zugrundeliegenden Index diese Richtlinien ändert, etwa indem er die Berechnungsweise für den zugrundeliegenden Index wesentlich ändert oder den zugrundeliegenden Index kündigt oder eine Berechnung oder Veröffentlichung desselben unterlässt, was die Feststellung des Marktwerts eines mit dem zugrundeliegenden Index verbundenen Finanzprodukts (einschließlich des Indexwerts) erschweren oder unmöglich machen kann. Wenn die den zugrundeliegenden Index betreffenden Richtlinien geändert werden oder die Berechnung oder Veröffentlichung desselben unterbrochen oder ausgesetzt wird, kann dies den Indexwert beeinträchtigen.

Der Verwalter des zugrundeliegenden Index hat die Befugnis, Feststellungen zu treffen, die sich in verschiedener Weise erheblich auf die Wertentwicklung des zugrundeliegenden Index auswirken können.

Der zugrundeliegenden Index wurde vom Verwalter des zugrundeliegenden Index entwickelt und wird derzeit von diesem gehalten, berechnet und verwaltet. Der Verwalter des zugrundeliegenden Index ist für die Zusammensetzung, Berechnung und Fortführung des zugrundeliegenden Index zuständig und hat diesbezüglich entscheidenden Einfluss. Die vom Verwalter des zugrundeliegenden Index im Zusammenhang mit der Zusammensetzung, Berechnung und Fortführung des zugrundeliegenden Index getroffenen Einschätzungen könnten sich auf den Wert des zugrundeliegenden Index und damit auf den Indexwert auswirken. Der Verwalter des zugrundeliegenden Index kann entscheiden, die Berechnung und Veröffentlichung des zugrundeliegenden Index auszusetzen und ist nicht verpflichtet, die Interessen der Investoren in ein mittelbar oder unmittelbar mit der Wertentwicklung des zugrundeliegenden Index verbundenes Produkt im Rahmen einer solchen Entscheidung aus irgendeinem Grund zu berücksichtigen.

Zwischen dem Verwalter des zugrundeliegenden Index als Verwalter des zugrundeliegenden Index und dem Indexverwalter besteht keinerlei gesellschaftsrechtliche Verbindung (*affiliation*) und der Indexverwalter ist nicht für Offenlegungen gegenüber dem Verwalter des zugrundeliegenden Index verantwortlich

Weder der Indexverwalter noch die mit ihm verbundenen Unternehmen sind mit dem Verwalter des zugrundeliegenden Index in dieser Eigenschaft verbunden. Weder der Indexverwalter noch die mit ihm verbundenen Unternehmen übernehmen irgendeine Verantwortung für die Richtigkeit und Vollständigkeit von Informationen über den zugrundeliegenden Index. Potentielle Anleger sollten eigene Nachforschungen über den zugrundeliegenden Index anstellen.

Short Positionen, Derivate und Fremdfinanzierung

Ein Aktiv- oder Passivwert, auf den sich der Index bezieht, kann bedeuten, dass in Bezug auf Anlagen sog. "Short Positionen" bezogen werden, d.h. "Short Selling" betrieben wird. Dies kann ein erhebliches Anlagerisiko darstellen, da die ausgeliehenen Wertpapiere mit Käufen zu aktuellen Marktpreisen ersetzt werden müssen, um eine Short Position zu schließen und eine Wertzunahme bei den betreffenden Anlagen kann zu Verlusten führen, außerdem entstehen Kosten für die Aktienleihe, so dass eine Anlage nur für Potentielle Anleger angemessen ist, die die Risiken eines Handels an anspruchsvollen und volatilen Märkten verstehen. Darüber hinaus kann eine Handelsstrategie auch im Handel mit Terminkontrakten, Optionen, Devisenterminkontrakten und anderen Derivaten sowie in der Fremdfinanzierung von Handelspositionen bestehen. Dies kann ebenfalls ein erhebliches Investitionsrisiko bedeuten. Im Ergebnis können relativ kleine Preisbewegungen zu erheblichen Verlusten oder Gewinnen führen.

Handels- und andere Transaktionen durch den Indexverwalter und die mit ihm verbundenen Unternehmen, die im Index oder den Indexbestandteilen enthalten sind, können den Indexwert beeinträchtigen

Der Indexverwalter und die mit ihm verbundenen Unternehmen können auch mit dem Index, den Indexbestandteilen, Futures oder Optionskontrakten auf die Indexbestandteile und andere Anlageformen, die sich auf den Index oder die Indexbestandteile beziehen oder auf diesen basieren, und zwar auf regelmäßiger Basis als Teil ihrer allgemeinen Geschäftstätigkeit für eigene Konten oder fremde, verwaltete Konten handeln, um Transaktionen für Kunden zu ermöglichen oder Verpflichtungen aus den auf den Index oder seine Indexbestandteile bezogenen Produkten abzusichern. Auch wenn dies nicht beabsichtigt ist, kann jede dieser Aktivitäten den Wert der Indexbestandteile oder den Indexwert nachteilig beeinflussen. Es ist möglich, dass der Indexverwalter oder eines der mit ihm verbundenen Unternehmen erhebliche Erträge aus diesen Tätigkeiten erzielt, während der Wert der Indexbestandteile und der Indexwert sinken.

Der Indexverwalter oder die mit ihm verbundenen Unternehmen können auch Derivate begeben oder zeichnen, deren Erträge mit Änderungen der Wertentwicklung eines der vorstehenden Papiere verbunden oder darauf bezogen sein können.

Im Hinblick auf die vorstehend beschriebenen Tätigkeiten hat weder der Indexverwalter noch ein mit ihm verbundenes Unternehmen die Verpflichtung, zu irgendeinem Zeitpunkt die Auswirkungen dieser Tätigkeiten auf den Wert der Indexbestandteile oder den Indexwert zu berücksichtigen.

Beendigung oder Aussetzung des Index

Der Indexverwalter ist nicht verpflichtet, die Berechnung, Veröffentlichung und Verbreitung des Index fortzuführen. Eine Beendigung oder vorübergehende Aussetzung des Index kann jederzeit erfolgen. Sollte der Index aufhören zu bestehen, kann sich das negativ auf den Ertrag aus den Wertpapieren auswirken.

Änderung oder Umgestaltung des Index

Vorbehaltlich einer vorherigen Zustimmung des Indexeigentümers kann der Index vom Indexverwalter jederzeit geändert, modifiziert oder angepasst werden. Eine solche Änderung, Umgestaltung oder Anpassung kann nachteilige Auswirkungen auf den Indexwert haben. Der Indexverwalter hält sich an die Methoden zur Zusammenstellung des Index und die Berechnung des Indexwerts, wie in den vorliegenden Indexunterlagen angegeben. Es ist jedoch nicht auszuschließen, dass das Marktumfeld, aufsichtsrechtliche, rechtliche, finanzielle oder steuerliche Gründe Änderungen dieser Methode erfordern. Der Indexverwalter kann, vorbehaltlich einer vorherigen Zustimmung des Indexeigentümers, auch Änderungen an den Bestimmungen dieser Indexunterlagen und der Berechnungsmethode für den Indexwert vornehmen, die er für erforderlich oder wünschenswert hält, um einen offenkundigen Fehler oder nachweislichen Irrtum zu beseitigen oder falsche oder mehrdeutige Konditionen des Index zu verbessern, zu korrigieren oder zu ergänzen. Eine Mitteilung solcher Änderungen, Umgestaltungen oder Anpassungen erfolgt auf der Bloomberg-Seite, der Reuters-Seite oder der UBS-Webseite.

Ermessen des Indexverwalters

Der Index gewährt dem Indexverwalter einen Ermessensspielraum bei bestimmten, gegebenenfalls vorzunehmenden Feststellungen, Berechnungen und Korrekturen. Obwohl solche gegebenenfalls vorzunehmenden Feststellungen, Berechnungen und Korrekturen des Indexverwalters nach Treu und Glauben zu erfolgen haben, kann sich die Ausübung dieses Ermessensspielraums im Rahmen von Berechnungen, Feststellungen und Korrekturen nachteilig auf die Wertentwicklung des Index auswirken. Solche Berechnungen, Feststellungen und Korrekturen des Indexverwalters sind, außer in Fällen eines offenkundigen Irrtums, endgültig, abschließend und verbindlich. Der Indexverwalter entscheidet darüber, ob solche Korrekturen rückwirkend oder mit Wirkung für die Zukunft gelten sollen.

Die Rolle der UBS AG als Indexverwalter und die Ausübung des vorstehend beschriebenen Ermessensspielraums könnten diese angesichts des Umstands, dass der Indexverwalter als Geschäftsbereich zur UBS AG gehört, die Emittentin oder Gegenpartei

der Wertpapiere oder Indexprodukte ist, vor erhebliche Interessenkonflikte stellen. Weder der Indexverwalter noch der Indexeigentümer ist verpflichtet, die Bedürfnisse der Wertpapiergläubiger zu irgendeinem Zeitpunkt zu berücksichtigen.

Änderungen in der Person des Indexeigentümers und des Indexverwalters

Es liegt im Ermessen des Indexeigentümers, ohne Zustimmung der Wertpapiergläubiger den Indexverwalter auszutauschen (der "Nachfolge-Indexverwalter") und auch einen Nachfolger im Amt des Indexeigentümers (der "Nachfolge-Indexeigentümer") zu bestellen – in einem solchen Fall sind Bezugnahmen auf den "Indexverwalter" bzw. den "Indexeigentümer" als Bezugnahmen auf den Nachfolge-Indexverwalter bzw. den Nachfolge-Indexeigentümer zu lesen.

Gebühren und Kosten

Der Indexwert wird durch die Geld-Brief-Spanne oder eine Gebührenherabsetzung verringert, was einer Annäherung an die Kosten entspricht, die einem hypothetischen Anleger entstünden, wenn dieser den Index nachbilden würde, insbesondere in Bezug auf solche Kosten, die mit der Bezugnahme auf die jeweilige Strategie der Indexbestandteile (und auf das damit verbundene mögliche Risiko) entstehen. Diese Kosten werden nicht als Zahlung an die Wertpapiergläubiger weitergegeben, sondern gemäß diesem Prospekt vom Indexwert abgezogen. Potentielle Anleger sollten sich darüber im Klaren sein, dass solche Kosten wesentliche Auswirkungen auf den Indexwert haben können.

Hypothetische Prognose

Da historische Daten über den Index nur in begrenztem Umfang existieren, sind fiktive Anlagen in den Index möglicherweise mit größerem Risiko verbunden als ein Engagement in Indizes oder Strategien mit nachgewiesener Erfolgsbilanz. Der Index wurde erstmalig am oder zum Starttermin des Index berechnet, so dass vor diesem Termin liegende historische Daten über die Wertentwicklung fehlen. Alle auf die Vergangenheit bezogenen Schlussstände des Index sind lediglich hypothetisch und basieren auf einer quantitativen Erhebung. Sie sind als hypothetisch anzusehen und dienen lediglich der Veranschaulichung.

Die tatsächliche Wertentwicklung des Index kann erheblich von den Ergebnissen abweichen, die im Rahmen einer rückwärtsbezogenen Prognose für den Index vorgelegt wurden. Aus einer vergangenen Wertentwicklung lässt sich nicht zuverlässig auf eine künftige Wertentwicklung schließen.

Aktienmarktrisiken können sich auf den Indexwert auswirken

Da der Index bzw. jeder Indexbestandteil, der seinerseits ein Index ist, Aktienwerte umfassen, wird damit gerechnet, dass der Indexwert entsprechend der Finanzlage der jeweiligen Emittentin der Bestandteile, dem Wert von Aktien im Allgemeinen und anderen Faktoren schwankt. Die Finanzlage der Emittentin der Aktienwerte oder die allgemeine Lage auf den Aktienmärkten kann sich verschlechtern, was jeweils zu einem Sinken des Indexwerts führen kann. Aktien reagieren empfindlich auf allgemeine Schwankungen des Aktienmarkts, spekulativen Handel durch Dritte und volatile Wertzunahmen oder Wertverluste, wenn das Vertrauen des Markts in das Wertpapier oder die Wertpapiere im Index und die Wahrnehmung solcher Wertpapiere sich verändert. Die Wahrnehmung der Emittentin eines Wertpapiers im Index oder eines Indexbestandteils durch die Anleger hängt von einer Vielzahl schwer einschätzbarer Faktoren ab, beispielsweise davon, welche Erwartungen die Anleger in Bezug auf Regierungs-, Wirtschafts-, Geld- und Fiskalpolitik, Wachstum oder Schrumpfung der Wirtschaft und auf globale oder regionale politische Krisen oder Wirtschafts- oder Banken Krisen haben.

- 3) In relation to the Base Prospectus dated 10 March 2014 for the Issuance of UBS Performance Securities in the section headed "H. Information about the Underlying" the following Underlying description shall be supplemented to the Base Prospectus:

"UBS Risk Adjusted Dynamic Alpha (RADA) Net Total Return Index (USD) on S&P 500®

Investors are referred to the important disclaimers and risk factors in this description of the UBS Risk Adjusted Dynamic Alpha (RADA) Net Total Return Index (USD) on S&P 500® (the "Index Manual").

Section 1. Introduction

The Index Manual sets out the rules and risk factors applicable to the UBS Risk Adjusted Dynamic Alpha ("**RADA**") UBS RADA US Index – Net Total Return (USD) (the "**Index**"), including the basis on which the Index Level will be calculated.

The Index is the intellectual property of UBS AG, acting through its London Branch (or any successor thereto) (in such capacity, the "**Index Owner**"). The Index Owner owns the copyright and all other intellectual property rights in the Index and the Index Manual. Any use of these intellectual property rights must be with the prior written consent of the Index Owner.

The Index will be governed by UBS AG, acting through its London Branch (or its successor) (in such capacity, the "**Index Administrator**") via its internal processes. The Index Administrator controls the creation and operation of the Index administrative process, including all stages and processes involved in the production and dissemination of the Index. Notwithstanding that the Index relies on information from third party sources, the Index Administrator has primary responsibility for all aspects of the Index administration and determination process.

The Index Administrator has implemented and maintains the "**UBS Control Framework Document**", which is a control framework for the process of determining and distributing a number of indices in respect of which UBS acts as the Index Administrator, including the Index. A summary of the main features of the UBS Control Framework Document is available on the UBS Website. Neither the UBS Control Framework Document, nor the summary of its main features, forms part of this Prospectus.

The information in the Index Manual reflects the policies of, and is subject to change by, the Index Administrator. The Index Administrator makes certain determinations and calculations in respect of the Index and publishes the Index Level as further described in the Index Manual. The Index Owner does not have any obligation to ensure that the Index Administrator continues to publish the Index Level and the Index Administrator may discontinue publication of the Index Level upon giving at least 10 Index Administrator Business Days' notice on the Bloomberg Page and/or the Reuters Page (as referred to below) and/or on the UBS Website. Details of any adjustments made to the Index shall be made available by the Index Administrator on application to the Index Administrator's principal office at UBS, 1 Finsbury Avenue, London, EC2M 2PP. The Index Administrator will make available the Index Level in respect of each Index Business Day. The Index Level is published on Bloomberg and/or on Reuters under the following codes described in the table below (the "**Bloomberg Page**" and "**Reuters Page**" respectively) and/or on the UBS Website. The Index Level in respect of any Index Business Day will be published on the immediately following London Business Day.

| Index | Index Currency | BBG Ticker | Reuters Ticker |
|--------------------------------------|-----------------------|-------------------|-----------------------|
| UBS RADA US Index - Net Total Return | USD | ULTARASP | ULTARASP=UBSL |

To the extent data used to determine the Index Level is not sourced from a regulated market or exchange with mandatory post-trade transparency requirements, the Index Administrator will publish with each publication of the Index Level an explanation of: (i) how such Index Level was determined (including the size and liquidity of the market being assessed (meaning the number and volume of transactions observed for the purposes determining the Index Level), the range and average volume and range and average price, and indicative percentages of each type of market data that has been considered in the determination of the Index Level); and (ii) the extent to which, and the basis upon which, the exercise of discretion (including extrapolating values from prior or related transactions, adjusting values for factors that might influence the quality of data such as market events or impairment of a buyer or seller's credit quality, or weighting firm bids or offers greater than a particular concluded transaction) if any, was used in determining the Index Level.

Historical records relating to the composition and past performance of the Index is available on the Bloomberg Page and/or on the Reuters Page and/or on the UBS Website.

The Index Administrator may, upon giving at least 10 Index Administrator Business Days' notice on the Bloomberg Page and/or the Reuters Page and/or on the UBS Website, change the place and time of the publication of the Index Level and the frequency of publication of the Index Level.

Neither the Index Owner nor the Index Administrator accepts any legal liability to any person for publishing or not continuing to publish for any period of time any Index Level at any particular place or any particular time.

Any publication described in this *Section 1 – Introduction* may be restricted by means determined as appropriate for such purpose by the Index Administrator in its sole and absolute discretion, including, but not limited to, password protection restricting access to a limited set of persons in accordance with arrangements agreed between the Index Administrator and such persons.

Before making any investment decisions, prospective investors should carefully read the Index Manual, including *Section 2 – Overview of the Index*, *Section 3 – Risk Factors*, *Section 5 – Index Market Disruption Events, Force Majeure Events and Potential Adjustment Events* and *Section 8 – Disclaimer, Licensing and Trademark*.

All determinations and calculations made by the Index Administrator will (in the absence of manifest error) be final, conclusive and binding. The Index Administrator shall have no responsibility to any person for any good faith errors or omissions in any determination or calculation.

The Index relies on information from third party sources. Neither the Index Owner nor the Index Administrator makes any representation or warranty, express or implied, as to the correctness of that information and neither the Index Owner nor the Index Administrator takes any responsibility for the accuracy of such data or the impact of any inaccuracy of such data on the Index. Even if any error or discrepancy on the part of any data source is corrected or revised, neither the Index Owner nor the Index Administrator is under any obligation to, and neither the Index Owner nor the Index Administrator currently intends to, reflect any such correction or revisions into the calculation of the Index Level.

Capitalised terms used in the Index Manual have the meanings given to them in *Section 9 – Definitions*.

No legal relationship (whether in contract, tort, or otherwise) exists between any Index Product Investor and the Index Administrator or the Index Owner and neither the Index Administrator nor the Index Owner owes any duties (whether in contract, tort, or otherwise) to any Index Product Investor.

The information contained in the Index Manual is a summary of the methodology and material rules and risks relating to the Index. Neither the Index Owner nor the Index Administrator makes any representation or warranty that the Index will achieve its stated objectives.

Section 2. Overview of the Index

Objective of the Index: The Index uses a strictly rules-based methodology to implement a market timing strategy based on the proprietary UBS Dynamic Equity Risk Indicator (“**DERI**”) in order to rotate in and out of equity investments. The DERI seeks to produce a single, objective out-of-sample quantitative measure of investor sentiment and risk appetite across global financial markets in general with a specific focus on equity markets based on contemporarily available information and weighted in relation to its correlation with equity market movements. Specifically, the DERI is calculated as a composite of normalized scores for the following components, dynamically weighted by the rolling correlation of each to rolling daily changes in equity markets over the preceding seven years:

1. Equity index option implied volatility: VIX and VDAX.
2. Credit spreads: Moody’s BAA spread over US 10y treasuries.
3. Swap spreads: average of USD, JPY, EUR and GBP 5y swap spreads
4. Currency volatility: average of 1m and 3m daily volatility in EUR, JPY, CHF, GBP and AUD versus USD.
5. Cyclical versus defensive sector performance.
6. Excess performance of high-beta regions.
7. Excess performance of high-beta sectors.
8. Equity market momentum: MSCI AC World relative to its 200 day moving average.

The DERI is calculated and published by UBS. A copy of the current version of the manual relating to the DERI is available from UBS upon request.

Index methodology: The Index rotates in and out of equity investments through the use of long and short positions in the Underlying Index (as defined below) whenever there is a change in trend, as indicated by the DERI, thereby aiming to achieve better returns than would be generated by holding purely static positions and/or the market generally.

The strategy seeks to take a long position in S&P 500 Total Return Index (each an “**Underlying Index**” or an “**Index Component**”) when the DERI indicates bullish market conditions, and to take a short position in the relevant Index Component when the DERI indicates bearish market conditions, and to take a flat position by staying invested in cash when uncertain market conditions are detected by the DERI.

| Index | Underlying Index | Bloomberg Ticker of Underlying Index |
|--------------------------------------------|-------------------------|---------------------------------------------|
| UBS RADA US Index - Net Total Return (USD) | S&P 500 Index | SPTR Index |

Determination of the Index Level: The Index Level is calculated by the Index Administrator at the Valuation Time and is based on the published official closing price, level or value of each Index Component on each Index Business Day. The Index Level is published on Bloomberg and/or Reuters and/or on the UBS Website on the London Business Day following each Index Business Day. The Index Level was first published in respect of 30 April 2007 (the “**Index Commencement Date**”). On any day where the Index Level is not calculated (for example, on a Disrupted Day), no Index Level will be published in respect of such day, subject to the provisions set out below.

Determination of the value of each Index Component: The Index shall consist of a long or a short or a flat position in the related Index Component and an Underlying Cash Position if the Index is a total return index.

The initial level of the Index was 100.00 (the “**Index Base Level**”) on 1 January 1997 (the “**Index Base Date**”).

This *Section 2 – Overview of the Index* - only provides a summary of the Index and is subject to, and qualified by, the remainder of the Index Manual. Prospective Index Product Investors should therefore carefully read the whole of the Index Manual.

Prospective Index Product Investors should also note that any purposes, aims and intentions expressed in the Index Manual may not be achieved.

Section 3. Risk Factors

The Index Manual is not, nor does it purport to be, investment advice. Neither the Index Owner nor the Index Administrator is acting as an investment adviser or providing advice of any nature and does not assume any fiduciary obligation to any investors buying, selling, entering into or holding products linked to the Index (such products, the “**Index Products**” and such investors, the “**Index Product Investors**”). Prospective investors should carefully consider whether the Index Products are suited to their particular circumstances and, if they are in any doubt, seek independent financial advice.

Risk factors in relation to a direct notional investment in the Index are set out below.

The Index Manual does not describe all of the risks associated with a direct notional investment in the Index. It describes only those risks that the Index Administrator considers to be material. There may be additional risks that the Index Administrator currently considers not to be material or of which it is not currently aware. Prospective Index Product Investors should seek independent financial advice where they do not fully understand the risks related to the Index Administrator, the Index Components or the Index itself. In addition, each of the risks highlighted below could adversely affect the market value of the Index Product or the rights of Index Product Investors and, as a result, Index Product Investors could lose some or all of their investment. Risk factors in relation to an Index Product may be set out in the relevant documents in relation to such Index Product.

1. Index Products may not be a suitable investment for all investors

Each prospective Index Product Investor must determine the suitability of that investment in light of its own circumstances. In particular, each prospective Index Product Investor should: (a) have sufficient knowledge and experience to evaluate the Index Products, the merits and risks of investing in the Index Products and the information contained in the product documentation; (b) have knowledge of, in the context of its particular financial situation, an investment in the relevant product and the impact the Index Products will have on its overall investment portfolio; (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Index Products, including where the settlement currency is different from the prospective Index Product Investor’s currency or may be payable in one or more currencies; (d) understand thoroughly the terms of the Index Products and be familiar with any relevant assets, indices and financial markets; and (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

2. Rules-based Index

The Index operates on the basis of pre-determined rules. No assurance can be given that the algorithm on which the Index is based will be successful or that the Index will outperform any alternative algorithm that could have been employed.

3. Index Product Investors could lose their entire investment

The Index Level depends on the performance of the Index Components, each of which may increase or decrease in value. Neither the Index nor any of the Index Components includes any element of capital protection or guaranteed return. The value of any Index Component, or the Index itself, may fall below its initial value.

4. Market risks may affect the Index Level

Economic, financial, political, regulatory, geographical, judicial or other events which affect the investment climate and economic sentiment may affect the value of the Index Components and, therefore, the Index Level.

5. The Index is not actively managed

The Index operates in accordance with a pre-determined methodology and formulae as further described herein, and the Index Administrator exercises discretion only in limited situations as described in *Section 5 – Index Market Disruption Events, Force Majeure Events and Potential Adjustment Events*. The Index is, therefore, not actively managed. There will be no active management of the Index so as to enhance returns beyond those embedded in the Index. Market participants are often able to adjust their investments promptly in view of market, political, financial or other factors, and an actively managed product could potentially respond more directly and appropriately to immediate market, political, financial or other factors than a non-actively managed index. In contrast, the pre-determined methodology and formulae in respect of the Index will rebalance the weights or quantity assigned to each Index Component to its specified value only on each Rebalance Date.

Neither the Index Owner nor the Index Administrator is acting as an investment adviser or performing a discretionary management role with respect to the Index and, as a result, has any fiduciary duty to any person in respect of the Index.

6. Influence of Currency Exchange Rates

Index Components may be denominated in currencies different from the Index Currency, and the Index is not currency-hedged. An unfavourable performance of such currencies in relation to the Index Currency may have an adverse effect on the Index Level at any given time.

7. No rights in any Index Component

The Index is purely synthetic. The exposure to each Index Component is purely notional and will exist only in the records held by the Index Administrator. A notional investment in the Index will not make an Index Product Investor the owner of, or as the case may be, a party to, any Index Component comprising the Index.

8. The Index relies on the use of third-party information about Index Components

All information in the Index Manual about any Index Component has been derived from publicly available documents. UBS has not participated and will not participate in the preparation of any of those documents. Nor has UBS made or will UBS make any "due diligence" investigation or any inquiry with respect to the sponsor or issuer of any Index Component in connection with the maintenance of the Index. UBS does not make any representation or warranty that any such publicly available document or any other relevant publicly available information is accurate or

complete. Furthermore, UBS does not know whether all events occurring before the date of the Index Manual, including events that would affect the accuracy or completeness of the publicly available documents referred to above or the level, value or price of any Index Component, have been publicly disclosed. Subsequent disclosure of any events of this kind or the disclosure of or failure to disclose material future events concerning any Index Component could affect the Index Level.

9. The Index Administrator may rely upon third party and other external and internal data sources which may be inaccessible and/or inaccurate, and the inputs used by the Index Administrator to run the Index calculations may affect the Index Level

The Index Administrator may rely upon third party brokers or external dealers and other external and internal sources to obtain certain inputs necessary to compute the Index Level. The inability of the Index Administrator to source necessary data to calculate the relevant formulae of the Index may affect the Index Level. In addition, the Index Administrator makes no warranty as to the correctness or completeness of that information and takes no responsibility for the accuracy of such data or the impact of any inaccuracy of such data on the Index Level.

10. The policies of the Index Administrator and changes that affect the composition and the Index Components could affect the Index Level

The policies of the Index Administrator concerning the calculation of the Index Level and the values of the Index Components could affect the Index Level.

The Index Administrator may, subject to the Index Administrator obtaining the prior consent of the Index Owner, modify the methodology for calculating the Index Level and the values of the Index Components. In addition, as described herein, under a number of circumstances the Index Administrator may make certain changes to the way in which the Index Level or the value of any of the Index Components is calculated. The Index Administrator may also discontinue or suspend calculation or publication of the Index, in which case it may become difficult to determine the Index Level. Notice of such amendments shall be provided in advance on the Bloomberg Page and/or the Reuters Page and/or on the UBS Website.

11. The historical or hypothetical performance of the Index or any Index Component is not an indication of future performance

The historical or hypothetical performance of the Index or any Index Component should not be taken as an indication of the future performance of the Index or any Index Component. It is impossible to predict whether the future level, value or price of the Index or any Index Component will fall or rise. Past fluctuations and trends in the Index or any Index Component are not necessarily indicative of fluctuations or trends that may occur in the future.

12. The level of any Index Component that is an Underlying Index may affect the Index Level at any time.

The level of any Index Component that is an Underlying Index may affect the Index Level at any time. Index Product Investors should carefully read and consider the publicly available index description or manual containing information about such Underlying Index, including the risk factors associated with a notional investment in such Underlying Index.

13. The occurrence of certain events with respect to an Index Component that is an Underlying Index may affect the Index Level

The prices of component securities or other financial instruments comprising an Underlying Index may be adversely impacted by a wide range of events. For example, component securities or other financial instruments comprised in an Underlying Index may be subject to corporate actions and other extraordinary events, such as mergers, tender offers, extraordinary dividends and nationalisations. The Underlying Index Administrator may be entitled to adjust the composition of

the Underlying Index pursuant to the rules of the Underlying Index. Any such events or actions may affect or have an adverse effect on the level of such Underlying Index and in turn on the Index Level.

14. Market and other activities in respect of the Underlying Index may contribute to an increased level of investment in the Underlying Index.

The Underlying Index Administrator has licensed, and may continue to license, the Underlying Index for use by other market participants, for publication in newspapers and periodicals, for distribution by information and data dissemination services and for various other purposes, any of which may contribute to an increased level of investment in the Underlying Index. This may have an adverse impact on the level of the Underlying Index and consequently the Index Level.

15. The Underlying Index Administrator may be required to replace a component security comprised in an Underlying Index if the existing component security is removed.

The Underlying Index comprises component securities. Data concerning the component securities will be used to calculate the Underlying Index. If any component security was to be removed in accordance with the rules of the index methodology of the Underlying Index, a comparable security may be selected by the Underlying Index Administrator, if available, to replace that component security. The replacement of any component security may have an adverse impact on the level of the Underlying Index and consequently, the Index Level.

16. The policies of the Underlying Index Administrator and changes that affect the Underlying Index could affect the level of the Underlying Index.

The policies of the Underlying Index Administrator concerning its calculation could affect the level of the Underlying Index. The level of the Underlying Index could also be affected if the Underlying Index Administrator changes these policies, for example, by materially changing the manner in which it calculates the Underlying Index, or if it cancels or fails to calculate or publish the Underlying Index, in which case it may become difficult or inappropriate to determine the market value of any financial products linked to the Underlying Index (including the Index Level). If any such policies relating to the Underlying Index are changed, or the calculation or publication of the Underlying Index is discontinued or suspended, this could affect the Index Level.

17. The Underlying Index Administrator will have the authority to make determinations that could materially affect the performance of the Underlying Index in various ways.

The Underlying Index was developed, and is currently owned, calculated and maintained, by the Underlying Index Administrator. The Underlying Index Administrator is responsible for the composition, calculation and maintenance of the Underlying Index and has determinative influence over its composition, calculation and maintenance. The judgements that the Underlying Index Administrator makes in connection with the composition, calculation and maintenance of the Underlying Index, could affect the level of the Underlying Index and therefore the Index Level. The Underlying Index Administrator may decide to discontinue calculating and publishing the Underlying Index and has no obligation to take the interests of holders of any product directly or indirectly linked to the performance of the Underlying Index (including any Index Product) into consideration for any reason in making such determination.

18. There is no affiliation between the Underlying Index Administrator as administrator of the Underlying Index and the Index Administrator and the Index Administrator is not responsible for any disclosure by the Underlying Index Administrator.

Neither the Index Administrator nor any of its affiliates is affiliated with the Underlying Index Administrator as administrator of the Underlying Index. Neither the Index Administrator nor any of its affiliates assume any responsibility for the accuracy or the completeness of any information about the Underlying Index. Index Product Investors should make their own investigation into the Underlying Index.

19. Short Positions, Use of Derivative Instruments and Leveraging

An asset or liability value to which the Index is linked may involve taking short positions in investments, through the use of short selling. This may represent significant investment risk as borrowed securities must be replaced by purchases at current market prices in order to close out a short position, and any appreciation in the value of the investments concerned will result in losses, as well as stock borrowing costs being incurred and may be only suitable for prospective Index Product Investors who understand the risks involved in trading in sophisticated and volatile markets. In addition, a trading strategy may involve trading in futures, options, forward exchange contracts and other derivative instruments and may also involve leveraged trading positions. This may also represent a significant investment risk. As a result, relatively small price movements may result in substantial losses or gains.

20. Trading and other transactions by the Index Administrator and its affiliates in the Index or the Index Components may affect the Index Level.

The Index Administrator and its affiliates may also engage in trading in the Index, the Index Components, futures or options on the Index Components and other investments relating to or based on the Index or the Index Components on a regular basis as part of its general business, for proprietary accounts, for other accounts under management, to facilitate transactions for customers or to hedge obligations under products linked to the Index or Index Components. Although they are not intended to, any of these activities could adversely affect the value of the Index Components or the Index Level. It is possible that one or more of the Index Administrator and its affiliates could receive substantial returns from these activities while the value of the Index Components and the Index Level decline.

The Index Administrator or its affiliates may also issue or underwrite securities or financial or derivative instruments with returns linked or related to changes in the performance of any of the foregoing.

With respect to any of the activities described above, neither the Index Administrator nor its affiliates has any obligation to take into consideration at any time the impact of such activities on the value of the Index Components or the Index Level.

21. Termination or Suspension of the Index

The Index Administrator is under no obligation to continue the calculation, publication and dissemination of the Index. The Index may be terminated or temporarily suspended at any time. Should the Index cease to exist, this may have a negative impact on the return on any notional investment in the Index.

22. Amendment or Modification to the Index

The Index may be amended, modified or adjusted from time to time by the Index Administrator, subject to the Index Administrator obtaining the prior consent of the Index Owner. Any such amendment, modification or adjustment may have an adverse effect on the Index Level. The Index Administrator will apply the method described in the Index Manual for the composition of the Index and calculation of the Index Level. However it cannot be excluded that the market environment, supervisory, legal, financial or tax reasons may require changes to be made to this method. The Index Administrator may, subject to the Index Administrator obtaining the prior consent of the Index Owner, also make changes to the provisions of the Index Manual and the method applied to calculate the Index Level, which it deems to be necessary and desirable in order to prevent obvious or demonstrable error or to remedy, correct or supplement incorrect or ambiguous provisions. Notice of such amendments, modifications or adjustments shall be provided on the Bloomberg Page and/or the Reuters Page and/or on the UBS Website.

23. Index Administrator Discretion

The Index confers discretion on the Index Administrator in making certain determinations, calculations and corrections from time to time. Although any such determinations, calculations and corrections must be made by the Index Administrator in good faith, the exercise of such discretion in the making of any calculations, determinations and corrections may adversely affect the performance of the Index. Any such determination, calculation or correction by the Index Administrator will be, in the absence of manifest error, final, conclusive and binding. The Index Administrator will determine whether any such correction shall apply retrospectively or from the relevant date forward.

The role played by UBS AG, as Index Administrator and the exercise of the kinds of discretion described above could present it with significant conflicts of interest in light of the fact that UBS AG, of which the Index Administrator is a division, is the issuer or counterparty of Index Products. Neither the Index Administrator nor the Index Owner has any obligation to take into consideration the needs of any Index Product Investor at any time.

24. Change of Index Owner and Index Administrator

The Index Owner may without the consent of Index Product Investors replace the Index Administrator (the "**Successor Index Administrator**") at its discretion, and furthermore, may also designate a successor Index Owner (the "**Successor Index Owner**") at its discretion – in the event of such replacement, any reference to the "Index Administrator" and/or the "Index Owner" shall be construed as a reference to the Successor Index Administrator and the Successor Index Owner, respectively.

25. Fees and Costs

The Index Level will be reduced by bid/offer spreads and/or a fee deduction which represents an approximation of the costs incurred by a hypothetical investor replicating the Index, including but not limited to those costs attributable to linking (and, therefore, notionally exposing) the relevant strategy to the Index Components. Such cost is not passed on to Index Product Investors as a payment but will instead be deducted from the Index Level in accordance with the Index Manual. As such, prospective Index Product Investors should understand that such cost may have a material effect on the Index Level. For more information about the calculation of these fees and costs, please refer to *Section 4 – Calculation of the Index and Rebalancing* in the Index Manual.

26. Simulated history

As limited historical performance data exist with respect to the Index, any notional investment in the Index may involve greater risk than a notional investment in indices or strategies with a proven track record. The Index was first calculated on or around the Index Commencement Date and, therefore, lacks historical performance prior to such date. All such retrospective closing levels are simulated based on quantitative screening only. They must be considered hypothetical and illustrative only.

The actual performance of the Index may be materially different from the results presented in any simulated history relating to the Index. Past performance should not be considered indicative of future performance.

27. Equity market risks may affect the Index Level

Because the Index, and/or any Index Component that is an index, includes equity securities, it is expected that the Index Level will fluctuate in accordance with changes in the financial condition of the relevant issuer(s) of its component stocks, the value of common stocks generally and other factors. The financial condition of the issuer(s) of the equity securities may become impaired or the general condition of the equity market may deteriorate, either of which may cause a decrease in

the Index Level. Common stocks are susceptible to general equity market fluctuations, to speculative trading by third parties and to volatile increases and decreases in value as market confidence in and perceptions regarding the security or securities comprising the Index change. Investor perceptions regarding the issuer of an equity security comprising the Index or an Index Component are based on various and unpredictable factors, including expectations regarding government, economic, monetary and fiscal policies, inflation and interest rates, economic expansion or contraction, and global or regional political, economic, and banking crises.

Section 4. Calculation of the Index and Rebalancing

The Index Level shall be determined by the Index Administrator using the formulae below.

1. Base Date and Value

| Index BBG ticker | Index | Index Currency | Index Base Date | Index Level on Index Base Date |
|------------------|--------------------------------------|----------------|-----------------|--------------------------------|
| ULTARASP | UBS RADA US Index - Net Total Return | USD | 01-Jan-1997 | 100 |

2. Index Equations

From and including the Index Commencement Date, the Index Level will be determined by the Index Administrator at the Valuation Time on each Index Business Day in accordance with the following applicable formula depending on the value of DERI published on Bloomberg Ticker "ULTADERI Index" at the Valuation Time on the relevant Index Business Day as set out below (each of Long, Short and Flat (in each case as defined below) a "**Position**").

| Value of DERI one (1) Business Day prior to Index Business Day 't': | Position: |
|---------------------------------------------------------------------|-----------|
| Greater than 1.25 | Flat |
| Greater than -0.75 and less than or equal to 1.25 | Long |
| Greater than -1.25 and less than or equal to -0.75 | Flat |
| Greater than -2 and less than or equal to -1.25 | Short |
| Less than or equal to -2 | Flat |

2.1 Long Position

If one Business Day prior to Index Business Day 't', the published value of DERI is lower than or equal to 1.25 and greater than -0.75 ("**Long**"), then the Index shall track the Index Component 'k' on close of business of Index Business Day 't':

$$Strategy_{t+1}^{k,c,v} = Strategy_t^{k,c,v} \times \left[\begin{array}{l} 1 + \left(\frac{UI_{t+1,k}}{UI_{t,k}} - 1 - Cov_{k,c} \times Day(t) / 360 \right) \\ - (Libor_{t,k} - v \times Libor_{t,c}) \times Day(t) / 360 \\ - f \times Day(t) / 360 \end{array} \right]$$

2.2 Short Position

If one (1) Business Day prior to Index Business Day 't', the published value of DERI is less than or equal to -1.25; and greater than -2 ("**Short**"), then the Index shall track the Index Component 'k' on close of business of Index Business Day 't'

$$Strategy_{t+1}^{k,c,v} = Strategy_t^{k,c,v} \times \left[\begin{array}{l} 1 + \left(1 - \frac{UI_{t+1,k}}{UI_{t,k}} + Cov_{k,c} \times Day(t) / 360 \right) \\ + (Libor_{t,k} + v \times Libor_{t,c}) \times Day(t) / 360 \\ - f \times Day(t) / 360 \end{array} \right]$$

2.3 Flat Position

If one (1) Business Day prior to Index Business Day 't', the published value of DERI is greater than 1.25, less than or equal to -0.75 and greater than -1.25, or less than or equal to -2 ("**Flat**"), the Index shall invest in cash on close of 't':

$$Strategy_{t+1}^{k,c,v} = Strategy_t^{k,c,v} \times [1 + v \times Libor_{t,c} \times Day(t) / 360 - f \times Day(t) / 360]$$

Where:

$Strategy_t^{k,c,v}$ means 100, if 't' is the Index Base Date, otherwise $Strategy_t^{k,c,v}$ is the value of the Index on Index Component 'k' on Index Business Day 't';

c: means the Index Currency of the related Index;

v: represents if the Index is a total return or an excess return index. 1 means total return and 0 means excess return;

$UI_{t,k}$: means the closing level of Index Component 'k' on Index Business Day 't';

| | |
|-----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| $U_{t+1,k}$: | means the closing level of Index Component 'k' on Index Business Day 't+1'; |
| f: | means 1.00% which represents the Index Fee; |
| $Libor_{t,k}$: | means the overnight USD Libor or Euribor fixing of currency of Index Component 'k' as defined in Table 2.2 below as determined by the Calculation Agent as of 11am, London Time on Index Business Day t; |
| $Libor_{t,c}$: | means the overnight USD Libor or Euribor fixing of currency 'c' as defined in Table 2.2 below as determined by the Calculation Agent as of 11am, London Time on Index Business Day t minus 10 basis points; |
| Day(t): | means the number of calendar days from and including Index Business Day 't' to but excluding Index Business Day 't+1'; and |
| $Cov_{k,c}$: | means the quanto cost for converting the performance of the Index Component from its local currency to the Index Currency. |

Table 2.1 List of Index Components and other parameters

| k | Index | Index Currency | Index Component Bloomberg Ticker | Index Component Currency | v | $Cov_{k,c}$ |
|----------|--------------------------------------|-----------------------|-----------------------------------------|---------------------------------|----------|-------------------------------|
| 1 | UBS RADA US Index - Net Total Return | USD | SPTR Index | USD | 1 | 0.00% |

Table 2.2 List of Libor used for related currencies

| Currency | Libor | Bloomberg Page |
|-----------------|--------------|-----------------------|
| EUR | Euribor | EE000/N Index |
| USD | USD Libor | US000/N Index |

3. Rounding of Calculated Values

The Index Level published by the Index Administrator shall be rounded to two decimal places. All other determinations shall not be rounded.

4. Exercise of expert judgment

If the Index Administrator is required or entitled to make a determination in relation to the Index pursuant to the Index methodology and that determination involves the exercise of discretion with respect to the use of data in determining the Index Level, then the Index Administrator will exercise that discretion (i) in good faith and in a commercially reasonable manner and (ii) in such manner as to ensure, as far as commercially reasonable, consistency in the approach it adopts with regard to the exercise of such discretion between Index Level determinations, including having regard to previous occasions on which the Index Administrator has exercised that discretion in relation to the Index. If the Index Administrator requires data (including prices, estimates, values or rates) from a third party or its front office division (each, a "**Data Submitter**") to determine the Index Level and

the Data Submitter has discretion as to the data to be provided, then the Index Administrator will provide the Data Submitter with prescribed criteria to be followed by such Data Submitter in exercising such discretion in order to ensure, as far as commercially reasonable, consistency in the approach the Data Submitter adopts with regard to the exercise of discretion.

Section 5. Index Market Disruption Events, Force Majeure Events and Potential Adjustment Events

1. Index Market Disruption Events

Any of the following will constitute an “**Index Market Disruption Event**”:

- a suspension, absence or material limitation of trading in any Index Component on their respective primary markets, in each case for more than two hours of trading or during the one hour before the close of trading in that market, as determined by the Index Administrator; or
- a suspension, absence or material limitation of trading in options or futures contracts relating to any Index Component, if available, in the respective primary markets for those contracts, in each case for more than two hours of trading or during the one-half hour before the close of trading in that market, as determined by the Index Administrator; or
- any Index Component, or options or futures contracts relating to any Index Component, if available, do not trade on what were the respective primary markets for those indices or contracts, as determined by the Index Administrator; or
- a change in law, such that on or after the Index Commencement Date (a) due to the adoption or announcement of any change in any applicable law or regulation (including, without limitation, any tax law or limitations on the repatriation of invested capital in the jurisdiction of the underlying), 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 Index Administrator determines that (i) it would be illegal for the Index Administrator and/or any of its affiliates to hold, acquire, deal or dispose of the securities, options, futures or derivatives included in the Index or (ii) market participants would incur a materially increased cost in performing their obligations in respect of any Index Products (including, without limitation, due to any increase in tax liability, decrease in tax benefits or other adverse effect on their tax position); or
- the Index Administrator is unable to obtain the price in respect of any Index Component, or any other data used for the purposes of calculating the Index, within a reasonable amount of time;

and, in respect any of these events, the Index Administrator determines that the event could materially interfere with its ability or the ability of any of its affiliates to unwind all or a material portion of a hedge that could be affected with respect to the Index or any Index Product.

The following event will not be an Index Market Disruption Event:

- a limitation on the hours or number of days of trading, but only if the limitation results from a previously announced change in the business hours of the relevant market.

For the purposes of determining whether an Index Market Disruption Event has occurred, an “absence of trading” in the primary securities market on which an Index Component is traded or on which options or futures contracts relating to the Index or an Index Component are traded will not include any time when that market is itself closed for trading under ordinary circumstances. In

contrast, a suspension or limitation of trading in any Index Component or in options or futures contracts relating to the Index or any Index Component in the primary market for that Index Component or those contracts, by reason of:

- a price change exceeding limits set by that market;
- a disruption in, or an impairment of, the ability of market participants in general to effect transactions in, or obtain market values for, that Index Component or those contracts;
- an imbalance of orders relating to that Index Component or those contracts; or
- a disparity in bid and ask quotes relating to that Index Component or those contracts,

will constitute a suspension or material limitation of trading in that Index Component or those contracts in that primary market.

2. Force Majeure Events

A “**Force Majeure Event**” is an event or circumstance (including without limitation, a systems failure, natural or man-made disaster, act of God, armed conflict, act of terrorism, riot or labour disruption or any similar intervening circumstance) that is beyond the reasonable control of the Index Administrator.

3. Consequences of an Index Market Disruption Event or Force Majeure Event

If an Index Market Disruption Event or a Force Majeure Event occurs or is continuing on one or more Scheduled Trading Days (each a “**Disrupted Day**”) that, as determined by the Index Administrator, affects the Index, any or all of the Index Components or the methodology in respect of the Index, the Index Administrator may:

- defer publication of information relating to the Index until the next Index Business Day on which such Index Market Disruption Event or Force Majeure Event, as applicable, is not continuing; and
- if such calendar day is a Rebalance Date, postpone such rebalancing to the next Index Business Day on which such Index Market Disruption Event or Force Majeure Event, as applicable, is not continuing,

and, in any such case, make such determinations and/or adjustments to the terms of the Index as it deems appropriate.

If such “Index Market Disruption Event” or a “Force Majeure Event” persists for each of the 5 Scheduled Trading Days immediately following the original Scheduled Trading Day that is a Disrupted Day, then the Index Administrator shall determine what actions or further actions it may reasonably take. Such reasonable actions may include the following:

- making such determinations and/or adjustments to the terms of the Index as it deems appropriate in order to determine the Index Level on such day (if such day is an Index Business Day);
- calculating a substitute level for the Index based on but not restricted to the last published price, level or value of any disrupted Index Component and such price, level or value may be zero;
- making other adjustments to the Index in order to maintain the objectives of the Index; and

- discontinuing supporting the Index or terminate the calculation of the Index Level or the publication of the Index Level.

As soon as reasonably practicable, following the occurrence of a Market Disruption Event or a Force Majeure Event, the Index Administrator will provide notice of such events and details of its actions on the Bloomberg Page and/or on the Reuters Page and/or on the UBS Website.

Section 6. Change in Methodology of the Index and Termination

1. Change in Methodology

While the Index Administrator currently employs the methodology described in the Index Manual to calculate the Index Level, the Index Administrator may determine (acting reasonably and in good faith) that it is necessary or appropriate to modify the Index methodology or any other provision of the Index Manual to:

- (i) take into account market, regulatory, juridical, financial, fiscal or other similar circumstances (including, but not limited to, any changes to or any suspension or termination of or any other events affecting any Index Components) that arise; or
- (ii) to prevent an obvious or demonstrable error; or
- (iii) to remedy, correct or supplement any incorrect or ambiguous provisions.

In such event the Index Administrator shall be entitled (acting in good faith) to modify or change the Index and any provision of the Index Manual subject to the provisions of the following paragraph and the Index Administrator obtaining the prior consent of the Index Owner. Any changes made to the Index or any provisions of the Index Manual will be made in good faith and in a commercially reasonable manner and in a manner that maintains the objectives of the Index. Any such determination by the Index Administrator will be, in the absence of manifest error, final, conclusive and binding.

If the Index Administrator proposes to modify or change the Index methodology and the Index Committee determines that the proposed modification or change will have, or is reasonably likely to have, a material effect on the objectives of the Index, the underlying market or economic interests referenced by the Index, the Index Level or the method of calculating the Index Level (a "**Material Change**"), then the Index Administrator will make available details of the proposed Material Change at least 10 days in advance of the proposed Material Change taking effect (such period, the "**Index Modification Consultation Period**"). Such details will be published on the Bloomberg Page and/or the Reuters Page and/or on the UBS Website. During the Index Modification Consultation Period, Index Product Investors may provide comments to the Index Administrator in relation to the impact of the Material Change. Following the expiry of the Index Modification Consultation Period, the Index Administrator will make available a summary of any comments received from Index Product Investors in relation to the Material Change, and a summary of the Index Administrator's responses to such comments, on the Bloomberg Page and/or the Reuters Page and/or on the UBS Website (unless the relevant Index Product Investor has requested confidentiality).

The Index Administrator will take into account (but shall not be obliged to follow) any comments received from Index Products Investors during the Index Modification Consultation Period in relation to the implementation of any proposed Material Change.

2. Termination

The Index Administrator may, in its sole and absolute discretion, terminate the calculation and publication of the Index Level. If the Index Administrator proposes to terminate the calculation and publication of the Index Level, then (i) the Index Administrator will give at least 10 Index

Administrator Business Days' notice of such termination by publication on the Bloomberg Page and/or on the Reuters Page and/or on the UBS Website and (ii) in such notice specify if there will be any transition process in relation to the termination of the calculation and publication of the Index Level and, if so, invite Index Product Investors to provide comments on the proposed transition process within such time period as may be specified by the Index Administrator (the "**Index Transition Consultation Period**"). During the Index Transition Consultation Period, Index Product Investors may provide comments to the Index Administrator in relation to the proposed transition process. Following the expiry of the Index Transition Consultation Period, the Index Administrator will make available a summary of any comments received from Index Product Investors in relation to the proposed transition process, and a summary of the Index Administrator's responses to such comments, on the Bloomberg Page and/or the Reuters Page and/or on the UBS Website (unless the relevant Index Product Investor has requested confidentiality).

The Index Administrator will take into account (but shall not be obliged to follow) any comments received from Index Products Investors during the Index Transition Consultation Period.

The Index Administrator will make available any transition process in relation to the termination of the calculation and publication of the Index Level on the Bloomberg Page and/or the Reuters Page and/or on the UBS Website.

3. Errors and Adjustments

The Index Administrator reserves the right to make adjustments to correct errors contained in previously published information relating to the Index, including but not limited to the Index Level, and to publish the corrected information, but it is under no obligation to do so and shall have no liability in respect of any errors or omissions contained in any subsequent publication. The Index Administrator will determine in good faith whether to adjust or correct any previously published Index Level in order to maintain the objectives of the Index. The Index Administrator will provide notice of such adjustments on the Bloomberg Page and/or the Reuters Page and/or on the UBS Website. The Index Administrator will provide any information about any such adjustments it makes upon written request.

The Index Owner may, at any time, change the name of the Index. Notice of such a change will be provided on the Bloomberg Page and the Reuters Page and/or on the UBS Website.

If the Index Administrator determines (acting reasonably) that market, regulatory, juridical, financial, fiscal, operational or other similar circumstances have arisen that would necessitate a change to the place and time of publication of the Index Level and/or the frequency of publication of the Index Level, then the Index Administrator may, upon giving at least 10 Index Administrator Business Days' notice, change the place and time of the publication of the Index Level and/or the frequency of publication of the Index Level.

4. Annual review

The Index Administrator will review the Index methodology on an annual basis to evaluate whether the Index methodology continues to achieve its objectives.

5. Construction of the Index Manual

The Index Manual is published by the Index Administrator. In the event of any inconsistency between the English language version of the Index Manual and that translated into any other language, the English language version shall prevail. Any translations of the Index Manual are not part of this prospectus and are not legally binding.

Section 7. Index Governance

1. Index Committee

The Index Administrator has established an index committee (the “**Index Committee**”).

The Index Committee’s role is to provide an oversight function to review and provide challenge on all aspects of the Index determination process and provide effective oversight of the Index Administrator in accordance with, and subject to, the applicable procedures set out in the control framework. The Index Committee’s oversight function includes consideration of the features and intended, expected or known usage of the Index and the materiality of identified existing or potential conflicts of interest. The Index Committee’s oversight function and its composition are appropriate to provide effective scrutiny over the Index Administrator.

The Index Administrator considers information about changes to its indices and related matters to be potentially market moving and material. Therefore, all Index Committee discussions are confidential.

Detailed information in relation to the Index Committee, including the criteria and procedures for the selection of members of the Index Committee, the membership of the Index Committee and its compliance functions are set out in the control framework.

2. Conflicts of Interest

The Index confers on the Index Administrator discretion in making certain determinations, calculations and corrections from time to time. The role played by UBS, as Index Administrator and the exercise of the kinds of discretion described above could present it with significant conflicts of interest in light of the fact that UBS, of which the Index Administrator is a division, may be the issuer or counterparty of Index Products. Neither the Index Administrator nor the Index Owner has any obligation to take the needs of any Index Product Investor into consideration at any time. UBS, its affiliates and its subsidiaries may each face conflicts between the roles it performs in respect of the Index and its own interests. In particular, in its other businesses, UBS may have, or enter into transactions to create, a physical, economic or other interest (including an adverse and/or short interest, as the case may be) in the Index, any Index Product, any Index Component, any investments referenced by or linked to any Index Component or any other related investments and may exercise remedies or take other action with respect to its interests as it deems appropriate.

The following actions could adversely affect the Index Level:

- UBS may actively trade Index Products, any Index Component, any investments referenced by or linked to any Index Component and any other related investments. These activities could adversely affect the Index Level, which could in turn affect the return on, and the value of, any Index Products.
- UBS may have access to information relating to the Index, any Index Product, any Index Component, any investments referenced by or linked to any Index Component or any other related investments. UBS is not obliged to use that information for the benefit of any person acquiring or entering into any Index Products.
- UBS, its affiliates and other parties may issue, underwrite, trade or enter into, as applicable, securities, financial or derivative instruments or other investments referenced to the Index or any Index Component. An increased level of investment and trading in these securities, financial or derivative instruments or investments may negatively affect the performance of the Index and could adversely affect the Index Level and, therefore, the amount payable at maturity on any Index Products and the value of any such products before that date.

- Although UBS is not obliged to do so, it may elect to hedge its exposure to the Index, any Index Product, any Index Component, any investments referenced by or linked to any Index Component or any other related investments with an affiliate or a third party. Such affiliate or third party, in turn, is likely to directly or indirectly hedge any or all of its exposure, including through transactions taking place on the futures and/or options markets. Where UBS or such affiliate or third party chooses to hedge its exposure, it may adjust or unwind such hedges by purchasing or selling Index Products, Index Components, products linked to any Index Component, any investments referenced by or linked to any Index Component or any other products on or before the date that the Index is valued for the purposes of any Index Product. UBS or such affiliate or third party may also enter into, adjust or unwind hedging transactions relating to other instruments linked to the Index or any Index Component. Any such hedging activity may adversely affect the Index Level, which could in turn affect the return on, and the value of, any Index Products.
- Certain activities conducted by UBS may conflict with the interests of those acquiring or entering into Index Products. For example, as described above, UBS may elect to hedge its obligations, if any, with an affiliate or a third party. It is possible that UBS could receive substantial returns with respect to these activities while the value of an Index Product may decline.
- UBS may also engage in trading for its proprietary accounts, for other accounts under its management or to facilitate transactions, including block transactions, on behalf of customers relating to one or more Index Products, products linked to any Index Component, any investments referenced by or linked to any Index Component and/or any other related investments. In the course of these transactions, UBS's customers may receive information about the Index before it is made available to other Index Product Investors. Any of these activities could also adversely affect the Index Level directly or indirectly by affecting the value of any Index Component, any investments referenced by or linked to any Index Component or any other related investments and, therefore, the amount paid at maturity on any Index Products and the value of any such products before that date.
- UBS, its affiliates and other parties may issue, underwrite, trade or enter into, as applicable, securities or financial or derivative instruments with returns linked or related to changes in the performance of the Index, any Index Product, any Index Component, any investments referenced by or linked to any Index Component or any other related investments, which might compete with the Index Products. By introducing competing products into the marketplace in this manner, UBS could adversely affect the amount paid at maturity, redemption or termination of on any Index Products and the value of any such products before that date. To the extent that UBS serves as issuer, underwriter, trader or counterparty of those securities or instruments, its interests with respect to those securities or instruments may be adverse to the interests of a holder of any Index Products.
- As administrator of the Index, under certain circumstances UBS will have discretion in making various determinations that affect the Index and Index Products. UBS may use these determinations to calculate the amount it must pay at maturity or, as the case may be, upon any early redemption or termination of any such Index Product. The exercise by UBS of this discretion could adversely affect the value of any such Index Product.

3. Control Framework

The Index Administrator has implemented and maintains a control framework for the process of determining and distributing a number of indices in respect of which UBS acts as the Index Administrator, including the Index.

Section 8. Disclaimer, Licensing and Trademark

Disclaimers

No legal relationship (whether in contract, tort, or otherwise) exists between any Index Product Investor and the Index Administrator or the Index Owner and neither the Index Administrator nor the Index Owner owes any duties (whether in contract, tort, or otherwise) to any Index Product Investor. No claims, actions or legal proceedings may therefore be brought against the Index Administrator or the Index Owner in any manner whatsoever by an Index Product Investor or any other person. For the avoidance of doubt: this does not preclude any claims the Index Product Investor might have according to Sections 21 et seq. WpPG.

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Section 9. Definitions

"Bloomberg Page" means the page "ULTARASP Index" on Bloomberg.

"Business Day" means any day on which DERI is calculated and published by UBS.

"Disrupted Day" has the meaning given to such term in paragraph 3 of *Section 5 – Index Market Disruption Events, Force Majeure Events and Potential Adjustment Events*.

"Exchanges" means, in respect of each Index Component, the exchanges or quotation systems on which trading of such Index Component, or futures or option contracts linked to such Index Component principally occurs, as determined by the Index Administrator.

"Force Majeure Event" has the meaning given to such term in paragraph 2 of *Section 5 – Index Market Disruption Events, Force Majeure Events and Potential Adjustment Events*.

"Index" has the meaning given to such term in *Section 1 – Introduction*.

"Index Administrator" means UBS AG, London Branch, a division of UBS AG (or any successor thereto).

"Index Administrator Business Day" means any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London.

"Index Base Date" has the meaning given to such term in *Section 2 – Overview of the Index*.

"Index Base Level" has the meaning given to such term in *Section 2 – Overview of the Index*.

"Index Business Day" means any day (other than a Saturday or Sunday) that is (i) a Scheduled Trading Day of the Index Components and (ii) not a Disrupted Day.

"Index Commencement Date" has the meaning given to such term in *Section 2 – Overview of the Index*.

"Index Committee" has the meaning given to such term in *Section 7 – Index Governance*.

"Index Component", and together **"Index Components"** has the meaning given to such term in *Section 2 – Overview of the Index*.

"Index Currency" means the currency in which the Index is denominated and has the meaning in *Section 4 – Calculation of the Index and Rebalancing, paragraph 1*.

"Index Level" means the level of the Index determined in accordance with *Section 4 – Calculation of the Index and Rebalancing* at the Valuation Time on each Index Business Day t.

"Index Manual" means the index description of the UBS Risk Adjusted Dynamic Alpha (RADA) Net Total Return Index (USD) on S&P 500®.

"Index Market Disruption Event" has the meaning given to such term in paragraph 1 of *Section 5 – Index Market Disruption Events, Force Majeure Events and Potential Adjustment Events*.

"Index Owner" means UBS AG, London Branch, a division of UBS AG (or any successor thereto).

"Index Product Investors" has the meaning given to such term in *Section 3 – Risk Factors*.

"Index Products" means products linked to the Index.

"London Business Day" means any day (other than a Saturday or Sunday) on which commercial banks settle payments and are open for general business in London.

"Rebalance Date" means any Index Business Day immediately following a Business Day on which the value of the UBS Dynamic Equity Risk Indicator has changed from one Position to another Position.

"Reuters Page" means the page "ULTARASP=UBSL" on Reuters.

"Scheduled Trading Day" means, in respect of each Index Component, a day on which the Exchanges are scheduled to be open for trading during their regular trading sessions.

"Successor Index Administrator" has the meaning given to such term in *Section 3 – Risk Factors*.

"Successor Index Owner" has the meaning given to such term in *Section 3 – Risk Factors*.

"UBS" means UBS AG, acting through its London Branch (or any successors thereto).

"UBS Website" means the following website: www.ubs.com/indexgroup.

"Underlying Index" has the meaning given to such term in *Section 2 – Overview of the Index*.

“Underlying Index Administrator” means, in respect of an Underlying Index, the entity identified in the rules of such Underlying Index as the index administrator (or such other analogous role howsoever described).

“Valuation Time” means in respect of the Index on an Index Business Day, the scheduled weekday closing time for a Scheduled Trading Day on that Index Business Day, or such other time on that Index Business Day as the Index Calculation Agent may determine.”

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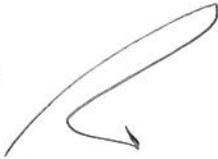
The Base Prospectus dated 10 March 2014 for the Issuance of UBS Performance Securities and all supplements thereto, shall be maintained in printed format, for free distribution, at the offices of the Issuer for a period of twelve months after the publication of this document and are published on the website www.ubs.com/keyinvest, or a successor website.

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Zurich, 19 November 2014

UBS AG

By:



(signed by Stefanie Ganz)

By:



(signed by Sebastian Rogge)