UBS
Diversified Markets Income Autocall - June 2016
Factsheet



INVESTMENT DESCRIPTION

A 6 year investment linked to the performance of the Australian, Swedish, Canadian and Swiss indices.

If on any of the annual observation dates, including the final observation date, the closing levels of all the underlyings are at or above 60% of their initial levels the income coupon will be paid.

This investment will mature early if the underlyings are equal to or above their initial level on any annual observation date.

At the final observation date, if all underlyings are at or above 60% of their initial level, capital will be returned in full. If any underlying is below 60% of its original level, capital return will be reduced on a 1-for-1 basis on the worst performing underlying. For example, if the worst performing underlying has fallen to 40% of its original level 40% of the capital will be paid.

BENEFITS

- Opportunity for regular income payments, even when markets show significant falls
- No market growth is needed for the autocall feature
- Early maturity provides an opportunity to re-assess wealth strategy
- Daily pricing and trading available

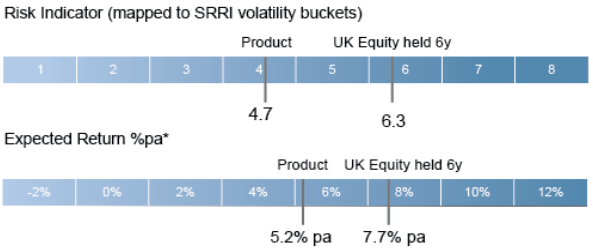
RISKS

- The return is limited to the pre-defined investment terms
- The income payment is conditional upon the underlying performance
- Secondary prices are likely to be less than the price paid
- There is a risk to capital should one of the underlyings breach the barrier or if the issuer defaults on its obligations

UBS: UBS Group AG provides financial services to private, corporate and institutional clients. The Company offers investment banking, retail banking, corporate and institutional banking, as well as holistic wealth management planning and asset management services. UBS also offers securities services such as fund administration and third-party fund management.

Source: Bloomberg 28.04.2016

PRODUCT ANALYSIS

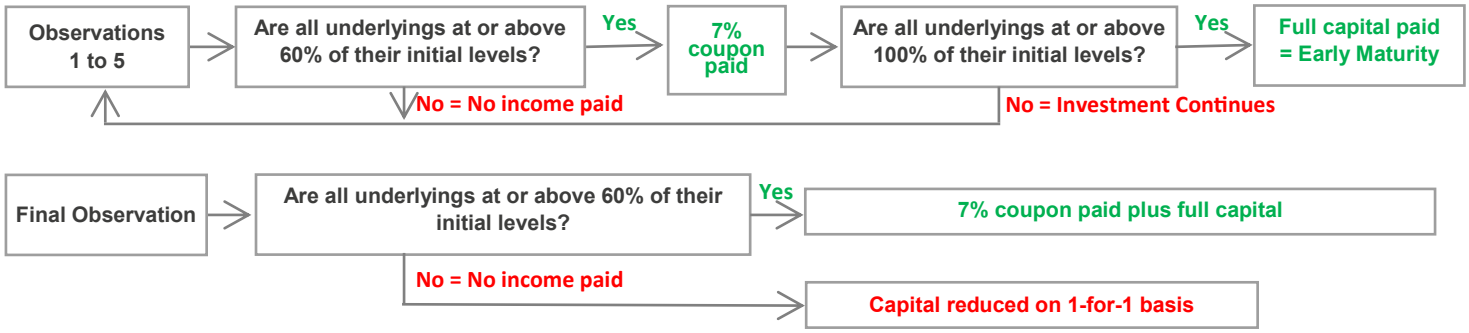


Source: Investment Product Research

Read the full report here

PRODUCT FACTS & FEATURES

Issuer and Counterparty:	UBS AG
Source: Bloomberg 28.04.2016	(Credit Ratings: Moody's: A1, Fitch: A, S&P: A)
Maximum Term:	6 years
Investment Structure:	Annual Income Autocall
Autocall opportunities:	Annually
Autocall Trigger:	100% of initial levels
Conditional Coupon Rate:	7% p.a. (Gross)
Coupon Trigger:	60% of initial levels
Capital Risk:	Not capital protected
Capital Protection Barrier:	60% Final level (European style)
Underlying Basket	**Bloomberg Code**
Australia: S&P ASX 200	AS51 Index
Sweden: OMX 30	OMX Index
Canada: S&P TSX 60	SPTSX60 Index
Switzerland: SMI	SMI Index
Issue Price:	100%
Strike Date:	10 June 2016
First Observation:	13 June 2017
Final Observation:	10 June 2022
Maturity Date:	17 June 2022
Currency:	GBP
ISIN:	XS1411510883
Subscription Period:	09 May 2016 – 09 Jun 2016 (4.30pm UK time)



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SUITABILITY

May be suitable for investors who:

- are seeking the opportunity for higher returns than current cash rates
- understand the impact of global economic issues
- understand and accept there is a risk to capital
- understand the criteria which will determine the income payment
- are looking to invest for the medium or long term, being happy to remain invested until maturity
- may be slightly bearish on equity markets but require an opportunity to receive the income should a bear market occur
- wish to use this investment as part of a well-diversified portfolio
- understand that the returns are pre-defined and that they will forgo growth in the underlyings which exceed that fixed level
- understand the risk to capital in the event of counterparty default
- should they need to sell their investment, accept that the trading price will likely mean they get back less than they invested

RATIONALE

Structured products are becoming increasingly popular for investors due to the wide variety of payoffs and levels of protection that can be achieved by the different types of structures that are available.

The opportunity for an income stream is of key importance to investors as part of their wealth planning. The probability of an income payment being triggered is increased with this investment as any underlying needs to show a fall of 40% from the initial level on any observation date before the income stream is disrupted. The four indices chosen for this investment tend to be of a low volatile nature which helps to enhance the opportunity for delivery of the income offered.

Using the autocall payoff can bring an early return of capital allowing the opportunity for a re-assessment of investment strategy. The value of this feature cannot be underestimated as it brings with it the opportunity to “lock in” gains, as well as the chance to take advantage of future market trends.

To manage the capital risk, the final level barrier set at 60% offers re-assurance to the more cautious investor.

THE UNDERLYINGS

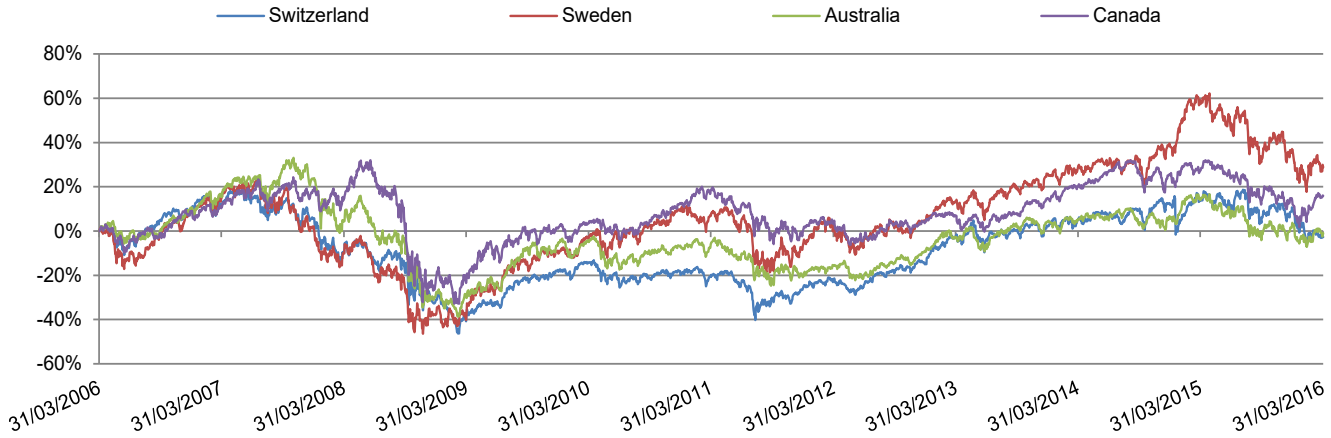
The **S&P/ASX 200** measures the performance of the 200 largest index-eligible stocks listed on the ASX by float-adjusted market capitalization. Representative liquid and tradable, it is widely considered Australia's preeminent benchmark index.

The **Swiss Market Index** is an index of the largest and most liquid stocks traded on the Geneva, Zurich, and Basle Stock Exchanges. The index has a base level of 1500 as of June 1988.

The **OMX Stockholm 30 Index** consists of the 30 most actively traded stocks on the Stockholm Stock Exchange and is a market weighted price index. The composition of the OMXS30 index is revised twice a year. The index was developed with a base level of 125 as of September 30, 1986. Effective on April 27, 1998 there was a 4-1 split of the index value.

The **S&P/Toronto Stock Exchange 60** is a capitalization-weighted index. It consists of 60 of the largest and most liquid (heavily traded) stocks listed on the Toronto Stock Exchange (TSX). They are usually domestic or multinational industry leaders.

The Underlyings - Movement in the Indices over a 10 year period



Source: Bloomberg 28.04.2016, Data period: 31.03.2006 to 31.03.2016

For Further Information please contact IDAD at:

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