

UBS Long/Short Certificate on *Tencent Holdings Limited (Long)* vs *Naspers Limited (Short)*

in ZAR



This Termsheet sets out in summary form the proposed terms of the Certificates. The terms and conditions of the Certificates (the "Conditions") shall comprise the Base Conditions (as set out in the information memorandum of UBS AG dated 10 December 2013 (as supplemented, updated or replaced, the "Information Memorandum")) as supplemented, amended or replaced by the Additional South African Securities Conditions (as set out in the JSE Placement Document of the Issuer (as defined below) for the Issuance of South African Securities dated 8 February 2016), subject to completion and/or amendment in the relevant Final Terms in respect of the Certificates. Prospective investors should review such documentation carefully when available. The Final Terms will be available from the Issuer on request. Certain specified payment dates may be delayed in accordance with the provisions of the Conditions.

The Certificateholders' rights under the Certificates shall not give rise to any proprietary or beneficial rights or interests in the Reference Shares (as defined below) and the Certificateholders are not granted any security or other interest over the Reference Shares.

Product Details

Issuer:	UBS AG, London Branch
Issue Date:	15 November 2017
Issue Size (Number of Certificates):	400 000
Issue Price (in ZAR):	1 165.25
Issue Price Calculation (for information purposes only):	$M \times X_0 \times (1 + LID + LC) - N \times Y_0 \times (1 - SID - SC) + C_0$
Long Reference Share:	Tencent Holdings Limited (Bloomberg code: 700 HK Equity) Exchange: Hong Kong Stock Exchange Related Exchange: Johannesburg Stock Exchange All Exchanges: Applicable
Long Shares:	$M = 7.244608$
Long Initial Level (in ZAR):	$X_0 = 633.46$ (based on HKD 349.8000 and HKDZAR 1.810924)
Long Commission:	$LC = 0.20\%$ subject to provisions set out under "Commissions, Duties and Rates Adjustments", below
Long Initial Duty:	$LID = 0.25\%$, subject to provisions set out under "Commissions, Duties and Rates Adjustments", below
Long Final Duty:	$LFD = 0.00\%$, subject to provisions set out under "Commissions, Duties and Rates Adjustments", below
Structuring Rate:	$R = 0.50\%$ p.a., subject to provisions set out under "Commissions, Duties and Rates Adjustments", below
Short Reference Share:	Naspers Limited (Bloomberg code: NPN SJ Equity) Exchange: Johannesburg Stock Exchange Related Exchange: Hong Kong Stock Exchange All Exchanges: Applicable
Short Shares:	$N = 1.000000$



Short Initial Level (in ZAR):	$Y_0 = 3\,445.0000$
Short Commission:	$SC = 0.20\%$, subject to provisions set out under "Commissions, Duties and Rates Adjustments", below
Short Initial Duty:	$SID = 0.00\%$ subject to provisions set out under "Commissions, Duties and Rates Adjustments", below
Short Final Duty:	$SFD = 0.25\%$, subject to provisions set out under "Commissions, Duties and Rates Adjustments", below
Short Borrow Rate:	$B = 0.5\%$ p.a., subject to provisions set out under "Commissions, Duties and Rates Adjustments", below
Cash (in ZAR):	$C_0 = 0.00$
Cash Interest Rate:	I is South Africa Rand Overnight Deposit Rate (Bloomberg code: RAONON Index)
Reference Shares:	Long Reference Shares & Short Reference Shares
Maturity Date:	Cash Settlement Payment Date that relates to the Equity Valuation Date any of the following (as applicable):
Valuation Date:	<ol style="list-style-type: none">i. the Equity Valuation Date;ii. the Call Valuation Date; and / oriii. the Put Valuation Date.
Equity Valuation Date:	09 March 2018
Cash Settlement:	Applicable
Settlement Currency:	ZAR
Cash Settlement Payment Date:	3 Business Days after the Final Hedge Unwind Date
Business Days:	Johannesburg, London, Hong Kong
Exchanges:	JSE Stock Exchange, Hong Kong Stock Exchange



Security Identification Codes

Product ISIN:	ZAE000251666
Other Securities Code:	Not Applicable
Product Long Name:	UBS TEN ex NPN A 23Mar18
Product Short Name:	UBS TENA
Alpha Code:	UBTENA

General Terms

Time Elapsed:	In respect to any date t , the Time Elapsed T is defined as number of calendar days from (and including) the Issue Date to (and including) the relevant date t , divided by 365.
Dividends:	<p>In respect to any date t, $LDiv_t$ is defined as the Dividend Amount in respect of the Long Reference Share for the Dividend Period.</p> <p>$SDiv_t$ is defined as the Dividend Amount in respect of the Short Reference Share for the Dividend Period.</p>
Dividend Amount:	The sum of all Ex Amounts falling within the relevant Dividend Period converted into the Settlement Currency using the prevailing spot FX rate available to and determined by the Issuer on the final day of the Dividend Period.
Dividend Period:	In respect to any date t , the Dividend Period is defined as the number of calendar days from (but excluding) the Issue Date, to (and including) the relevant date t .
Ex Amount:	In relation to a Dividend Amount, 100% of the gross cash dividend per Reference Share declared by the issuer to holders of record of a Reference Share where the date that the Reference Shares have commenced trading ex-dividend on the relevant Exchange occurs during the relevant Dividend Period.

Valuation

Redemption Amount in respect of a Valuation Date: In respect of the relevant Valuation Date t the Redemption Amount shall be calculated in accordance with the following formula and definitions set out below:

$$L_t - S_t + C_t$$

Where:

$$L_t = M \times [X_t \times (1 - LFD - LC) + LDiv_t - \bar{X} \times R \times T]$$

X_t is the Closing Reference Price of the Long Reference Share.
 \bar{X} is the Average Reference Price of the Long Reference Share.

$$S_t = N \times [Y_t \times (1 + SFD + SC) + SDiv_t + \bar{Y} \times B \times T]$$

Y_t is the Closing Reference Price of the Short Reference Share.
 \bar{Y} is the Average Reference Price of the Short Reference Share.

C_t means the value of a notional interest-bearing account accruing interest daily from, and including, the Scheduled Trading Day immediately following the Issue Date to (and but excluding) the relevant Valuation Date t which is calculated as follows:

$$C_t = C_0 e^{\sum_{n=1}^{t-1} I_{n-1} \frac{n-(n-1)}{365}}$$

$I_{(n-1)}$ is the last Cash Interest Rate published by the Exchange on the Scheduled Trading Day immediately preceding Schedule Trading Day n

$n - (n - 1)$ is the number of calendar days from (and including) the Scheduled Trading Day immediately preceding Scheduled Trading Day n to (but excluding) Scheduled Trading Day n

Closing Reference Price: The weighted average price of the relevant Reference Share achieved by the Issuer by closing out its hedging transactions for that Reference Share as soon as reasonably practicable within the period (the "Hedge Unwind Period") starting on, and including, the relevant Valuation Date and ending on, and including, the Final Hedge Unwind Date, provided that the Hedge Unwind Period shall be no longer than 10 Business Days. If such weighted average price is not in the Settlement Currency, it shall be converted into the Settlement Currency using the prevailing spot FX rate available to and determined by the Issuer on any Business Day falling in the Hedge Unwind Period.

Final Hedge Unwind Date: The date on which all of the Issuer's hedging transactions in respect of both the Long Reference Share and Short Reference Share are terminated.

Average Reference Price: The arithmetic average price of the relevant Reference Share calculated using the last price published by the Exchange on all Scheduled Trading Days from (and including) the Issue Date to (and including) one trading day before the relevant date t . If such an average price is not in the Settlement Currency, it shall be converted into the Settlement Currency using the arithmetic average FX rate available to and determined by the Issuer on all Scheduled Trading Days from (and including) the Issue Date to (and including) one Scheduled Trading Day before the relevant date t .



Additional Provisions

Stop Loss Valuation Time:	Any time during the regular trading session of any of the Exchanges, on any Scheduled Trading Day, during the period from and including the Issue Date, to (and including) the relevant Valuation Date.
Stop Loss Valuation Date:	The respective date of a Stop Loss Valuation Time.
Stop Loss Ratio:	In respect of a Stop Loss Valuation Time s and respective Stop Loss Valuation Date t the Stop Loss Ratio shall be calculated in accordance with the following formula and definitions set out below:

$$\frac{LR_s - SR_s + C_0}{SR_s}$$

Where:

$$LR_s = M \times [X_s + LDiv_t]$$

X_s is defined as the last price published by the Exchange at time s for the Long Reference Shares (adjusted for any dividend Ex Amounts between the date the price was published and t). If such price is not in the Settlement Currency it shall be converted into the Settlement Currency using the prevailing spot FX rate determined by the Calculation Agent.

$$SR_s = N \times [Y_s + SDiv_t]$$

Y_s is defined as the last price published by the Exchange at time s for the Short Reference Shares (adjusted for any dividend Ex Amounts between the date the price was published and t). If such price is not in the Settlement Currency it shall be converted into the Settlement Currency using the prevailing spot FX rate determined by the Calculation Agent.

Stop Loss Trigger:	8.00%
Stop Loss Event:	The Stop Loss Ratio observed in respect of a Stop Loss Valuation Time is less than the Stop Loss Trigger.
Issuer Early Redemption Rights:	If a Stop Loss Event has occurred the Issuer has the right to redeem the Certificates by giving notice to that effect and designating a valuation date (the 'Call Valuation Date') on or after the associated Stop Loss Valuation Date but prior to the Equity Valuation Date and paying on the related Cash Settlement Payment Date an Early Redemption Amount calculated by the Calculation Agent in accordance with the section headed "Valuation".
Put Option:	Each Certificateholder has the right to redeem its Certificates by giving notice to that effect and designating a valuation date (the 'Put Valuation Date'). A Put Valuation Date can be designated on any Exchange Business Day, provided it falls prior to the Equity Valuation Date. In all such cases a Certificateholder must give notice on or before the day which is at least one (1) Business Day prior to any designated Put Valuation Date. The Issuer will redeem the Certificates in respect of which the relevant Certificateholder has exercised its right by redeeming such Certificates on the related Cash Settlement Payment Date at an Early Redemption Amount calculated by the Calculation Agent in accordance with the section headed "Valuation".

Share Adjustments and Extraordinary Events

Extraordinary Events:	A Merger Event and Tender Event. References to Nationalisation, Insolvency or Delisting shall be removed from the definition of "Extraordinary Event" in §4a.
Early Redemption following the occurrence of a Change in Law, JSE Listing Requirements Event, Loss of Stock Borrow and/or Nationalisation, Insolvency or Delisting:	The Issuer may redeem the Certificates at any time prior to the Maturity Date following the occurrence of a Change in Law, JSE Listing Requirements Event, Loss of Stock Borrow and/or Nationalisation, Insolvency or Delisting. The Issuer will redeem the Certificates in whole (but not in part) by giving notice to that effect and designating a Call Valuation Date and paying on the related Cash Settlement Payment Date an Early Redemption Amount calculated by the Calculation Agent in accordance with the section headed "Valuation".
JSE Listing Requirements Event:	The Issuer is informed by or on behalf of the JSE that the requirements, obligations and/or conditions which the JSE imposes on the Issuer in order for the Certificates to be listed on the JSE have been or shall be amended or increased in a manner which the Issuer deems to have a material adverse effect on it, including without limitation that it has to comply with the JSE Listings Requirements promulgated by the JSE from time to time (including, without limitation, the revised section 19 thereof).
Loss of Stock Borrow:	The Issuer is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) Reference Shares with respect to a hedging transaction that relates to the Certificates in an amount equal to the Hedging Shares (not to exceed the number of Reference Shares underlying that hedging transaction) at the Short Borrow Rate.
Hedging Shares:	The number of shares that the Issuer deems necessary to hedge the equity price risk of entering into and performing its obligations with respect to the Certificates.
Commissions, Duties and Rates Adjustments:	The Issuer reserves the right to change <i>LC</i> , <i>LID</i> , <i>LFD</i> , <i>R</i> , <i>SC</i> , <i>SID</i> , <i>SFD</i> and <i>B</i> on relevant date <i>t</i> at its discretion, in order to reflect the impact of any changes to costs to the Issuer (including without limitation, taxes, commissions, expenses, hedging costs and any other costs and expenses) in respect of the Certificates between the Issue Date and the relevant date <i>t</i> .

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, EUR50,000 (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.

South Africa

Prior to the issue of any South African Securities under the Programme, pursuant to the Information Memorandum (as read with this JSE Placement Document), the Issuer and each Manager who has (or will have) agreed to place that issue of South African Securities will be required to represent and agree that it will not solicit any offers for subscription for (or sale of) the South African Securities or offer for sale or subscription or sell any South African Securities, directly or indirectly, in South Africa or to any person or corporate or other entity resident in South Africa except in accordance with the South African Companies Act, the South African Banks Act, the Exchange Control Regulations and/or any other applicable laws and regulations of South Africa in force from time to time. In particular, without limitation, the Information Memorandum (as read with this JSE Placement Document), does not, nor is it intended to, constitute a registered prospectus (as that term is defined in the South African Companies Act) and each Manager who has (or will have) agreed to place a Tranche of South African Securities will be required to represent and agree that it will not make "an offer to the public" (as that term is defined in the South African Companies Act) of any Certificates in that Tranche of South African Securities (whether for subscription or sale). South African Securities will not be offered for subscription on the relevant Issue Date to any single addressee acting as principal for an amount of less than ZAR1,000,000.

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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