



# Portfolio Notes

Linked to Sasol (long) versus S&P GSCI Brent Crude Official Close Index ER (short)  
Portfolio (the "Notes")

Issued by UBS AG, London Branch

Cash settled  
ISIN: ZAE000263935



## Indicative Terms

THE TERMS AND CONDITIONS OF THE NOTES (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.

THIS TERMSHEET IS INDICATIVE ONLY, AND IS SUBJECT TO THE MORE DETAILED TERMS SET OUT IN THE FINAL TERMS. IN THE EVENT OF ANY INCONSISTENCY BETWEEN THE FINAL TERMS AND THIS TERMSHEET, THE FINAL TERMS SHALL PREVAIL.

THE RISK FACTORS RELATING TO THE NOTES AND RELATING TO THE ISSUER ARE SET OUT IN THE INFORMATION MEMORANDUM AND JSE PLACEMENT DOCUMENT REFERRED TO ABOVE, AS SUPPLEMENTED BY THE ADDITIONAL RISK FACTORS IN ANNEX II TO THE FINAL TERMS.

THE NOTES ARE LINKED TO A BASKET OF ASSETS. HOLDERS SHALL NOT HAVE ANY BENEFICIAL, PROPRIETARY OR OTHER INTEREST IN THE BASKET OR ANY CONSTITUENT THEREOF, AND NO CHARGE, MORTGAGE, PLEDGE, LIEN OR OTHER SECURITY OR QUASI-SECURITY INTEREST IS BEING GRANTED IN CONNECTION WITH THE NOTES.

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## Product Details

Security Identification	ISIN: ZAE000263935
Product Long Name	UBS SOL ex OIL A 18Oct21
Product Short Name	UBS SOLA
Alpha Code	UBSOLA
Issue Size	Up to 2 000 000 Units (with reopening clause)
Issue Price	ZAR 100.00 per Note (unit quotation)
Specified Denomination	ZAR 100.00
Specified Currency	ZAR
Settlement	Cash Settlement
Currency Treatment	The Notes will be exposed to a constituent denominated in a currency other than the Specified Currency. The currency risk is partially hedged.
Underlying	Each of (i) Sasol Limited (Bloomberg ticker: SOL SJ Equity) (net total return) (the "Long Reference Share") and (ii) the SPGCBRP Index (the "Short Index").
Dividend Treatment	For the Long Reference Share, a notional amount reflecting net dividends will be reinvested into the Long Reference Share on the ex-dividend date of that Stock.

## Dates

Pricing Date ("Pricing")	18 October 2018
Issue Date	19 October 2018
Last Trading Day	15 October 2021
Expiration Date ("Expiry")	18 October 2021 (subject to Market Disruption Events provisions, Early Termination, Stop Loss Event provisions and Unwind Disruption provisions), provided that if the scheduled Expiration Date is not a Scheduled Trading Day, then the first following day that is a Scheduled Trading Day shall apply.
Maturity Date	The third Business Day immediately following the Expiration Date or the Early Termination Date (in any case subject to Market Disruption Event provisions).
Valuation Date	The Expiration Date or the Early Termination Date, as relevant

## Redemption

Redemption Amount	Each Note entitles the Investor to receive on the Maturity Date an amount per Note in the Specified Currency (the " <b>Final Redemption Amount</b> "), equal to the Redemption Amount.
Redemption Amount	An amount calculated by the Calculation Agent, according to the following formula:

$$\text{Specified Denomination} \times \text{Max} \left( 0 ; \frac{UL_T^L}{UL_0^L} - \left( \frac{UL_T^{SI}}{UL_0^{SI}} - 1 \right) \times \frac{FX_T}{FX_0} - \text{RMF} \times \frac{DC_{T,0}}{365} \right)$$

Where:

- UL<sub>T</sub><sup>L</sup>:** means the sale proceeds, as determined by the Calculation Agent in its reasonable discretion, that would be realized by a notional investor (in the same position as the Issuer) when selling its hedge positions in the Long Exposure Level on the Valuation Date;
- UL<sub>0</sub><sup>L</sup>:** means the Initial Long Exposure Level on the Pricing Date;
- UL<sub>T</sub><sup>SI</sup>:** means the closing level of the Short Index on the Valuation Date, as published by the Index Sponsor;
- UL<sub>0</sub><sup>SI</sup>:** means the closing level of the Short Index on the Pricing Date, as published by the Index Sponsor;
- FX<sub>T</sub>:** means the WM/Reuters (WMCO) Closing Spot Rate (fixed at 16:00 UK time) in the convention "USD:ZAR" (Bloomberg ticker: ZAR WMCO Curncy) in respect of the Valuation Date or, if such rate is not available, such rate as determined by the Calculation Agent in good faith and a commercially reasonable manner;

- FX<sub>0</sub>**: means the WM/Reuters (WMCO) Closing Spot Rate (fixed at 16:00 UK time) in the convention "USD:ZAR" (Bloomberg ticker: ZAR WMCO Curncy) in respect of a the Pricing Date or, if such rate is not available, such rate as determined by the Calculation Agent in good faith and a commercially reasonable manner;
- RMF**: means Risk Management Fee, as defined below; and
- DC<sub>T,0</sub>**: means the number of calendar days from, and including, the Pricing Date to, but excluding, the Expiration Date.

In the event that a notional investor (in the same position as the Issuer) would be unable to unwind its hedge positions by the Expiration Date or the Early Termination Date, as applicable (such event an "**Unwind Disruption**"), the Issuer reserves the right to postpone the Expiration Date or the Early Termination Date in accordance with the Market Disruption Events provisions below.

**Please note that the Redemption Amount may be less than the initially invested capital.**

Whilst the Redemption Amount is linked to the market value of the Underlying, the Issuer is not obliged to invest the proceeds of the issuance of the Notes in the Underlying at any time and the holders of the Notes do not have any direct interest in, or beneficial ownership in the Underlying at any time.

Long Exposure Level

On the Pricing Date, the long exposure level is 100.00 (the "**Initial Long Exposure Level**"). On any Scheduled Trading Day thereafter, the long exposure level is an amount determined by the Calculation Agent in accordance with the following formula:

$$UL_t^L = UL_{t-1}^L \times \frac{P_t}{P_{t-1} - Div_t \times (1-T)}$$

Where:

- UL<sub>t</sub><sup>L</sup>**: means the Long Exposure Level on Scheduled Trading Day "t";
- UL<sub>t-1</sub><sup>L</sup>**: means the Long Exposure Level on the immediately preceding Scheduled Trading Day "t-1";
- P<sub>t</sub>**: means the closing price of Long Reference Share on the Exchange on Scheduled Trading Day "t";
- P<sub>t-1</sub>**: means the closing price of Long Reference Share on the Exchange on the immediately preceding Scheduled Trading Day "t-1";
- Div<sub>t</sub>**: means:
- (i) If Scheduled Trading Day "t" is a dividend ex-date with respect to the Long Reference Share, the gross dividend amount going ex, as determined by the Calculation Agent in its reasonable discretion;
  - (ii) If Scheduled Trading Day "t" is not a dividend ex-date with respect to the Long Reference Share, then zero; and
- T**: means 20%.

Early Termination by Issuer The Issuer is entitled to terminate the Notes early in full for an amount equal to the Redemption Amount on the relevant Maturity Date subject to the following notice period:

Quarterly, i.e. as of each 30 June, 30 September, 31 December and 31 March of each year (the "**Early Termination Date**"), subject to at least 45 Business Days prior notice being given to the Investors (provided in each case if such day is not a Scheduled Trading Day, then the immediately following Scheduled Trading Day shall be the Early Termination Date). The first possible Early Termination Date will be 31 December 2018. There is no early termination right for the investor in the Notes.

Stop Loss Event

A "**Stop Loss Event**" shall be deemed to occur if at any time on any calendar day during the period from and including the Pricing Date to and including the Expiration Date (and regardless of the duration of time during which such circumstances exist) the value of the Product is equal to or below the Stop Loss Level, as determined in the reasonable discretion of the Calculation Agent.

Subject to the Notes not having already been redeemed early and/or cancelled, if a Stop Loss Event occurs, the Issuer shall redeem all of the Notes then outstanding on the Stop Loss Event Redemption Date at their Stop Loss Event Redemption Amount.

Stop Loss Event Determination Date	Means the date on which a Stop Loss Event occurs.
Stop Loss Event Redemption Amount	Means an amount per Note in the Specified Currency equal to the aggregate Stop Loss Unwind Proceeds divided by the number of Notes then outstanding, as calculated by the Calculation Agent.
Stop Loss Event Redemption Date	Means the third Business Day immediately following a Stop Loss Event Determination Date.
Stop Loss Unwind Proceeds	Means the net proceeds received by the Issuer (if any) from terminating hedging positions entered into by the Issuer for the purposes of hedging its risks in respect of the Notes.
Stop Loss Level	ZAR 50.00 per Note

### Fees

Risk Management Fee	0.50% p.a. (calculated and deducted on a pro-rata daily basis).
Distribution Fee	None

### Product Structure

The Product allows for participation in the performance of the Underlying, which is calculated net of relevant fees and costs.

### General Information

Issuer	UBS AG, acting through its London Branch
Issuer Rating	Aa3 (Moody's / A+ (S&P) / AA- (Fitch) This is the long term credit rating of the Issuer and it does not represent ratings of the Notes. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency. The Notes will not be rated.
Issuer Supervisory Authority	Swiss Financial Market Supervisory Authority (FINMA). London Branch additionally Financial Conduct Authority (FCA) and Prudential Regulation Authority (PRA).
Calculation Agent	UBS AG, London Branch
Manager	UBS South Africa (Pty) Ltd
Index Sponsor:	In respect of the Short Index, Bloomberg LP
Index Administrator:	In respect of the Short Index, Bloomberg LP
South African Transfer Agent	UBS South Africa (Pty) Ltd
South African Paying Agent	First Rand Bank Limited, acting through its division, First National Bank
Listing	Application will be made to admit the Notes to listing on the Main Board of the Johannesburg Stock Exchange.
Public Offering	None
Business Days	Any day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London and Johannesburg.
Scheduled Trading Day	In respect of the Long Reference Share, any day on which (i) the Exchange and Related Exchange are scheduled to be open for trading, notwithstanding any day on which they close for business prior to their regular weekday closing time and (ii) the Calculation Agent is open for business.
Exchange	In respect of the Short Index, any Scheduled Trading Day on which the Index Sponsor is scheduled to publish any closing value for the Short Index. In respect of the Long Reference Share, the Johannesburg Stock Exchange  In respect of the Short Index, each principal commodities or commodities, futures and options exchange on which an Underlying Contract is principally traded, as determined by the Calculation Agent.

Underlying Contract:	In respect of each physical commodity comprised in the Underlying, each exchange traded future or exchange traded option contracts for that physical commodity, as determined by the Calculation Agent.
Related Exchange	In respect of the Long Reference Share, Johannesburg SAFEX. In respect of the Short Index, ICE Futures Europe Commodities.
Secondary Market	The Issuer or the Manager, as applicable, intends, under normal market conditions, to provide bid and/or offer prices for this Product on a regular basis. However, the Issuer or the Manager, as applicable, makes no firm commitment to provide liquidity by means of bid and/or offer prices for this Product, and assumes no legal obligation to quote any such prices or with respect to the level or determination of such prices.
Minimum Investment	1 Note
Clearing	The Notes will be cleared through the CSD (Strate Proprietary Limited)
Form of Notes	Registered Form
Governing Law	English Law
Product	One ZAR denominated Note unit is equivalent to one (1) " <b>Product</b> ". " <b>Products</b> " wherever used herein shall be construed to mean integral multiples of the same, subject to the issue size.

### **Adjustments and Disruption Events**

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Adjustments and Disruption Events      If any Valuation Date is a Disrupted Day in respect of either the Long Reference Share or the Short Index, to the extent that any determination or valuation is required on that day in respect of the Notes:

- (i) In respect of the Long Reference Share, such determination or valuation shall be made by the Calculation Agent in good faith and commercially reasonable manner making such adjustments in respect of the relevant disruption as it determines appropriate due to the relevant disruption; and
- (ii) In respect of the Short Index, the level of the Short Index shall not be determined by reference to the official closing level of the Short Index, if any, announced or published by the Index Administrator on that Valuation Date, but shall instead be determined by the Calculation Agent as follows:
  - (A) with respect to each Underlying Contract not affected by the occurrence of a Disrupted Day, the level of the Short Index will be based on the settlement price of such Underlying Contract on the relevant Valuation Date; and
  - (B) with respect to each Underlying Contract which is affected by the occurrence of a Disrupted Day, the level of the Short Index will be based on the settlement prices of each such Underlying Contract on the first day following the applicable Valuation Date which is not a Disrupted Day with respect to such Underlying Contract, provided that, if the immediately following three Scheduled Trading Days are all Disrupted Days then the price of such Underlying Contract to be used in calculating the level of the Reference Underlying (which for the avoidance of doubt could be zero) shall be determined by the Calculation Agent in its sole discretion and acting in good faith on the third Scheduled Trading Day following the relevant Valuation Date.
  - (C) The Calculation Agent shall determine the level of the Short Index in respect of the applicable Valuation Date using the settlement prices determined in sub-paragraphs (i) and (ii) above in accordance with the formula for and method of calculating the level of the Underlying last in effect prior to the occurrence of the first Disrupted Day,

and provided further that if on any such day the Calculation Agent determines that an FX Disruption Event or Unwind Disruption Event has occurred, the Calculation Agent shall make such further amendments as it considers appropriate to take account of the relevant FX Disruption Event or the Unwind Disruption Event (as relevant).

Disrupted Day	<p>In respect of the Long Reference Share, any Scheduled Trading Day on which the Calculation Agent determines that trading and/or transactions in the relevant Exchange or related Exchange, as the case may be, is or are adversely affected (including without limitation where trading and/or transactions are limited by reason of illiquidity, any circumstances of market or trading disruption or the unavailability for any reason of any quote, official price or valuation in relation to the relevant Underlying); and</p> <p>In respect of the Short Index, any Scheduled Trading Day on which the Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.</p>
Market Disruption Event:	<p>Means the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (iii) an Early Closure. For the purposes of determining whether a Market Disruption Event in respect of the Short Index exists at any time, if a Market Disruption Event occurs in respect of a security included in the Short Index at any time, then the relevant percentage contribution of that security to the level of the Short Index shall be based on a comparison of (x) the portion of the level of the Short Index attributable to that security and (y) the overall level of the Short Index, in each case immediately before the occurrence of such Market Disruption Event.</p>
Valuation Time	<p>The time at which the official closing level of the Equity Index is computed by the Index Sponsor.</p>
Trading Disruption:	<p>Has the meaning given to it in the Information Memorandum.</p>
Exchange Disruption:	<p>Has the meaning given to it in the Information Memorandum.</p>
Early Closure:	<p>Has the meaning given to it in the Information Memorandum.</p>
FX Disruption Event	<p>Means (i) an event that generally makes it illegal, impossible, impractical or inadvisable to convert one unit of the currency in which any non-ZAR denominated Underlying is denominated (the "<b>Denomination Currency</b>") into the Specified Currency, or an event that generally makes it impossible to deliver the Specified Currency from accounts in which they are held to accounts outside of the jurisdiction of the Denomination Currency; or (ii) the general unavailability to exchange the Specified Currency at a spot rate (applicable to the purchase of the Specified Currency for the Denomination Currency) in any legal currency exchange market in the principal financial centre for the Denomination Currency, if, in the determination of the Calculation Agent, the occurrence of any such events is material.</p>
Unwind Disruption Event	<p>Means, in respect of any date, the Issuer or a Notional Investor would be unable to unwind its investments in the Underlying on or by such date.</p> <p>For the purposes of the above, "<b>Notional Investor</b>" means a hypothetical person with obligations similar to those of the Issuer in respect of the Notes, who has elected to hedge those obligations.</p>
Corporate Actions Adjustments	<p>If, at any time, any event occurs in relation to any Underlying which the Calculation Agent determines requires any adjustment(s) to be made, then the Calculation Agent shall (i) determine which adjustment(s) are to be made to the Underlying with a view to account for the effect of the relevant event and (ii) determine the date on which such adjustment(s) shall take effect.</p>

## Index Adjustment Events

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Index Adjustment Event: In respect of the Underlying that is the Short Index:

(a) If the Underlying is permanently cancelled or is not calculated and announced by the Index Administrator but is (i) calculated and announced by a successor administrator (the "Successor Administrator") acceptable to the Calculation Agent, and/or (ii) replaced by a successor index (the "Successor Index") using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Short Index, then the Underlying will be deemed to be the index so calculated and announced by the Successor Administrator and/or the Successor Index, as the case may be.

(b) If in the determination of the Calculation Agent (i) on or prior to any Valuation Date, the Index Administrator makes or announces that it will make a material change in the formula for or the method of calculating the Underlying or in any other way materially modifies the Underlying (other than a modification prescribed in that formula or method to maintain the Underlying in the event of changes in constituent Underlying Contracts and weightings and other routine events) (an "Index Modification"); (ii) the Index Administrator permanently cancels the Underlying and no Successor Index exists (an "Index Cancellation"); (iii) on any Valuation Date, the Index Administrator fails to calculate and announce a relevant Underlying and the Calculation Agent determines that there is no Successor Administrator and/or Successor Index (an "Index Disruption" and, together with an Index Modification, an Index Cancellation and an Administrator/Benchmark Event, each an "Index Adjustment Event"); or (iv) an Administrator/Benchmark Event has occurred, then the Calculation Agent may at its option take the action described in (A) or (B) below:

(A) make such adjustments to the terms and conditions of the Notes as it deems appropriate to account for the Index Adjustment Event including, without limitation, calculating the relevant level or price of the Underlying, using, in lieu of a published level or price for the Underlying, the level or price of the Underlying as at the applicable Valuation Date as determined by the Calculation Agent in accordance with the formula for and method of calculating the Underlying last in effect prior to the occurrence of the relevant Index Adjustment Event, but using only those Underlying Contracts that comprised that Underlying immediately prior to the relevant Index Adjustment Event (other than those Underlying Contracts that have ceased to be listed on any relevant Exchange); or

(B) on giving notice to the Noteholders in accordance with Condition 13, redeem all (but not some only) of the Notes, each nominal amount of Notes equal to the Calculation Amount being redeemed at an amount equal to the fair market value of such Notes, less a pro rata share of the costs of unwinding any related underlying related hedging arrangements, as determined by the Calculation Agent in its sole discretion on a day selected by the Calculation Agent, which such day must be at least 5 Commodity Business Days prior to the due date for early redemption.

Administrator/Benchmark Event: In relation to the Short Index, the occurrence of a Non-Approval Event, a Rejection Event or a Suspension/Withdrawal Event.

Non-Approval Event: in respect of the Underlying that is the Short Index:

- (a) any authorisation, registration, recognition, endorsement, equivalence or approval in respect of the Underlying or the administrator or sponsor of the Underlying is not obtained;
- (b) the Underlying or the administrator or sponsor of the Underlying is not included in an official register; or
- (c) the Underlying or the administrator or sponsor of the Underlying does not fulfil any legal or regulatory requirement applicable to the Issuer, the Calculation Agent or the Underlying,

in each case, as required under any applicable law or regulation in order for any of the Issuer, the Calculation Agent or any other entity to perform its obligations in respect of the Notes. For the avoidance of doubt, a Non-Approval Event shall not occur if the

Underlying or the administrator or sponsor of the Underlying is not included in an official register because its authorisation, registration, recognition, endorsement, equivalence or approval is suspended if, at the time of such suspension, the continued provision and use of the Underlying is permitted in respect of the Notes under the applicable law or regulation during the period of such suspension.

Rejection Event: in respect of the Underlying that is the Short Index, the relevant competent authority or other relevant official body rejects or refuses any application for authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register which, in each case, is required in relation to the Underlying or the administrator or sponsor of the Underlying under any applicable law or regulation for any of the Issuer, the Calculation Agent or any other entity to perform its obligations in respect of the Notes.

Suspension/Withdrawal Event: in respect of the Underlying that is the Short Index:

- (a) the relevant competent authority or other relevant official body suspends or withdraws any authorisation, registration, recognition, endorsement, equivalence decision or approval in relation to the Underlying or the administrator or sponsor of the Underlying which is required under any applicable law or regulation in order for any of the Issuer, the Calculation Agent or any other entity to perform its obligations in respect of the Notes; or
- (b) the Underlying or the administrator or sponsor of the Underlying is removed from any official register where inclusion in such register is required under any applicable law in order for any of the Issuer, the Calculation Agent or any other entity to perform its obligations in respect of the Notes.

For the avoidance of doubt, a Suspension/Withdrawal Event shall not occur if such authorisation, registration, recognition, endorsement, equivalence decision or approval is suspended or where inclusion in any official register is withdrawn if, at the time of such suspension or withdrawal, the continued provision and use of the Underlying is permitted in respect of the Notes under the applicable law or regulation during the period of such suspension or withdrawal.

## 2. Prospects of Profits and Losses

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**The following section is for indicative purposes and only provides an overview of the prospects of profits and losses. For detailed information, prospective investors should refer to the provisions of the Notes.**

Market Expectations Investors in these Notes expect the Underlying to trade positively over the life of the Notes.

Effect of the performance of the Underlying on the Redemption Amount:

- Positive Performance If the Underlying performs positively, Investors realise a positive return.
- Sideways to slightly negative performance If the Underlying performs sideways to slightly negative, Investors fully participate in the negative performance of the Underlying. Investors may lose some of their investment.
- Pronounced negative performance If the Underlying performs negatively, Investors may lose some or all of their investment.

Profit potential The profit potential is unlimited. The Product allows for full participation in the positive performance of the Underlying, as adjusted by fees and costs as described in more detail herein.

Loss potential Investors may lose some or all of the investment as they are fully exposed to the negative performance of the Underlying.

### 3. Significant Risks For Investors

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General risk warning	Potential Investors should understand the risks associated with an investment in the Product and shall only reach an investment decision after careful considerations with their legal, tax, financial and other advisors of (i) the suitability of an investment in the Product in the light of their own particular financial, fiscal and other circumstances; (ii) the information set out in this document and (iii) the Underlying. The following is a summary of the most significant risks. Further risks are set out in the Product Documentation.
Risk Tolerance	Investors in this Product should be experienced investors and familiar with both derivative products and the general markets. Investors must be willing to make an investment that is fully exposed to the performance of the Underlying, meaning that Investors might lose their whole investment in the Product in the worst case. In additions, Investors should be aware that the Issuer is entitled to redeem the Product early.

#### Product Specific Risks

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Capital Protection (at Expiry)	None.
Risk Potential in comparison to a direct investment in the Underlying	The risk potential is similar to a direct investment in the Underlying.
Issuer Call right	Yes; additionally a Stop Loss Event may occur.
Stop Loss Event	Yes
Disruption Event	<p>The Final Terms of the Notes include detailed provisions setting out when Disruption Events may occur.</p> <p>A Disruption Event may lead to (i) a postponement of the Expiration Date, the Early Termination Date or the Stop Loss Event Redemption Date, as applicable, and therefore of payment of the Redemption Amount, (ii) the use of an alternative method for determining the Underlying level and/or (iii) to the unilateral determination of the applicable Underlying level by the Calculation Agent.</p> <p>Such postponement, use of alternative price source and/or determination of the applicable Underlying level by the Calculation Agent may affect, materially or otherwise, the Redemption Amount which the Investor will receive.</p>
Illiquidity risk in secondary market	The Issuer or the Manager, as applicable, intends, under normal market conditions, to provide bid and/or offer prices for the Notes on a regular basis. However, the Issuer or the Manager, as applicable, makes no firm commitment to provide liquidity by means of bid and/or offer prices for the Notes, and assumes no legal obligation to quote any such prices or with respect to the level or determination of such prices.
Calculation Agent's discretion	The Calculation Agent has a broad discretionary authority to make various determinations and adjustments under the Notes, any of which may have an adverse effect on the value and/or the amounts payable under the Notes. Prospective investors should be aware that any determinations made by the Calculation Agent may have an impact on the value and financial return of the Notes. Where the Calculation Agent is required to make a determination it may do so without taking into account the interests of the holders of the Notes.
Withholding tax	Investors in this Product should note that any payment under this Product may be subject to withholding tax (such as, inter alia, Swiss Withholding Tax, and/or withholding related to FATCA or 871(m) of the US Tax Code). <b>Any payments due under this Product are net of such tax.</b> Please refer to the General Terms and Conditions for detailed information. If the Issuer is required to withhold any amount pursuant to Section 871(m) or FATCA of the U.S. Tax Code, the Issuer will not be required to pay additional amounts with respect to the amount so withheld.

## 4. Additional Information

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### Selling Restrictions

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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

The Pricing Supplement will be prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (as defined below) (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or the Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor the Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

#### South Africa

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