



Open End PERLES

Linked to MSCI ACWI with Developed Markets 100% hedged to USD Index
Issued by UBS AG, London Branch



Cash settled
SVSP/EUSIPA Product Type: Tracker Certificates (1300)
Valor: 26525722

Final Terms

This Product does not represent a participation in any of the collective investment schemes pursuant to Art. 7 ff of the Swiss Federal Act on Collective Investment Schemes (CISA) and thus does not require an authorisation of the Swiss Financial Market Supervisory Authority (FINMA). Therefore, investors in this Product are not eligible for the specific investor protection under the CISA (this paragraph is relevant to public offerings in Switzerland only).

1. Description of the Product

Information on Underlying

Underlying(s)	Initial Underlying Level	Conversion Ratio
MSCI ACWI with Developed Markets 100% hedged to USD Index Bloomberg: MXCXDMH Index	1'638.43	1:1 (1 Unit refer to 1 Underlying)

Product Details

Security Numbers	Valor: 26525722 / ISIN: CH0265257227 / WKN: UZ4S9E
Issue Size	up to 64'000 Units (with reopening clause) Issue Size increased by 14'000
Issue Price of 1 PERLES	USD 1'638.43 (=100% of the Initial Underlying Level, adjusted by the Conversion Ratio) (Unit Quotation)
Management Fee (MF)	0.10% p.a. (Reduced Management Fee from 0.20% to 0.10% per annum as of 01 April 2019)
Settlement Currency	USD

Dates

Launch Date	31 December 2014
Pricing Date ("Pricing")	31 December 2014
Issue Date / Payment Date	8 January 2015
Expiration Date ("Expiry")	Open End
Maturity Date / Redemption Date	Means the 5 th Business Day following the Effective Exercise Date. In case this date is not a Business Day the next following Business Day will apply (subject to Market Disruption Event Provisions)

Contact: UBS AG, P.O. Box, 8098 Zürich

Private Investors: Please contact your client advisor or send an email to keyinvest@ubs.com

Internet: www.ubs.com/keyinvest

Product Hotline: +41-44-239 76 76*

Investors outside of Switzerland should consult their local client advisors.

Please note that calls made to the numbers marked with an asterisk (*) may be recorded. Should you call one of these numbers, we shall assume that you consent to this business practice.

Redemption

The Investor is entitled to receive from the Issuer on the Redemption Date an amount in the Settlement Currency, according to the following formula and taking into account the Conversion Ratio:

$$\text{Expiration Value} * \prod_{1}^T \left(1 - \frac{MF_t}{360}\right)$$

T = the number of calendar days that have passed since the Pricing Date. The Management Fee is deducted daily and in arrears (each a "Risk Management Fee Calculation Date").

Management Fee (MF _t)	The level of the Management Fee, if any, on day t after the Pricing Date. The Management Fee will be determined at the reasonable discretion of the Calculation Agent and as per provisions set out under Management Fee Adjustment.
Expiration Value	Official closing value of the Underlying on the Effective Exercise Date on the Related Exchange, as determined by the Index Sponsor(s).

Product Structure

With an Open End PERLES the Investor can participate in the performance of the Underlying. The downside risk is similar to that of the Underlying, i.e. the Investor could lose his total investment if the Underlying value falls to zero. Open End PERLES are a product for Investors who expect the Underlying to increase in value.

General Information

Issuer	UBS AG, London Branch
Issuer Rating	A2 Moody's / A S&P's / A Fitch
Lead Manager	UBS AG, Zurich (UBS Investment Bank)
Calculation Agent	UBS AG, London Branch
Paying Agent	UBS AG, Zurich
Index Sponsor	Morgan Stanley Capital International Inc.
Related Exchange	The stock exchanges on which securities comprising the Underlying Index are traded, as determined by the Index Sponsor from time to time.
Secondary Market	Daily price indications will be available subject to Secondary Market provisions thereafter on Reuters/Bloomberg, www.ubs.com/keyinvest and Telekurs from 09:15-17:15 CET
Minimum Investment	1 Unit (subject to Selling Restrictions)
Minimum Trading Lot	1 Unit
Clearing	SIX SIS, Euroclear, Clearstream (registered as intermediated securities with SIX SIS AG, in Switzerland)
Form of Deed	Uncertificated securities
Governing Law / Jurisdiction	Swiss / Zurich
Adjustments	The terms of the Product may be subject to adjustments during its lifetime. Detailed information on such adjustments is to be found in the Product Documentation.
Product	One USD-denominated Open End PERLES unit is equivalent to one (1) "Product". "Products" wherever used herein shall be construed to mean integral multiples of the same, subject to the issue size.
Public Offering	None
Management Fee Adjustment	The Issuer has the annual right, on 31 December of each year, for the first time on 31 December 2015 ("Fee Adjustment Notice Date") to adjust the Management Fee effective 12 months after the "Fee Adjustment Notice Date" has been published to that effect (in case that any of the dates is not an Exchange Business Day, the next following Exchange Business Day applies).

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Management Fee Adjustment Date	Means the day when the Management Fee Adjustment becomes effective (corresponds to 12 months after the "Fee Adjustment Notice Date" subject to Market Disruption Event provisions).
Issuer Call Right	The Issuer has a right to call the Open End PERLES for early redemption by giving notice to that effect. The Open End PERLES can be terminated at any time by communicating the Termination Date. The termination becomes effective after a notice period of 3 months, for the value equal to Redemption (as described herein) at the Effective Exercise Date (in case that any of the dates is not an Exchange Business Day, the next following Exchange Business Day applies). Subject to Market Disruption Event provisions the Open End PERLES will be redeemed on the Redemption Date
Investor Exercise Right	In addition to the possibility to sell the Open End PERLES at any time in the Secondary Market (subject to market conditions), each Investor has an annual right, on 31 December of each year ("Exercise Date"), for the first time on 31 December 2015, to exercise the Open End PERLES (notice to be received not later than 10 am CET on the relevant Exercise Date) for a value equal to Redemption (as described herein) 1 year after the "Exercise Date" ("Effective Exercise Date"). The exercise will become effective as of close of business 1 year after the relevant Exercise Date (in case that any of the dates is not an Exchange Business Day, the next following Exchange Business Day applies). Subject to Market Disruption Event provisions the Open End PERLES will be redeemed on the Redemption Date.
Effective Exercise Date	Means the day when either the Issuer's Call Right or the Investor's Exercise Right becomes effective (corresponds to 1 year after the "Exercise Date" in case of investor's exercise and to 3 months after the "Termination Date" in case of issuer's call and subject to Market Disruption Event provisions).
Exchange Business Day	Each day, on which the price of the Underlying is determined in accordance with the relevant rules.

Tax Treatment Switzerland

Swiss Federal Stamp Duty	Secondary market transactions are not subject to Swiss Stamp Duty.
Swiss Federal Income Tax	For private investors with tax domicile in Switzerland, the transaction is in principle subject to neither Swiss federal nor cantonal and communal Income Tax.
Swiss Withholding Tax	The product is not subject to the Swiss withholding tax.
EU Savings Tax Treatment	For Swiss paying agents, the product is not subject to the EU Savings tax (TK9).
Bilateral Agreements Switzerland – UK and Austria	For paying agents in Switzerland, the product is subject to the bilateral agreement on cooperation in the area of taxation of Switzerland with the United Kingdom or with Austria if it is held directly or indirectly by a relevant person resident in the United Kingdom or in Austria.

The tax information only provides a general overview of the potential Swiss tax consequences linked to this Product at the time of issue. Tax laws and tax doctrine may change, possibly with retroactive effect.

Product Documentation

This document ("Final Terms") constitutes the Simplified Prospectus for the Product and contains the information required by Article 5 CISA and the corresponding Guidelines of the Swiss Bankers Association. The prospectus requirements of Article 652a/Article 1156 of the Swiss Code of Obligations are not applicable.

These Final Terms (Simplified Prospectus) together with the 'General Terms and Conditions for Structured Products on Equity, Commodity and Index Underlyings, stipulated in English and as amended from time to time ("**General Terms and Conditions**") shall form the entire documentation for this Product ("**Product Documentation**"), and accordingly the Final Terms should always be read together with the General Terms and Conditions. The Simplified Prospectus may be provided in various languages, however, only the English version will be relevant and any translations are for convenience only. Definitions used in the Final Terms, but not defined therein shall have the meaning given to them in the General Terms and Conditions. In the event that the Product is listed (see above item 'Listing' under «General Information»), the Product Documentation will be amended in accordance with the listing requirements of the relevant exchange.

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The Product Documentation can be obtained free of charge from UBS AG, P.O. Box, CH-8098 Zurich (Switzerland), via telephone (+41-(0)44-239 47 03), fax (+41-(0)44-239 69 14) or via e-mail (swiss-prospectus@ubs.com). In addition, for clients outside of the United Kingdom, the Product Documentation is available on the internet at www.ubs.com/keyinvest. Notices in connection with this Product shall be validly given by publication as described in the General Terms and Conditions. Furthermore, for clients outside of the United Kingdom, any changes with regard to the terms of this Product shall be published on the internet at www.ubs.com/keyinvest.

Classification

This Product does not represent a participation in any of the collective investment schemes pursuant to Art. 7 ff of the Swiss Federal Act on Collective Investment Schemes (CISA) and thus does not require an authorisation of the Swiss Financial Market Supervisory Authority (FINMA). Therefore, investors in this Product are not eligible for the specific investor protection under the CISA (this paragraph is relevant to public offerings in Switzerland only).

Furthermore, this Product does not benefit from any depositor protection under Art. 37b under the Swiss Federal Law on Banks and Savings Banks (Banking Act) or other forms of deposit insurance under any other law as might be applicable to this Product.

Prudential Supervision

UBS AG is authorised and regulated by the Swiss Financial Market Supervisory Authority (FINMA). In addition, its London Branch is authorised by the Prudential Regulation Authority and subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority and its Jersey Branch is authorised and regulated by the Jersey Financial Services Commission (JFSC).

2. Prospects of Profits and Losses

Market Expectation	The Open End PERLES is a product for Investors who expect the Underlying to increase over the life of the Product.
Risk Tolerance	Investors in this product should be experienced investors and familiar with both derivative products and the stock markets The Investors must be willing to make an investment that is exposed to the full down-side risk of the Underlying. The Investors do not require capital protection.
Profit Potential	The product allows full participation in the Underlying.
Loss Potential	The Investors may lose some or all of the investment as they are fully exposed to the performance of the Underlying.

3. Significant Risks for Investors

For product specific risks please see above (2. Prospects of Profits and Losses)

Risk Factors relating to the Issuer

In addition to the market risk with regard to the development of the Underlying, each Investor bears the general risk that the financial situation of the Issuer could deteriorate. The Products constitute immediate, unsecured and unsubordinated obligations of the Issuer, which, particularly in case of insolvency of the Issuer, rank pari passu with each and all other current and future unsecured and unsubordinated obligations of the Issuer, with the exception of those that have priority due to mandatory statutory provisions. The general assessment of the Issuer's creditworthiness may affect the value of the Products. This assessment generally depends on the ratings assigned to the Issuer or its affiliated companies by rating agencies such as Moody's, Fitch and Standard & Poor's.

The Issuer Ratings indicated in this document reflect the situation at the time of issuance and may be subject to changes. The actual Issuer Ratings at any given time can be seen on the Issuer's website (www.ubs.com) under "Analysts & Investors".

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Secondary Market

The Issuer or the Lead Manager, as applicable, intends, under normal market conditions, to provide bid and offer prices for this Product on a regular basis. However, the Issuer or the Lead Manager, as applicable, makes no firm commitment to provide liquidity by means of bid and offer prices for this Product, and assumes no legal obligation to quote any such prices or with respect to the level or determination of such prices. Potential Investors therefore should not rely on the ability to sell this Product at a specific time or at a specific price.

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

Market Risk

The investor is exposed to market disruption events (such as trading disruption, exchange disruption and early closure of the relevant exchange), adjustments and early termination which could have an impact on the redemption amount through delay in payment or change in value. For a detailed description of such events and their effects please read the Product Documentation.

Important Information

This information is communicated by UBS AG and/or its affiliates ("UBS"). UBS may from time to time, as principal or agent, have positions in, or may buy or sell, or make a market in any securities, currencies, financial instruments or other assets underlying the transaction to which this document relates. UBS may provide investment banking and other services to and/or have officers who serve as directors of the companies referred to in this document. UBS' trading and/or hedging activities related to this transaction may have an impact on the price of the underlying asset and may affect the likelihood that any relevant barrier is crossed. UBS has policies and procedures designed to minimise the risk that officers and employees are influenced by any conflicting interest or duty and that confidential information is improperly disclosed or made available.

In certain circumstances UBS sells this Product to dealers and other financial institutions at a discount to the issue price or rebates to them for their account some proportion of the issue price. Further information is available on request.

Structured transactions are complex and may involve a high risk of loss. Prior to entering into a transaction you should consult with your own legal, regulatory, tax, financial and accounting advisors to the extent you consider it necessary, and make your own investment, hedging and trading decisions (including decisions regarding the suitability of this transaction) based upon your own judgement and advice from those advisers you consider necessary. Save as otherwise expressly agreed in writing, UBS is not acting as your financial adviser or fiduciary in any transaction.

This document should not be construed as an offer, personal recommendation or solicitation to conclude a transaction and should not be treated as giving investment advice. The terms of any investment will be exclusively subject to the detailed provisions, including risk considerations, contained in the Information Memorandum, Prospectus or other issuer documentation for the issue of the Products/Notes (the "Prospectus" or the product documentation).

UBS makes no representation or warranty relating to any information herein which is derived from independent sources. This document shall not be copied or reproduced without UBS' prior written permission.

No action has been or will be taken in any jurisdiction that would permit a public offering of the Products described herein, save where explicitly stated in the Product Documentation. The Products must be sold in accordance with all applicable selling restrictions in the jurisdictions in which they are sold.

There is a possibility that costs, including taxes, related to transactions in connection with this Product may arise for the Investor that are not paid by UBS or imposed by it.

Index Disclaimer

MSCI Indexes

The MSCI indexes are the exclusive property of Morgan Stanley Capital International Inc. ("MSCI"). MSCI and the MSCI index names are service mark(s) of MSCI or its affiliates and have been licensed for use for certain purposes by UBS AG. The financial securities referred to herein are not sponsored, endorsed, or promoted by MSCI, and MSCI bears no liability with respect to any such financial securities. The Prospectus contains a more detailed description of the limited relationship MSCI has with UBS AG and any related financial securities. No purchaser, seller or holder of this product, or any other person or entity, should use or refer to any MSCI trade name, trademark or service mark to sponsor, endorse, market or promote this product without first contacting MSCI to determine whether MSCI's permission is required. Under no circumstances may any person or entity claim any affiliation with MSCI without the prior written permission of MSCI.

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Selling Restrictions

Any Products purchased by any person for resale may not be offered in any jurisdiction in circumstances which would result in the Issuer being obliged to register any further documentation relating to this Product in such jurisdiction.

The restrictions listed below must not be taken as definitive guidance as to whether this Product can be sold in a jurisdiction. Additional restrictions on offering, selling or holding of this Product may apply in other jurisdictions. Investors in this Product should seek specific advice before on-selling this Product.

Europe - Any public offer of this Product within an EEA jurisdiction (EU member states plus Norway, Iceland and Liechtenstein) shall only be possible if compliant with the requirements of the EUPD and with the law of that jurisdiction.

If the prospectus either does not qualify as a prospectus published in accordance with the requirements of the EUPD or is not filed with or notified to the relevant Financial Supervisory Authority, this Product may not be offered or sold in EEA jurisdictions other than 1) in minimum denominations of, or total consideration per investor of at least, EUR 50,000 (or equivalent in other currencies), provided that the offer is only being made in one or more EEA jurisdiction that will not, before the end of the offer period for the Securities, have implemented the provision under the Directive 2010/73/EU (the "PD Amending Directive") that increases this minimum denomination (or total consideration per investor) to EUR 100,000; or 2) only to Qualified Investors; and/or (aggregated for all distributors) to less than 100 or, if the relevant EEA jurisdiction has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons that are not Qualified Investors per EEA jurisdiction. "Qualified Investors" are persons or entities as defined in the Prospectus Directive.

For information on public offering in EEA jurisdictions please see under section "General Information" above.

Hong Kong – Each purchaser has represented and agreed that it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Products, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Products which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

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

Singapore - This Term Sheet, the Final Terms, the Base Prospectus and the Supplemental Prospectus in respect of the programme under which the Notes would be issued have not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Term Sheet, the Final Terms, the Base Prospectus, the Supplemental Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

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

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

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

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

UK - For the purpose of non-discretionary accounts, this Product should not be sold with a consideration of less than EUR 100,000 or equivalent.

USA - This Product may not be sold or offered within the United States or to U.S. persons.

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