



UBS Market Growth Instalments (Series of UBS Capped Self Funding Instalments)

Supplementary Product Disclosure Statement dated 22 October 2014 ("SPDS")

UBS AG, Australia Branch

ABN 47 088 129 613

AFSL number 231087

This SPDS supplements the UBS Capped Self Funding Instalments Product Disclosure Statement dated 23 May 2011 ("PDS") and together they set out the terms of a Series of UBS Capped Self Funding Instalments ("UBS Capped SFIs") referred to in this SPDS as "UBS Market Growth Instalments". You should read this SPDS together with the PDS and the supplementary product disclosure statement for UBS Capped Self Funding Instalments dated 17 June 2013 and 3 May 2013 before making a decision to invest. Words defined in the PDS have the same meaning in this SPDS.

This SPDS relates to the offer of UBS Market Growth Instalments as specified below.

UBS Market Growth Instalments	
Issuer	UBS AG, Australia Branch ("UBS")
Series	SS6 Series
Offer period opens	22 October 2014
Strike Date	30 October 2014
Expected quotation date on the ASX	31 October 2014
Annual Interest Date	Not applicable for this Series
Final Maturity Date	4 June 2015
Initial maximum issue size	10,000,000 per Series
Maximum Borrow Fee <i>(applicable only to wholesale clients)</i>	<p>The Borrow Fee is only applicable to <u>wholesale clients</u> (as defined in the Corporations Act 2001 (Cth)).</p> <p>The maximum Borrow Fee for each Series of UBS Market Growth Instalments is an amount up to 2.20% (incl. GST) of the Loan Amount and is payable by you when you acquire UBS Market Growth Instalments (other than on the secondary market).</p> <p>The amount of the Borrow Fee will equal the amount of any commission you agree with your adviser. UBS will pay the amount of the Borrow Fee as a commission to the Australian Financial Services Licensee ("Adviser Group") for whom your adviser acts as a representative who may then pay a portion of this amount to your adviser. Payment will only be made once UBS is satisfied you qualify as a wholesale client as defined in the Corporations Act 2001 (Cth) and provided that payment or receipt of the Borrow Fee and commission is not prohibited by law.</p> <p>Please see Part 4 of the PDS for further details, or contact either UBS or your broker or adviser.</p> <p>This supplementary PDS also amends the PDS by replacing the first sentence in part 4.3.2 "Borrow Fee" under 'Part 4: Fees and other costs' starting on page 21 of the PDS, with the following "The Borrow Fee is the up-front fee, if any, charged by UBS for the Loan and will only be charged if you are a wholesale client as that term is defined in the Corporations Act".</p>
Adviser Group Fee <i>(applicable to all clients)</i>	<p>The Adviser Group Fee may apply to <u>any applicant</u>. However, if you are a wholesale client and have paid a Borrow Fee, the Adviser Group Fee will not apply.</p> <p>This supplementary PDS also amends the PDS by inserting the following sentence at the end of part 4.3.3 "Adviser remuneration" under 'Part 4: Fees and other costs' starting on page 21 of the PDS, "Please also see part 4.3.9 on the "Adviser Group Fee" that may be payable to the Adviser Group and your adviser."</p> <p>This supplementary PDS also amends the PDS by inserting a new part 4.3.9 under</p>

	<p>'Part 4: Fees and other costs' starting on page 21 of the PDS as follows:</p> <p>4.3.9 Adviser Group Fee</p> <p>Where permitted by law and where specifically authorised by you in your Application Form, UBS may collect from you an amount in respect of the Adviser Group Fee, being the fixed dollar fee selected in your Application Form, and pay it to the Adviser Group for whom your adviser acts as a representative (as specified in your Application Form) on your behalf. Where authorised by you, the Adviser Group may then hold the amount in respect of the Adviser Group Fee on trust and pay to your adviser all or such part of that amount as disclosed to you by your adviser in the statement of advice or financial services guide relevant to the financial services they provide to you in respect of the Market Growth Instalments or as otherwise disclosed to you by your adviser.</p> <p>If you authorise the payment of the Adviser Group Fee in your Application Form, it will be collected from you by UBS in addition to your First Payment Amount.</p> <p>The Adviser Group Fee is not payable when you buy Market Growth Instalments on the secondary market, e.g. on the ASX.</p> <p>The maximum Adviser Group Fee that can be authorised by you is \$7,500 (incl. GST). For example, if you agree to pay an Adviser Group Fee of \$7,500 and your First Payment Amount is \$30,000, UBS will collect from you \$37,500 and will then pay will pay \$7,500 of the amount it collects to the Adviser Group. The remaining amount constitutes your First Payment Amount (i.e. \$30,000) which will be used to purchase your Market Growth Instalments.</p>
	<p>The following information supplements part 5 of the PDS relating the 'Taxation Summary':</p> <p>This supplementary PDS also amends the PDS by inserting a new part 5.21 under 'Part 5: Taxation summary' starting on page 23 of the PDS as follows:</p> <p>On the basis that the Adviser Group Fee is payable by the investor in connection with entering into their UBS Capped SFIs, that Adviser Group Fee would not generally be immediately deductible but should be eligible for inclusion in the investor's cost base and reduced cost base in the Underlying Securities.</p> <p>However, where the Adviser Group Fee is payable by the investor in connection with managing their existing investments, that Adviser Group Fee may be immediately deductible. Affected investors (such as Rollover Applicants) should seek their own specific advice in this regard.</p>
Initial Loan Amount	<p>The Loan Amount will vary during the Term. The Loan Amount on the Strike Date will be the aggregate of 100% of the Closing Price of the Underlying Security on the Strike Date plus the "Additional Loan Amount" for the Series specified in the table below. You can obtain the current Loan Amount at any time, by contacting UBS on 1800 633 100.</p>
Capped Level	<p>The Capped Level for this Series of UBS Market Growth Instalments will be determined by UBS on the Strike Date. The indicative Capped Level, as a percentage of the Closing Price of the Underlying Security on the Strike Date, for each SS6 Instalment is outlined in the table below.</p> <p>The factors affecting UBS' determination of the actual Capped Level are described in section 2.6.4 of the PDS.</p>
Formula for calculating the Cap Adjustment Amount	<p>If the Closing Price of the Underlying Security on the Final Maturity Date is greater than the Capped Level, you will be required to pay a Cap Adjustment Amount for each Underlying Security in the Underlying Parcel equal to the difference between the Closing Price of the Underlying Security on the Final Maturity Date and the Capped Level.</p>
Other Fees	<p>In certain circumstances other fees or costs may be payable to UBS such as costs arising as a result of UBS enforcing its Security Interest over UBS Market Growth Instalments. Please refer to Part 4 of the PDS for further details.</p>
Registrar	<p>Computershare Investor Services Pty Limited</p> <p>Level 3, 60 Carrington Street</p> <p>Sydney NSW 2000, Australia</p> <p>Phone: 1300 85 05 05</p> <p>Website: www.computershare.com.au</p>



Application has been made for the UBS Market Growth Instalments offered under the PDS and this Supplementary PDS to be admitted to trading status by ASX. UBS reserves the right to increase or decrease the issue size at any time during the offer period or to issue further UBS Market Growth Instalments without the consent of Holders, subject to making a further application to ASX.

Investors using a separate investment loan from UBS to fund the purchase of their Market Growth Instalments (SS6 Series) should be aware that UBS has the discretion to reject or reduce the number of Instalments applied for. UBS will notify you of the outcome of your application for Market Growth Instalments (SS6 Series) accordingly.

NOTES FOR TABLE SETTING OUT DETAILS OF UBS MARKET GROWTH INSTALMENTS

- The table below sets out the ASX Code and details of the Underlying Security, the "Additional Loan Amount", the indicative Interest Rate and indicative First Payment amount on the Strike Date as at the date of this SPDS.
- **Additional Loan Amount:** The additional Loan Amount is set out in the table below. As explained above, the additional Loan Amount for a Series is a component of that Series' Loan Amount on the Strike Date (the Loan Amount on the Strike Date will be the sum of 100% of the Closing Price of the relevant Underlying Security on the Strike Date plus the Additional Loan Amount). UBS calculated the Additional Loan Amount for each Series by reference to a number of factors, including UBS' expectations of the cash Ordinary Dividends payable on the Underlying Security over the term of the UBS Market Growth Instalments. You can obtain the current Loan Amount for each Series at any time, which is also the Completion Payment, by contacting UBS on 1800 633 100.

Interest Rate: The column headed "Indicative aggregate interest rate to Maturity Date (annualised)" sets out the indicative aggregate (annualised) Interest Amount payable over the term of the UBS Market Growth Instalments as a percentage of the Loan Amount on the Strike Date. The current Interest Rate, determined by UBS as described in the Investment Overview and in Part 2.3.3 of the PDS, is available from UBS by calling 1800 633 100.

- **First Payment:** The column in the table below headed "Indicative First Payment amount on Strike Date to get exposure to an Underlying Parcel worth \$100,000" sets out the indicative First Payment amount in order to buy UBS Market Growth Instalments over Underlying Securities with an aggregate Closing Price on the Strike Date equal to \$100,000.

The Column in the table below headed "Indicative First Payment % of Closing Price on Strike Date" sets out the indicative First Payment amount expressed as a percentage of the Closing Price of the Underlying Security on the Strike Date. It illustrates the indicative level of leverage available for the Series on the Strike Date.

Please note that the indicative First payment Amount calculations in the table assumes that no Borrow Fee is payable by you. **If you are charged a Borrow Fee (because you are a wholesale client and agree a commission with your adviser), the First Payment Amount on the Strike Date will likely be higher than the amount set out in the table below.**

- **Franking Credit Entitlement:** The following comments should be read in conjunction with the Taxation summary in Part 5. As at the date of this SPDS, the expected net delta on the Strike Date for all the SS6 Series of Instalments is greater than 0.30. The delta for the SS6 Series may change between the date of this SPDS and the Strike Date, and will change during the term of the UBS Market Growth Instalments, depending on market factors (primarily the price of the Underlying Security relative to the Loan Amount for that Series). If net delta is less than 0.3 then your interest in the Underlying Securities may not be "at risk" for the purposes of the Qualified Persons Test. This is likely to impact your ability to claim an entitlement to any associated franking credits on the Underlying Security. As UBS does not provide taxation advice, potential Investors and Holders should seek their own taxation advice in relation to the impact this may have on their own particular circumstances.

Each Series of UBS Market Growth Instalments will be highly leveraged (at least on the Strike Date). When considering an investment, you should pay particular attention to the additional risks associated with highly leveraged UBS Capped Self Funding Instalments, described in Part 3.8 of the PDS.



ASX Code	Issuer of Underlying Security	Underlying Security	Additional Loan Amount	Indicative First Payment % of Closing Price on Strike Date	Indicative Cap Level as % of Closing Price on Strike Date	Indicative aggregate Interest Rate as % of Loan Amount on Strike Date to Final Maturity Date (annualised)	Indicative First Payment amount on Strike Date to get exposure to an Underlying Parcel worth \$100,000
ANZSS6	ANZ Banking Group Ltd	1 ordinary share	\$1.7575	5.19%	115%	16.82%	\$5,193.14
NABSS6	National Australia Bank Ltd	1 ordinary share	\$1.9000	5.08%	115%	17.05%	\$5,079.70
WBCSS6	Westpac Banking Corporation	1 ordinary share	\$1.7670	5.18%	115%	16.66%	\$5,183.63

The indicative Interest Rate and First Payment details for the Strike Date set out in the table above are estimates only, calculated as at the date of this SPDS. They are subject to change on or before the Strike Date due to changes in market conditions. Also, these indicative amounts and rates apply only to the Strike Date – after the Strike Date, these amounts and rates could change significantly. The tables in the Investment Overview section of the PDS explain some of the main factors that impact on UBS' calculation of the First Payment and the Interest Rate.



IMPORTANT INFORMATION

The information in this SPDS has been prepared without taking into account the objectives, financial situation and particular needs of investors. Accordingly, before making a decision to acquire UBS Market Growth Instalments, you should consider whether such an investment is appropriate having regard to your objectives, financial situation and particular needs, and consult your adviser or broker. You should read this SPDS and the PDS and consider them before making any decision as to whether to acquire UBS Market Growth Instalments.

UBS does not accept any liability or responsibility for, and makes no representation or warranty, whether express or implied, as to the affairs of any Underlying Entity included in this SPDS. You should obtain independent advice from a stockbroker or licensed financial adviser on the nature, activities and prospects of the Underlying Entities and the merits of an investment in the Underlying Entities or any Series of UBS Market Growth Instalments. You should not take the historical prices of any Security as an indication of future performance.

UBS disclosure of interests

Options traders in a UBS Entity may buy UBS Market Growth Instalments and/or exchange traded options in Securities comprising the Underlying Parcel as principal. UBS Entities as principal will be conducting transactions in various Securities, including UBS Market Growth Instalments and Securities comprising the Underlying Parcel. UBS Securities may conduct such transactions as agent for UBS Entities, as well as for other principals.

UBS Entities may have previously acted, and may currently or in the future from time to time act as an adviser to the Underlying Entity for which it may receive fees and commissions.

Application Form

An Application Form specific to Market Growth Instalments (SS6 Series) is annexed to the end of this SPDS.

DIRECTORY

Issuer

UBS AG, Australia Branch
Level 16
Chifley Tower
2 Chifley Square
Sydney NSW 2000

Registrar

Computershare Investor Services Pty Limited
Level 3
Carrington Street
Sydney NSW 2000

☎ 1300 850 505

Security Trustee

UBS Nominees Pty Ltd
Level 16
Chifley Tower
2 Chifley Square
Sydney NSW 2000



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