

PORTFOLIO DESCRIPTION DOCUMENT FOR CH0360318700

1. General information about the Reference Portfolio

The Swisstainable Basket (the "**Reference Portfolio**") is a notional Swiss Franc ("**CHF**") denominated reference portfolio, actively created, managed and maintained by Edmond de Rothschild (SUISSE) S.A., Geneva (the "**Reference Portfolio Advisor**"). The Reference Portfolio aims to replicate the performance of (i) a basket of long only stocks (each a "**Stock Constituent**") comprised in the Stock Investment Universe described in section 2.1 "Stock Constituents" (and together, the "**Constituents**"), and (ii) a CHF denominated cash position which shall be at all times equal to or greater than zero (the "**Cash Position**"; which together with the Constituents shall be referred to as the "**Reference Portfolio Components**"), less fees and costs. The Cash Position will accrue interest at the prevailing Reference Rate as described in section 2.2, which **for the avoidance of doubt** may be negative from time to time. Net dividends on a Constituent will be reinvested into the respective Constituent on the ex-dividend date of that Constituent. The Reference Portfolio represents a notional investment in the Constituents, plus any Cash Position, as described in Section 2 below. The Portfolio Description Document can be obtained at any time free of charge from UBS AG, P.O. Box, CH-8098 Zurich (Switzerland), via telephone (+41-(0)44-239 47 03), fax (+41-(0)44-239 69 14) or via e-mail (swiss-prospectus@ubs.com).

The Reference Portfolio Advisor has created the Reference Portfolio by selecting the initial Constituents (the "**Initial Constituents**") on 05 April 2017 (the "**Pricing Date**"). The Initial Constituents are listed in Section 3 below.

The Reference Portfolio Advisor is responsible for adjusting the composition of the Reference Portfolio from time to time thereafter (any such adjustment a "**Rebalancing**") in accordance with Section 4 below. Certain limitations apply as to the composition of the Reference Portfolio from time to time as described in such Section.

The level of the Reference Portfolio (the "**Reference Portfolio Level**") is calculated in CHF net of fees and costs associated with the creation, maintenance and management of the Reference Portfolio, as described in Section 5 below.

The Calculation Agent may adjust the composition of the Reference Portfolio from time to time to account for corporate actions in respect of the Constituents and other similar events, as described in Section 6 below.

UBS AG, London Branch (the "**Calculation Agent**") is responsible for calculating the Reference Portfolio Level from time to time in accordance with Section 7 below.

Unless otherwise specifically provided herein, terms used in this document shall have the meanings given to such terms in, and shall be interpreted in accordance with, the terms and conditions of the relevant product linked to the Reference Portfolio.

2. Reference Portfolio investment universe, title selection criteria and investment restrictions

The Reference Portfolio, whose composition may vary from time to time, is actively managed by the Reference Portfolio Advisor and represents a notional investment in the Reference Portfolio Components as described in detail in the following. The Reference Portfolio Advisor is not allowed to select any additional Constituents for inclusion in the notional Reference Portfolio apart from the ones that are part of the Investment Universe described below. The Reference Portfolio Advisor may select any Constituents from the Investment Universe for inclusion in the notional Reference Portfolio in its reasonable discretion pursuant and subject to the provisions contained in this document.

2.1 Stock Constituents

The Reference Portfolio may reference as Stock Constituents long positions in stocks as described below (the "**Stock Investment Universe**").

Swiss stocks may be incorporated as Constituents in the Reference-Portfolio (each an "**Eligible Stock Constituent**").

For long positions in Constituents, a notional CHF amount reflecting net dividends of the Constituents will be reinvested into the respective Constituent on the ex-dividend date of that Constituent.

Eligible Stock Constituents from the Stock Investment Universe may be selected in the sole discretion of the Reference Portfolio Advisor pursuant and subject to the provisions contained in this document. The Calculation Agent may retain the right to reject the inclusion of any Eligible Stock Constituent due to any applicable rules, regulations and internal or external restrictions according to the provisions as set out below in section 4. "Rebalancing of the Reference Portfolio".

2.2 Cash Position

From time to time, the notional Reference Portfolio may also contain a Cash Position as a Reference Portfolio Component, which represents a notional holding of a cash accruing interest at the prevailing Reference Rate (the "**Reference Rate**"), denominated in CHF.

The Reference Rate is observed on every Business Day and shall be equal to (i) the Federal Funds Target Rate – Upper Bound (Bloomberg page: FDTR <Index>) (ii) plus the CHF Forward Implied 3 Month Rate (Bloomberg Page: CHF13M Curncy) (iii) minus the USD 3 Month LIBOR Rate (Bloomberg Page: US003M Index) (each a "**Relevant Screen Page**") (iv) minus 0.05% (each a "**Reference Rate Component**"), which **for the avoidance** of doubt may be negative from time to time. If one or more Relevant Screen Page is not available or if a **Reference Rate Component** is not displayed, the **Reference Rate Component** shall be the equivalent rate as displayed on the corresponding page of another financial information service. If one or more **Reference Rate Component** is no longer displayed in one of these forms, the Calculation Agent is entitled to specify at its reasonable discretion a successor **Reference Rate Component** calculated on the basis of the standard market practices applicable at that time as the **Reference Rate Component**.

The value of the Cash Position will thereafter be positively or negatively affected by deductions and Rebalancings, as described in Section 2 and 4 herein. In any event, the value of the Cash Position shall at all times be equal to or greater than zero. Finally, the Cash Position will be negatively impacted by the deduction of certain fees as described in Section 5 below.

The Cash Position may be notionally reinvested into Constituents from time to time, in the reasonable discretion of the Reference Portfolio Advisor.

2.3 Investment Restrictions

Eligible Constituents as well as Constituents may be selected by the Reference Portfolio Advisor for notional purchase or, as the case may be, sale or unwind in accordance with the following investment restrictions (the "**Investment Restrictions**"):

- (i) on the Pricing Date, the exposure in the Constituents is capped at 100% of the Reference-Portfolio Level;
- (ii) long positions in Stock Constituents - net dividends;
- (iii) the sum of the Weights of all Constituents is capped at a maximum of 100% (the "**Leverage Threshold**") at all times during the lifetime of the product. In case the sum of the Weights of all Constituents exceeds the Leverage Threshold, the Calculation Agent is entitled to notionally sell Constituents at its reasonable discretion until the sum of the Weights of all Constituents is smaller than or equal to 95%. In respect of such notional sales of such Constituents, a notional credit (which may be equal to zero) shall be made to the Cash Position corresponding to the Notional Net Disposal Value (which may be equal to zero) of such Constituents with effect from the date of such Constituents' notional sale.

For the avoidance of doubt: The responsibility and legal duty that the Reference Portfolio complies with the above guidelines is solely with the Reference Portfolio Advisor.

2.4 Additional Definitions

"**Weight**" means, with respect to the Pricing Date or any Business Day and pertaining to a Stock Constituent and/or the Cash Position, the notional CHF value of such Stock Constituent and/or Cash Position, as converted into CHF, where such Stock Constituent is non CHF denominated, at the then prevailing exchange rate, divided by the Reference Portfolio Level, both as determined by the Calculation Agent in its reasonable discretion.

3. Initial Composition of the Reference Portfolio

The Reference Portfolio will be created on the Pricing Date with an opening value of CHF 1,000.00. On the Pricing Date, the Constituents will be set out as below.

Ticker	Name	CCY	SIB	Fill	AMC Weight
LISP SW Equity	CHOCOLADEFABRIKEN LINDT-PC	CHF	0.003598	5592.5000	2.0%
CFR VX Equity	CIE FINANCIERE RICHEMONT-REG	CHF	0.386561	78.2645	3.0%
STMN SW Equity	STRAUMANN HOLDING AG-REG	CHF	0.043810	459.5103	2.0%
SOON VX Equity	SONOVA HOLDING AG- REG	CHF	0.144339	138.7568	2.0%
SGSN VX Equity	SGS SA-REG	CHF	0.009312	2145.5170	2.0%
GEBN VX Equity	GEBERIT AG-REG	CHF	0.046878	427.1872	2.0%
DOKA SW Equity	DORMAKABA HOLDING AG	CHF	0.037778	798.7178	3.0%
TEMN SW Equity	TEMENOS GROUP AG-REG	CHF	0.251111	79.6729	2.0%
SREN VX Equity	SWISS RE AG	CHF	0.669312	89.9949	6.0%
GALN VX Equity	GALENICA AG-REG	CHF	0.013968	1068.4432	1.5%
LONN VX Equity	LONZA GROUP AG-REG	CHF	0.079153	190.0217	1.5%
FI/N SW Equity	FISCHER (GEORG)-REG	CHF	0.011005	910.3413	1.0%

BUCN SW Equity	BUCHER INDUSTRIES AG-REG	CHF	0.034180	292.3673	1.0%
CLN VX Equity	CLARIANT AG-REG	CHF	0.536508	18.8061	1.0%
BAER VX Equity	JULIUS BAER GROUP LTD	CHF	0.201905	49.8900	1.0%
Cash	Cash	CHF	688.906062	1.0000	69.00%

The current composition of the Reference Portfolio (including the respective Weights) may be requested free of charge at any time from UBS AG, P.O. Box, CH-8098 Zurich (Switzerland), via telephone (+41-(0)44-239 47 03), fax (+41-(0)44-239 69 14) or via e-mail (swiss-prospectus@ubs.com).

4. Rebalancing of the Reference Portfolio

- 4.1 A Rebalancing may be initiated by the Reference Portfolio Advisor on any Business Day following the Pricing Date, effective as of the immediately following Constituents Business Day (such day, a "**Reference Portfolio Adjustment Date**"), subject to the occurrence of a Market Disruption Event on such Constituents Business Day. The expected number of Rebalancings in any 12 month period starting with the Pricing Date and reset on each anniversary of the Pricing Date is 52.
- 4.2 On any Business Day, the Reference Portfolio Advisor may, as it deems appropriate in its reasonable discretion, give notice to the Calculation Agent not later than 5 p.m. CET for European orders and 7 p.m. CET for all other orders, of its intention to effect a Rebalancing on such day (a "**Rebalancing Notice**"), and effective as of the immediately following Constituents Business Day. Save as the Calculation Agent may otherwise agree, a Rebalancing Notice shall not be effective if, at the time of such Rebalancing Notice is received, a Rebalancing in respect of any Rebalancing Notice received earlier on such Business Day has not yet been completed or otherwise rejected. For the purposes hereof, a Rebalancing is deemed completed upon notification by the Calculation Agent to the Reference Portfolio Advisor, with respect to the relevant Rebalancing, of the relevant Notional Net Acquisition Cost of each Eligible Constituent notionally included in the Reference Portfolio, Notional Net Disposal Value(s) of each Constituent notionally removed from the Reference Portfolio and Weights of each Constituent notionally comprised in the Reference Portfolio following the relevant Rebalancing as provided in sub-Section 4.6 below.
- 4.3. The Calculation Agent will determine the exact number of Constituents based on prevailing market conditions, including exchange rates when relevant, in its reasonable discretion. Such number may deviate from the exact Weight recommended by the Reference Portfolio Advisor.
- 4.4 On each Reference Portfolio Adjustment Date, notional debits and credits to the Cash Position shall be made as follows:
- (i) In respect of the notional purchase of an Eligible Stock Constituent a notional debit shall be made to the Cash Position corresponding to the Notional Net Acquisition Cost of such Eligible Stock Constituent with effect from the date of such Eligible Stock Constituent's notional purchase; and
 - (ii) In respect of the notional sale or unwind of a Stock Constituent, a notional credit (which may be equal to zero) shall be made to the Cash Position corresponding to the Notional Net Disposal Value (which may be equal to zero) of such Stock Constituent with effect from the date of such Stock Constituent's notional sale.

- 4.5 The Calculation Agent is entitled but has no legal duty to refuse the notional purchase of any Eligible Constituent and/or the notional sale or unwind of any Constituents and to require the Reference Portfolio Advisor to initiate a Rebalancing in certain circumstances, as follows:
- (i) The Reference Portfolio Advisor has selected an asset for inclusion in the notional Reference Portfolio which is not part of the Stock Investment Universe;
 - (ii) The Reference Portfolio is, or following the relevant Rebalancing would breach any of the Investment Restrictions or any other rule or provision contained herein;
 - (iii) A Market Disruption Event has occurred in respect of the relevant Eligible Constituent or Constituent on the relevant Reference Portfolio Adjustment Date;
 - (iv) The Calculation Agent determines that a Hedging Disruption Event has occurred in relation to any Constituent or Eligible Constituent. In this paragraph, "**Hedging Disruption Event**" means the determination by the Calculation Agent that it would not be reasonably practicable or it would otherwise be undesirable, for any reason, for a notional Investor wholly or partially to establish, re-establish, substitute or maintain any hedging transaction which in the determination of the Calculation Agent would be necessary or desirable to hedge the obligations of an issuer of securities linked to the performance of the Reference Portfolio (such reasons may include, but are not limited to (i) any material illiquidity in the market for any Constituent or Eligible Constituent, (ii) a change in any applicable law (including, without limitation, any tax law) or the promulgation of, or change in, the interpretation of any court, tribunal or regulatory authority with competent jurisdiction of any applicable law (including any action taken by a taxing authority); or (iii) the general unavailability of market participants who would agree to enter into any such hedging transaction on commercially reasonable terms or at all; and
 - (v) The Calculation Agent determines that it would not be reasonably practicable for a notional Investor to make purchases and/or sales or unwind of any Eligible Constituent or Constituent, as the case may be, due to compliance, regulatory, reporting or reputational constraints, take-over considerations, internal restrictions or lack of internal approval.

In the event that the Calculation Agent requires the Reference Portfolio to initiate a Rebalancing such that the Reference Portfolio complies with the foregoing, the Reference Portfolio Advisor shall, as soon as is reasonably practicable and without undue delay, initiate a Rebalancing such that the Reference Portfolio complies with the foregoing as at the immediately following Reference Portfolio Adjustment Date. The Reference Portfolio Advisor has no right to object to such Rebalancing required by the Calculation Agent.

For the avoidance of doubt: Notwithstanding the entitlements of the Calculation Agent under this paragraph, the sole responsibility and legal duty to manage the Reference Portfolio in compliance with the rules and provisions contained in this document is with the Reference Portfolio Advisor.

- 4.6 As soon as is reasonably practicable after receipt of an effective Rebalancing Notice on a Reference Portfolio Adjustment Date, and subject to any rejection pursuant to sub-Section 4.5 above, the Calculation Agent shall notify the Reference Portfolio Advisor of (a) the Notional Net Acquisition Cost and Notional Net Disposal Value, applicable to each Eligible Constituent and/or Constituent that is subject to the Rebalancing and (b) the Weight of each Constituent comprised in the Reference Portfolio as a result of the Rebalancing. Upon receipt by the Reference Portfolio Advisor of such notice from the Calculation Agent, the Rebalancing shall be binding and conclusive on the Reference Portfolio Advisor in the absence of manifest error.

For the avoidance of doubt, a proposed Rebalancing shall be effective only if and to the extent that the Calculation Agent, on the Reference Portfolio Adjustment Date on which the relevant Rebalancing Notice is given, notifies to the Reference Portfolio Advisor the information mentioned in (a) and (b) above. Should a proposed Rebalancing not be fully effective on a Reference Portfolio Adjustment Date, the Reference Portfolio Advisor will be required to deliver one or more further Rebalancing Notices in accordance with the provisions hereof to execute the remainder of the initially proposed Rebalancing.

4.7 In this Section:

- (i) **"Notional Net Acquisition Cost"** means, in relation to an Eligible Stock Constituent, the notional price (including any applicable Adjustment Fee) at which the Calculation Agent determines that a notional Investor would be able to purchase or otherwise acquire such Eligible Stock Constituent (where applicable, on the relevant Exchange) at execution time on the relevant Reference Portfolio Adjustment Date, as determined by the Calculation Agent in its reasonable discretion; and
- (ii) **"Notional Net Disposal Value"** means, in relation to a Eligible Stock Constituent, the notional price (net of any applicable Adjustment Fee) at which the Calculation Agent determines that a notional Investor would be able to sell or otherwise realise or dispose of such Eligible Stock Constituent (where applicable, on the relevant Exchange) at execution time on the relevant Reference Portfolio Adjustment Date, as determined by the Calculation Agent in its reasonable discretion.

5. Fees and Costs applicable to the Reference Portfolio

The Reference Portfolio is calculated net of fees and costs associated with the creation, maintenance and management of the Reference Portfolio, as follows:

- **Adjustment Fees:** An adjustment fee will be levied in relation to each Rebalancing as of the relevant Reference Portfolio Adjustment Date, which represents a percentage of the notional volume of each notional purchase or sale or unwind of an Eligible Constituent and/or a Constituent, as the case may be (the **"Adjustment Fee"**). The Adjustment Fee in respect of each notional sale or unwind or, as the case may be, purchase is equal to 0.05% for Constituents, as determined by the Calculation Agent in its reasonable discretion, and deducted from the Cash Position.
- **Reference Portfolio Advisor Fee:** A quarterly fee of 0.1875% (0.75% per year) of the Reference Portfolio Level, deducted from the respective Reference Portfolio Level on a daily basis as calculated by the Calculation Agent.
- **Issuer Management Fee:** A quarterly fee of 0.0625% (0.25% per year) of the Reference Portfolio Level, deducted from the respective Reference Portfolio Level on a daily basis as calculated by the Calculation Agent.

The Reference Portfolio Advisor Fee and the Issuer Management Fee together shall be referred to as **"Reference Portfolio Fee"** that amounts to 1.00% per annum.

6. Adjustments of the Reference Portfolio

If, at any time, any event occurs in relation to any Constituent which the Calculation Agent determines requires any adjustment(s) to be made to the composition of the Reference Portfolio, then the Calculation Agent shall (i) determine which adjustment(s) are to be made to the Reference Portfolio with a view to account for the effect of the relevant event and to preserve the prevailing composition of the Reference Portfolio immediately prior to the occurrence of such event and (ii) determine the date on which such adjustment(s) shall take effect.

For the avoidance of doubt: Notwithstanding the entitlements of the Calculation Agent under this paragraph, the sole responsibility and legal duty to manage the Reference Portfolio in compliance with the rules and provisions contained in this document is with the Reference Portfolio Advisor.

7. Calculation of the Reference Portfolio Level

7.1 As the Calculation Agent, UBS AG, London Branch is responsible for calculating the Reference Portfolio

Level in respect of each Reference Portfolio Valuation Date during the life of the product on the relevant Reference Portfolio Calculation Date.

- 7.2 In respect of the final Reference Portfolio Valuation Date scheduled to fall on the Expiration Date, the Early Termination Date or the Automatic Early Termination Date, as applicable, the Reference Portfolio Level shall be determined by the Calculation Agent on the final Reference Portfolio Calculation Date as the sum of:
- (i) the sale proceeds, as converted into CHF where applicable, using the then prevailing exchange rate, 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 and/or, as the case may be, unwinding the Constituents then comprised in the Reference Portfolio, and
 - (ii) the value of the Cash Position minus any accrued but not yet deducted Adjustment Fees.