

The UBS DOCU family

The currency investment to optimize
your return.

DOCUs open up attractive alternatives to your equity or cash investments and have a potential return above that offered by money-market investments. Appearing and Disappearing DOCUs additionally offer limited protection against falling prices.

The DOCU (Double Currency Unit) is a structured product on currencies, base metals or precious metals in the "Optimization" category. It is security that is usually **tailor made** and is bought over the counter. The DOCU provides a fixed rate of interest that is higher than on a traditional money market investment but has no capital protection. The term is usually one to three months. The DOCU family includes the Standard DOCU, the Appearing DOCU, the Disappearing DOCU, the TRICU and the Currency BLOC.

Main benefits at a glance

- Higher rate of return than with a traditional money-market investment.
- Attractive investment in a stable or slightly negative market trend.
- Tailor-made solutions also possible for private investors.
- High degree of flexibility in your choice of currencies, time to expiry and yield.
- Also available with limited capital protection (Appearing and Disappearing DOCUs).

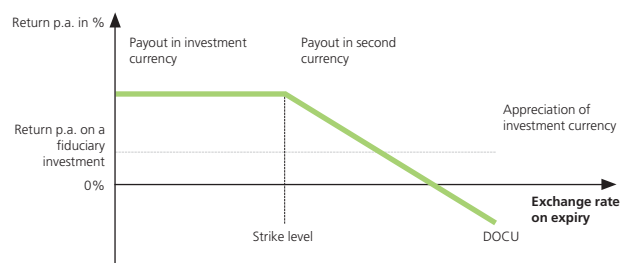
The DOCU on a currency pair combines a money market investment with the sale of a standard call option on the investment currency against a second currency. Depending on the exchange rate on expiry, the investment amount is paid back to you with interest in the investment currency or in the second currency. If the payment is made in the second currency, the amount to be paid out is converted at the strike level.

If the exchange rate on expiry is below* the strike level, you receive the capital invested plus interest in the investment currency. If the exchange rate on expiry is above the strike level, on the other hand, you receive the capital invested plus interest in the second currency, converted at the strike level.

Tailor-made solutions

Your client advisor can arrange a tailor-made structured product for you on any tradable currency or gold, silver and other metals against the leading currencies (USD, CHF, GBP etc.) for as little as USD 50,000 or the equivalent in another currency.

Payout scenario on expiry of a Standard DOCU



Example of a Standard DOCU

If you have the view that the EUR/USD exchange rate (the underlying) will not rise sharply in the short term. You can invest in a EUR/USD Standard DOCU with a strike level of USD 1.3000 per EUR 1 (spot at 1.2725) and a tenor of one month. If your expectations prove correct, you can make a profit of 5.00% p.a. on your EUR investment. The same amount invested in a one month fiduciary would return only 2.00% p.a.

* All scenarios and charts are based on examples where the investment currency (e.g. EUR) is the underlying currency and not the counter-currency (e.g. USD) in a currency pair. In a currency pair, the underlying currency is on the left side and the countercurrency is on the right side. In the event that the investment is made in the countercurrency, in particular the redemption scenarios at expiration of the DOCU will change.

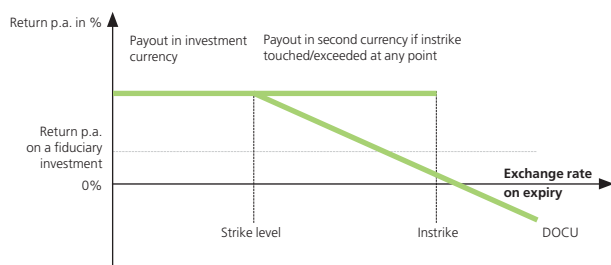
When the DOCU expires, there are two possible outcomes:

- If the EUR/USD exchange rate is below the strike level of USD 1.3000 per EUR 1, you receive the sum invested in EUR plus accrued interest of 5.00% p.a. in EUR.
- If the EUR/USD exchange rate is at or above the strike level, you receive a payout in USD equal to the sum invested in EUR plus accrued interest of 5.00% p.a., converted at the strike level of USD 1.3000 per EUR 1.

Appearing DOCU

The Appearing DOCU combines a money-market investment with the sale of a kick-in call option on the investment currency against a second currency. In contrast to a standard option, the kick-in option only takes effect if a specific limit (instrike) is touched or exceeded at any time prior expiry. If this happens, the Appearing DOCU behaves exactly like a Standard DOCU.

Payout scenario on expiry of an Appearing DOCU



Example of an Appearing DOCU

Your view is that the EUR/USD exchange rate will rise only a little in the short term, so you would like to invest in a product that is more defensive than a Standard DOCU. You therefore invest in a EUR/USD Appearing DOCU with a strike level of USD 1.3000 per EUR 1, an instrike of USD 1.3200 per EUR 1 (spot at 1.2725) and a tenor of one month. If your expectations prove correct, you will make a profit of 4.00% p.a. on your EUR investment. The same amount invested in a one month fiduciary would return only 2.00% p.a.

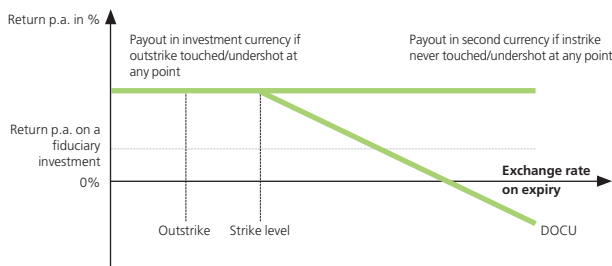
When the Appearing DOCU expires, there are two possible outcomes:

- If the EUR/USD exchange rate is never at, or above the instrike of USD 1.3200 per EUR 1 at any time prior to expiry, you receive the sum invested in EUR plus accrued interest of 4.00% p.a. in EUR.
- If the EUR/USD exchange rate is at or above the instrike of USD 1.3200 per EUR 1 at any time prior to expiry, the Appearing DOCU behaves like a Standard DOCU, i.e.:
 - If the EUR/USD exchange rate is below the strike level of USD 1.3000 per EUR 1 on expiry, you receive the sum invested in EUR plus accrued interest of 4.00% p.a. in EUR.
 - If the EUR/USD exchange rate is at or above the strike level on expiry, you receive a payout in USD equal to the sum invested in EUR plus accrued interest of 4.00% p.a., converted at the strike level of USD 1.3000 per EUR 1.

Disappearing DOCU

The Disappearing DOCU combines a money-market investment with the sale of a knockout call option on the investment currency against a second currency. In contrast to a standard option, the knockout option becomes ineffective if a specific limit (outstrike) is touched or exceeded at any time prior to expiry. If this does not happen, the Disappearing DOCU behaves exactly like a Standard DOCU.

Payout scenario on expiry of a Disappearing DOCU



Example of a Disappearing DOCU

You believe that the EUR/USD exchange rate will rise only slightly or more probably fall in the short term. You therefore invest in a EUR/USD Disappearing DOCU with a strike level of USD 1.3000 per EUR 1, an outstrike of USD 1.2500 per EUR 1 (spot at 1.2725) and a tenor of one month. If your expectations prove correct, you can make a profit of 4.00% p.a. on your EUR investment. The same amount invested in a one month fiduciary would return only 2.00% p.a.

When the Disappearing DOCU expires, there are two possible outcomes:

- If the EUR/USD exchange rate is at or below the outstrike of USD 1.2500 per EUR 1 at any time prior to expiry, you receive the sum invested in EUR plus accrued interest of 4.00% p.a. in EUR.
- If the EUR/USD exchange rate is not at or below the outstrike at any time before expiry, the Disappearing DOCU behaves like a Standard DOCU.

Currency BLOC

The Currency BLOC (Buy Low Or Cash) is exactly the same as a Standard DOCU in economic terms and is also available as an investment with limited capital protection (risk buffer). The difference compared with the DOCU is that the BLOC offers a discount rather than a fixed rate of interest.

TRICU

The TRICU (TRIPLE Currency Unit) differs from the DOCU and the BLOC in that it combines a bond with an option on three underlyings and thus offers investors a higher potential return. Outstrikes are set separately for each underlying when the product is structured.

Examples and charts are for illustrative purposes only and do not convey any information regarding actual circumstances or profits. These examples do not take account of dividend payments or standard securities trading costs (brokerage fees, etc.).



Optimisation

Solutions for investors with moderate to high risk tolerance who want to get more from their investment portfolios in flat markets.

Risks

- While the potential loss under all scenarios is lower than with a direct investment in one of the two currencies, there is no protection against falling exchange rates.
- It is possible that you will be paid back in a currency other than the investment currency.
- In the case of Appearing and Disappearing DOCUs, the risk buffer provides only limited capital protection.
- With a TRICU, there is a possibility that the payout on expiry will be in the worst-performing currency.
- DOCUs are usually issued by UBS AG Jersey Branch, which means that investors are exposed to the credit risk of UBS AG.

These products are subject to the general risks associated with structured products. For additional information, please refer to the UBS brochure "Special risks in securities trading" or consult your client advisor.

Investor profile and suitability

- You are an experienced investor and are familiar with both structured products and currency markets.
- You expect relatively stable exchange rates and are prepared to accept a negative return if the investment currency appreciates sharply.
- As an income-oriented investor, you are also prepared to incur higher risks with a view to exploiting attractive earnings opportunities.
- You would like to boost the performance of your existing portfolio by buying an exchange-rate-dependent investment.
- You are prepared to hold the investment until expiry, since DOCUs are usually tailor-made buy-and-hold products for which there is not a secondary market.

This brochure is for information purposes only and does not constitute an offer, a solicitation of an offer or a recommendation to buy or sell any specific product. While all the information contained herein has been obtained from reliable sources, we cannot accept any liability for its accuracy.

Structured transactions are complex and may involve a high risk of loss. This brochure takes account neither of your specific investment objectives and needs nor of your financial situation. Before entering into any transaction, you should therefore consult your advisors in legal, supervisory, fiscal, financial and accounting matters to the extent you deem necessary and arrive at your investment, hedging and trading decisions (including decisions as to the suitability of a transaction) on the basis of your own judgment and the advice provided by the specialists you have consulted. Unless expressly agreed otherwise, UBS does not act as a financial advisor or fiduciary on your behalf in any transaction.

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UBS AG
Marketing Structured Products
P.O. Box, CH-8098 Zurich
Phone: +41-848-911 011*, fax: +41-848-911 012
E-mail: derivatives@ubs.com, www.ubs.com/keyinvest

UBS Investment Bank is a business group of UBS AG