

UBS (LUXEMBOURG) ISSUER SA
EUR 10,000,000,000 Fiduciary Note Programme

This prospectus supplement (the "**Supplement**") constitutes a supplement for the purposes of Part IV of the Luxembourg act dated 10 July 2005 relating to prospectuses for securities, as amended (the "**Prospectus Act 2005**") and is supplemental to, and must be read in conjunction with, the Base Prospectus dated 12 August 2016 and the documents incorporated by reference therein (the "**Base Prospectus**") prepared by UBS (Luxembourg) Issuer SA, a public limited liability company (*société anonyme*) incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 33A, avenue J.F. Kennedy, L-1855 Luxembourg and registered with the Luxembourg trade and companies register under number B.207565 (the "**Fiduciary**") with respect to the EUR 10,000,000,000 Fiduciary Note Programme (the "**Programme**").

Terms defined in the Base Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

This Supplement has been approved by the Luxembourg Stock Exchange under Part IV of the Prospectus Act 2005. This Supplement has not been approved by and will not be submitted for approval to the *Commission de surveillance du secteur financier* of Luxembourg for the purposes of Directive 2003/71/EC, as amended by Directive 2010/73/EU.

The Fiduciary accepts responsibility for the accuracy of the information contained in this Supplement to the extent that that information relates to the Fiduciary, and UBS Limited and UBS AG, acting through its London Branch as Arrangers also accept responsibility for the accuracy of the information contained in this Supplement to the extent that the information does not relate to the Fiduciary. To the best of the knowledge of the Fiduciary and the Arrangers, as the case may be (who have taken all reasonable care to ensure that this is the case), such information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

UBS Europe SE, Luxembourg Branch

Since 1 December 2016, UBS Europe SE, Luxembourg Branch has performed and will continue to perform all of the functions of UBS (Luxembourg) S.A. in respect of the Notes to be issued under the Programme, namely those of the Principal Paying Agent, the Paying Agent, the Registrar, the Custodian, the Transfer Agent and the Calculation Agent. Subject as provided in this Supplement, the Base Prospectus shall, where the context so admits, be deemed to be amended with effect from 1 December 2016 as set out below.

References to UBS (Luxembourg) S.A.

All references in the Base Prospectus (including the Conditions) to UBS (Luxembourg) S.A. shall be deemed to be references to UBS Europe SE, Luxembourg Branch.

Risk Factors

The risk factor entitled "Custodian risk" and set out on page 39 of the Base Prospectus shall be deemed deleted and replaced by the following:

"Custodian risk

The Custodian is a branch, in Luxembourg, of UBS Europe SE, a German credit institution with registered head office in Frankfurt.

As Fiduciary Assets in the form of cash or fungible book-entry securities will be held in an account opened by the Fiduciary with the Custodian in Luxembourg, the ability of the Fiduciary to meet its obligations under the Notes will depend on receipt by the Fiduciary of payments from the Custodian or

delivery by the Custodian to the Fiduciary of fungible book-entry securities (as applicable). Noteholders are therefore exposed to the creditworthiness of UBS Europe SE and may be affected by its insolvency.

Since the Custodian will hold monies received in respect of the Notes in the form of cash on its own books as a credit institution, such monies (which would in principle be booked on the balance sheet of UBS Europe SE) would not be segregated from the general estate of UBS Europe SE and there is a risk that they would be affected by insolvency proceedings opened in respect of UBS Europe SE. If UBS Europe SE was subject to winding-up proceedings, the cash deposited by the Fiduciary with the Custodian would fall into UBS Europe SE's insolvency estate and the Fiduciary (as a customer of the Custodian) would therefore be an ordinary unsecured creditor of UBS Europe SE in competition with UBS Europe SE's personal creditors.

In relation to Fiduciary Assets represented by fungible book-entry securities and held by the Custodian, these are subject to the provisions of the Luxembourg act dated 1 August 2001 on the circulation of securities and other financial instruments, as amended (the **Fungible Instruments Act 2001**). Pursuant to the Fungible Instruments Act 2001, the Custodian (*dépositaire*) has the statutory obligation to keep fungible book-entry securities deposited by its customers segregated from its own assets and off balance sheet (*hors bilan*). Accordingly, the Fiduciary will have a right against the Custodian for delivery of the fungible book-entry securities equivalent to the Fiduciary Assets deposited by the Fiduciary with the Custodian in connection with the Notes. Such right is coupled with the Fiduciary's co-proprietary right (right in rem) in an intangible (notional) pool of fungible book-entry securities, which right is shared on a pro-rated basis with the other depositors of equivalent (interchangeable) fungible book-entry securities held by the Custodian."

Description of UBS (Luxembourg) S.A.

A description of UBS (Luxembourg) S.A. set out on page 188 of the Base Prospectus shall be deemed deleted and replaced by the following:

"DESCRIPTION OF UBS EUROPE SE, LUXEMBOURG BRANCH

Establishment and Place of Business

UBS Europe SE, Luxembourg Branch ("**UBS Luxembourg**") is a branch of UBS Europe SE, a credit institution constituted in the form of a Societas Europaea, authorised under German Law.

UBS Luxembourg is subject to the prudential supervision of the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, BaFin), the central bank of Germany (*Deutsche Bundesbank*) as well as, on an ancillary basis, of the Luxembourg prudential supervisory authority (the *Commission de Surveillance du Secteur Financier* or the CSSF).

UBS Luxembourg was established on 22 June 2016 under the name "UBS Deutschland AG, Luxembourg Branch" in the context of the merger by acquisition (the "**Merger**") of UBS (Luxembourg) S.A., as transferring company, into UBS Deutschland AG, as absorbing company.

On the legal effective date of the Merger (1 December 2016):

- UBS Deutschland AG adopted the legal form of a European Company (SE) named UBS Europe SE;
- UBS Deutschland AG, Luxembourg Branch was renamed UBS Europe SE, Luxembourg Branch;
- all the assets and liabilities of UBS (Luxembourg) S.A. were transferred to UBS Europe SE; and
- UBS (Luxembourg) S.A. ceased to exist.

As of 1 December 2016, all activities of UBS (Luxembourg) S.A. have been continued by UBS Luxembourg.

The place of business of UBS Luxembourg is at 33A, Avenue J.F. Kennedy, L-1855 Luxembourg (telephone number: (+352) 45.12.11).

UBS Europe SE is established at Bockenheimer Landstraße 2-4, 60306 Frankfurt am Main, Germany.

UBS Luxembourg is registered with the Luxembourg trade and companies register under number B209123.

UBS Europe SE is registered with the Register of Commerce of Frankfurt under number HRB 107046.

Business

The main activities of UBS Luxembourg are wealth management, structured solutions for key clients, custodian bank services and the service hub that provides services to other UBS Group entities.

Share Capital

The registered share capital of UBS Europe SE amounts to EUR 176,001,000.00 (one hundred seventy six million and one thousand euros). The registered share capital is divided into 35,200,200 (thirty five million two hundred thousand and two hundred) shares with a nominal value of EUR 5.00 (five euros).

Ownership

UBS Luxembourg is a branch of UBS Europe SE. UBS Europe SE is a wholly owned subsidiary of UBS AG.

Financial Year

The financial year of UBS Europe SE is equivalent to the calendar year.

Statutory Auditors

The auditor of UBS Europe SE is Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft of Mergenthalerallee 3-5, 65760 Eschborn, Germany.

Financial Statements

The latest annual financial statements of UBS (Luxembourg) S.A. are the annual financial statements for the financial year ended 31 December 2015. They were audited by Ernst & Young, S.A. and contain an opinion from Ernst & Young, S.A. which was not qualified. Annual financial statements of UBS Europe SE will be made available on the website of UBS Luxembourg (www.ubs.lu)."

General

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus (including in the documents incorporated by reference) since its publication.

So long as any Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market under the Programme, copies of the Base Prospectus and this Supplement will be available for collection during usual business hours on any week day (Saturdays, Sundays and public holidays excepted) at the specified offices of the Paying Agent in Luxembourg. Copies of the Base Prospectus and this Supplement have also been filed with and are available for viewing on the website of the Luxembourg Stock Exchange (www.bourse.lu).

To the extent that there is any inconsistency between (a) any statement in this Supplement and (b) any statement in the Base Prospectus or otherwise incorporated by reference into the Base Prospectus, the statements in (a) above will prevail.