

Final Termsheet

BlackRock-Quellos (€uroSTAR) Delayed Payment Portfolio Certificates (EUR) linked to a portfolio of Hedge Funds (the “Certificates”).

The Certificates will be delivered as part settlement for UBS €uroSTAR Notes (ISIN: XS0125434844)

31 May 2011

Risk warning: The Certificates will be delivered as part settlement for UBS €uroSTAR Notes (ISIN: XS0125434844). The Certificates are not transferable without the consent of the Issuer and the Issuer does not anticipate making a market on this product and is under no obligation to do so. The Underlying Portfolio (as described below) represents components of the Class F Shares of the Q-BLK Appreciation Fund Inc. (formerly known as the Quellos Appreciation Fund Inc.) which could not be liquidated as at 31 March 2009 and there is a risk that they may not be liquidated prior to the initial Maturity Date or at a reasonable value.

The Certificates are denominated in EUR. The Underlying Portfolio is denominated in USD. The Issuer will effect foreign exchange transactions as at the Redemption Settlement Date to convert amounts received from the Underlying Portfolio into EUR to meet its payment obligations under the Certificates. **Accordingly, the Certificate Holders are exposed to foreign exchange risk.**

Maturity Extended from 30 June 2011 to 30 June 2016

PRIVATE PLACEMENT

General Terms	
Issuer	UBS AG, London Branch
Lead Manager	UBS Limited.
Issuer Rating	A+ (Standard & Poor's) / Aa2 (Moody's). For the avoidance of doubt, this is the long term credit rating of the Issuer and it does not represent ratings of the Certificates.
Security Codes	ISIN: DE000UB1B2P2 Valoren: 10136857 Common code: 42568651 WKN : UB1B2P
Underlying	A notional portfolio of hedge funds, including at times a cash position (the “ Underlying Portfolio ”) managed by BlackRock Financial Management, Inc (the “ Investment Manager ” and “ Portfolio Calculation Agent ”). The Underlying Portfolio represents the components of the Class F Shares of the Q-BLK Appreciation Fund Inc. (formerly known as the Quellos Appreciation Fund Inc.) which could not be liquidated as at 31 March 2009. As at the Issue Date the Underlying Portfolio consists of approximate 20 hedge funds of which the largest allocation comprises approx. 15% of the Underlying Portfolio.
Issue Date	4 June 2009
Payment Date	4 June 2009
Total Issue Size	500 Certificates
Minimum Trading Size	1 Certificate(s)
Issue Price	EUR 26,055.70
Strike Date	31 March 2009
Maturity Date	The Underlying Portfolio Business Day in June 2016 (extended from June 2011), expected to be 30

	<p>June 2016.</p> <p>And if such day is not an Underlying Portfolio Business Day, the Maturity Date will be the next following day that is an Underlying Portfolio Business Day.</p> <p>The Issuer may extend the maturity of the Certificates for additional 5-year periods, by providing at least 1 calendar month's notice to Certificate Holder(s) prior to the scheduled Maturity Date. There is no limitation to the number of times the maturity of the Certificates may be extended.</p>
Business Day	<p>Any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London and New York.</p>
NAV	<p>The net asset value of the Underlying Portfolio as calculated and published by or on behalf of the Investment Manager (or its administrator).</p>
Notional Investor	<p>A notional investor, in the same position of the Issuer, having exposure to the Underlying Portfolio.</p>
Underlying Portfolio Business Day	<p>Means any day in respect of which the Portfolio Calculation Agent or an appointed administrator calculates and publishes the NAV of the Underlying Portfolio.</p> <p>This is expected to be the last business day at the end of each calendar month on which banks are open for business in New York and the Cayman Islands.</p> <p>If there is more than one Underlying Portfolio Business Day in any calendar month, the Calculation Agent shall determine which day will be deemed the Underlying Portfolio Business Day for that calendar month.</p> <p>If there is no Underlying Portfolio Business Day in a calendar month, the Underlying Portfolio Business Day will be the first Underlying Portfolio Business Day in the next following calendar month.</p>
Currency	<p>Euros ("EUR")</p>
Reference Value ("Value_t")	<p>Value_t is net asset value in percentage of the Underlying Portfolio including from time to time cash components and currency hedging arrangements from the Strike Date to the tth Underlying Portfolio Business Day after the Strike Date.</p> <p>It is defined as follows:</p> $\text{Value}_t = \text{Value}_{t-1} \times (\text{NAV}_t / \text{NAV}_{t-1})$ <p>Where,</p> <p>Value₀ 100%</p> <p>NAV₀ is the NAV of the Underlying Portfolio as observed on the Strike Date.</p> <p>NAV_t is the NAV of the Underlying Portfolio at the close of business on the Underlying Portfolio Business Day t after the Strike Date.</p> <p>NAV_{t-1} is the NAV of the Underlying Portfolio at the close of business on the Underlying Portfolio Business Day t-1 after the Strike Date.</p> <p>In calculating Value_t the Calculation Agent, in its sole and absolute discretion, reserves the right to make adjustments in good faith, to account for amendments or changes in the calculation of the NAV of the Underlying Portfolio or to reflect the method of payment of liquidation proceeds that a Notional Investor would receive upon liquidation of the Underlying Portfolio.</p> <p>If the Underlying Portfolio is at any time split or consolidated, a distribution is paid, or any other</p>

	<p>similar event that has a diluting or concentrating effect on the theoretical value of the Underlying Portfolio, the Calculation Agent may, in its sole and absolute discretion, adjust Value_t to account for this effect.</p>
Fees and Expenses	<p>The Investment Manager will not charge any management or performance fees.</p> <p>Certain fees and expenses associated with establishing and maintaining a portfolio similar to the notional Underlying Portfolio, including without limitation, legal, administration, custodial and professional expenses will be deducted when determining the NAV of the Underlying Portfolio.</p> <p>In addition, fees and expenses will be paid by the underlying hedge funds to their investment managers, advisers and service providers.</p>
Redemptions	<p>The Issuer will pay out the redemption amount on the Certificates in several methods as described below:</p> <ul style="list-style-type: none"> - Partial Redemption Amount of capital in quarterly payments - Automatic Early Redemption Amount - Issuer Early Redemption Amount - Redemption Amount at Maturity
Partial Redemption Amount	<p>The Issuer may pay a Partial Redemption Amount on the Certificates as at the Underlying Portfolio Business Day at the end of each calendar quarter or such other date as the Issuer may determine, in its sole and absolute discretion. The first such payment is expected to be made in relation to the Underlying Portfolio Business Day in June 2009.</p> <p>The Partial Redemption Amount per Certificate will represent the liquidation proceeds that a Notional Investor in the Underlying Portfolio would have received, that relate to the liquidation of units of the Underlying Portfolio that could be liquidated prior to or on such Underlying Portfolio Business Day converted into EUR at the corresponding spot exchange rate between USD and EUR as determined by the Calculation Agent on the Redemption Settlement Date. If there were no liquidation proceeds for a Notional Investor in any quarter, then no Partial Redemption Amount will be paid</p> <p>For the avoidance of doubt, it is expected that the payment of a Partial Redemption Amount on any Underlying Portfolio Business Day 't' will result in a corresponding fall in NAV_t and hence Value_t.</p>
Automatic Early Redemption Amount	<p>The Certificates will automatically terminate early on any Underlying Portfolio Business Day on which the Reference Value equals 0 (the "Automatic Early Redemption Date"). The Certificates will become due to the Issuer and the Automatic Early Redemption Amount will be 0.</p>
Issuer Early Redemption Amount	<p>The Issuer may redeem the Certificates early, but not prior to the first anniversary of the Issue Date, in full but not in part, on the last Business Day in each calendar month. The Issuer will notify the Certificate Holder(s) of the day it elects to be the Issuer Early Redemption Date ("Issuer Early Redemption Date") subject to 10 calendar days notice being given prior to such Issuer Early Redemption Date.</p> <p>In respect of the Issuer Early Redemption Date, the Issuer Early Redemption Amount per Certificate will be determined by the Calculation Agent in accordance with the following formula:</p> <p>Issue Price * Value_{er} * Adjustment Factor</p> <p>where:</p>

	<p>Value_{er} is the Reference Value calculated as described above with respect to the Issuer Early Redemption Date.</p> <p>Adjustment Factor is a value that is determined by the Calculation Agent in its reasonable discretion, which reflects the estimated value of the Underlying Portfolio, taking into account:</p> <ul style="list-style-type: none"> - The expected timing of future liquidation - The estimate of realizable proceeds from the liquidation of the Underlying Portfolio - Any bid prices available from market counterparties for the Underlying Portfolio or its individual components <p>For the avoidance of doubt, the Adjustment Factor may be 0, if, in particular, the Underlying Portfolio cannot be liquidated in the future, no market counterparty is willing to provide a bid or results in a total loss.</p>
Redemption Amount at Maturity	<p>Unless an early redemption has occurred, the Redemption Amount at Maturity per Certificate will be an amount in USD determined by the Calculation Agent in accordance with the following formula:</p> <p>Issue Price * Value_m.</p> <p>where:</p> <p>Value_m is the Reference Value calculated as described above with respect to the Maturity Date.</p>
Redemption Settlement Date	<p>The Partial Redemption Amount, Automatic Early Redemption Amount, Issuer Early Redemption Amount or Redemption Amount at Maturity (as applicable, the "Applicable Redemption Amount") shall be paid by the Issuer to the Certificate Holder(s) within five (5) Business Days of the day, on which a Notional Investor would have received liquidation proceeds from the Underlying Portfolio as represented by the Certificates with respect to the applicable Underlying Portfolio Business Day.</p> <p>If the receipt of any such liquidation proceeds by a Notional Investor would be delayed for any reason, the settlement of the Applicable Redemption Amount will also be delayed.</p>
Secondary Market and Liquidity Warning	<p>The Certificates are not transferable without the consent of the Issuer and the Issuer does not anticipate making a market on this product and is under no obligation to do so. The Certificate will therefore be illiquid and the investor has to hold the Certificates until Maturity Date, Automatic Early Redemption Date or Issuer Early Redemption Date, as applicable.</p>
Swiss Paying Agent	<p>UBS AG, Zurich</p>
Closing Date (for Swiss tax purposes)	<p>1 January, for the first time 1 January 2010</p>

Swiss Federal Stamp Duty	For Swiss Federal Stamp Duty purposes, the product is treated as analogous to a share in a foreign investment fund. Therefore, primary and secondary market transactions (if any) are in principle subject to Swiss Federal Stamp Duty (TK24).
Swiss Federal Income Tax	For private investors with tax domicile in Switzerland this product is treated analogous to a share in an investment fund. The taxable income and capital gains/losses will be kept apart and will be reported to the Swiss Federal Tax Administration annually. Taxable income is subject to Swiss Federal, cantonal and communal Income Tax.
Swiss Withholding Tax	The product is not subject to the Swiss Withholding Tax.
EU Savings Tax	For Swiss paying agents, the product is not subject to the EU Savings Tax (TK12).
Selling Restrictions	Private Placement The Certificate Holder(s) may NOT transfer the certificate to any other party without the consent of the Issuer.
Documentation	This termsheet is subject to and should be read in conjunction with (i) the prospectus in respect of the Certificates (the “ Prospectus ”) and (ii) the global security in respect of the Certificates (the “ Global Security ”). The Prospectus and Global Security are available upon request. If there is any inconsistency between the conditions set forth herein and the terms and conditions of the Prospectus, the Prospectus shall prevail.
Calculation Agent	UBS AG, London Branch. All determinations, calculations and adjustments by the Calculation Agent must be made in good faith and, in the absence of manifest error, wilful default or bad faith, are final and conclusive, and the Calculation Agent and the Issuer have no liability to the Certificate Holder(s) or any third party in relation to these determinations. The Calculation Agent may deal in these Certificates or enter into any transactions, including without limitation any swap or hedging transactions, with the Underlying Portfolio or the Investment Manager.
Portfolio Calculation Agent	BlackRock Financial Management, Inc
Status	Senior, unsubordinated.
Method of Distribution	Non-syndicated.
Tax Redemption Amount	If the Issuer is required to deduct or withhold additional amounts in respect of taxes, the Issuer may redeem the Certificates at the Tax Redemption Amount at any time on notice to the Certificate Holder(s) (the date of giving notice being the “ Tax Valuation Date ”). The Tax Redemption Amount is the fair market value of the Certificates on the Tax Valuation Date, less any loss of bargain and cost of funding incurred by the Issuer, all as determined by the Calculation Agent in its absolute discretion. The Issuer must pay the Tax Redemption Amount within five (5) Business Days of the day, on which a Notional Investor would have received redemption proceeds from the Underlying Portfolio as represented by the Certificates with respect to the the Tax Valuation Date.
Settlement	The Certificates are cash settled only. No physical delivery of any of the Underlying Portfolio's components is permitted.
Form	Bearer certificates – TEFRA not applicable.
Clearing	Euroclear / Clearstream.
Delivery	Delivery against payment.

Listing	Not Listed.
Governing Law	German law.
Risk Information	<p>This product is a high-risk investment instrument, as the Certificate Holder(s) is not entitled to redemption of the capital invested or to payment of interest or dividends.</p> <p>Any payments to be made on the Certificates depend primarily on the value of the Underlying Portfolio. In particular, the Issuer does not assume any responsibility to the Certificate Holder(s) for the economic success or lack of success of an investment in the Certificates or for the performance of the Underlying Portfolio.</p> <p>Whilst the Redemption Amount at Maturity Date or the Early Redemption Amount (as applicable) may be linked to the market value of the Underlying Portfolio, the Issuer is not obliged to invest the proceeds for the issuance of Certificates in the Underlying Portfolio at any time.</p>

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