



UBS (Luxembourg) Issuer SA

Annual Report 2017



UBS (Luxembourg) Issuer SA
33A, avenue John F. Kennedy
L-1855 Luxembourg

R.C.S. Luxembourg B207565

Board of Directors

Holger Pfeiffer Chairman (until 20.04.2018)	Executive Director UBS Europe SE, Luxembourg Branch
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Hermann Kranz Member Chairman (since 21.04.2018)	Managing Director UBS Europe SE, Luxembourg Branch
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Michael Zahn Member (since 14.02.2017)	Executive Director UBS AG, London Branch
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Christian Schoen Member (since 17.07.2017)	Executive Director UBS Europe SE, Luxembourg Branch
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Christian Borner Member (until 29.06.2017)	Managing Director UBS Switzerland AG
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Julian Mieli Member (since 21.04.2018)	Director UBS AG
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Independent Auditor

Ernst & Young S.A.
35E avenue John F. Kennedy
L-1855 Luxembourg

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Independent auditor's report

To the Shareholders of
UBS (Luxembourg) Issuer SA
33A, avenue John F. Kennedy
L-1855 Luxembourg

Opinion

We have audited the financial statements of UBS (Luxembourg) Issuer SA (the "Company"), which comprise the balance sheet as at 31 December 2017, and the profit and loss account for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2017, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under those Law and standards are further described in the "Responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements section of our report. We are also independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and of those charged with governance for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the “réviseur d'entreprises agréé” for the audit of the financial statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of “réviseur d'entreprises agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of “réviseur d'entreprises agréé” to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of report of “réviseur d'entreprises agréé”. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young
Société anonyme
Cabinet de révision agréé

A handwritten signature in black ink, appearing to read 'O. Cloess', is written over a faint, illegible background.

Oliver CLOESS
Directeur associé

Luxembourg, 15 May 2018

Abridged Balance Sheet – Assets

expressed in EUR

	Note	<u>31/12/2017</u>	<u>31/12/2016</u>
A. Subscribed capital unpaid		0.00	0.00
I. Subscribed capital not called		0.00	0.00
II. Subscribed capital called but unpaid		0.00	0.00
B. Formation expenses		0.00	0.00
C. Fixed assets		0.00	0.00
I. Intangible assets		0.00	0.00
II. Tangible assets		0.00	0.00
III. Financial assets		0.00	0.00
D. Current assets		209,961.41	205,919.11
I. Stocks		0.00	0.00
II. Debtors	3	142,253.57	144,548.18
a) becoming due and payable within one year		142,253.57	144,548.18
b) becoming due and payable after more than one year		0.00	0.00
III. Investments		0.00	0.00
IV. Cash at bank and in hand	4	67,707.84	61,370.93
E. Prepayments		0.00	0.00
TOTAL ASSETS		209,961.41	205,919.11
<u>Off Balance Sheet</u>		<u>31/12/2017</u>	<u>31/12/2016</u>
Fiduciary Assets (Fair value)	5	2,854,555,663.71	3,493,253,505.61

The accompanying notes are an integral part of the accounts.

Abridged Balance Sheet – Capital, Reserves and Liabilities

expressed in EUR

CAPITAL, RESERVES AND LIABILITIES	Note	<u>31/12/2017</u>	<u>31/12/2016</u>
A. Capital and reserves	6	31,000.00	31,000.00
I. Subscribed capital		31,000.00	31,000.00
II. Share premium account		0.00	0.00
III. Revaluation reserve		0.00	0.00
IV. Reserves		0.00	0.00
V. Profit or loss brought forward		0.00	0.00
VI. Profit or loss for the financial year		0.00	0.00
VII. Interim dividends		0.00	0.00
VIII. Capital investment subsidies		0.00	0.00
B. Provisions	7	53,481.09	36,156.56
C. Creditors	8	125,480.32	138,762.55
a) becoming due and payable within one year		125,480.32	138,762.55
b) becoming due and payable after more than one year		0.00	0.00
D. Deferred income		0.00	0.00
TOTAL CAPITAL, RESERVES AND LIABILITIES		209,961.41	205,919.11
<u>Off Balance Sheet</u>		<u>31/12/2017</u>	<u>31/12/2016</u>
Fiduciary Notes in issue (Fair value)	9	2,854,555,663.71	3,493,253,505.61

The accompanying notes are an integral part of the accounts.

Abridged Profit and Loss Account

expressed in EUR

	Note	FY 2017	FY 2016 (7.7.2016 - 31.12.2016)
1. to 5. Gross profit or loss	10	691.80	4.68
6. Staff costs	11	0.00	0.00
a) Wages and salaries		0.00	0.00
b) Social security costs		0.00	0.00
i) relating to pensions		0.00	0.00
ii) other social security costs		0.00	0.00
c) Other staff costs		0.00	0.00
7. Value adjustments		0.00	0.00
a) in respect of formation expenses and of tangible and intangible fixed assets		0.00	0.00
a) in respect of current assets		0.00	0.00
8. Other operating expenses		0.00	0.00
9. Income from participating interests		0.00	0.00
a) derived from affiliated undertakings		0.00	0.00
b) other income from participating interests		0.00	0.00
10. Income from other investments and loans forming part of the fixed assets		0.00	0.00
a) derived from affiliated undertakings		0.00	0.00
b) other income not included under a)		0.00	0.00
11. Other interest receivable and similar income		0.00	0.00
a) derived from affiliated undertakings		0.00	0.00
b) other interest and similar income		0.00	0.00
12. Share of profit or loss of undertakings accounted for under the equity method		0.00	0.00
13. Value adjustments in respect of financial assets and of investments held as current assets		0.00	0.00
14. Interest payable and similar expenses		-156.80	-4.68
a) concerning affiliated undertakings		-156.80	-4.68
b) other interest and similar expenses		0.00	0.00
15. Tax on profit or loss	12	0.00	0.00
16. Profit or loss after taxation		535.00	0.00
17. Other taxes not shown under items 1 to 16		-535.00	0.00
18. Profit or loss for the financial year		0.00	0.00

The accompanying notes are an integral part of the accounts.

Notes to the Annual Accounts

Note 1 – General

UBS (Luxembourg) Issuer SA (the "Company") was incorporated as a "société anonyme" in the Grand Duchy of Luxembourg on 7 July 2016, qualifying as a securitization company ("société de titrisation") within the meaning of the Luxembourg act dated 22 March 2004 relating to securitization, as amended (the "Securitization Act 2004"). The Company's registered office is at 33A, avenue John F. Kennedy, 1855 Luxembourg, Luxembourg.

The Company is incorporated for an unlimited duration.

The corporate objects of the Company are to enter into, perform and serve as a vehicle for any securitization transactions as permitted under the Securitization Act 2004 and to enter into any agreement and perform any action necessary or deemed helpful for the purpose of carrying out transactions permitted by the Securitization Act 2004, as far as they relate to securitization transactions.

The Company may act as a fiduciary ("fiduciaire") under the Luxembourg act dated 27 July 2003 relating to trust and fiduciary contracts, as amended (the "Trust and Fiduciary Contracts Act 2003") in order to issue, on a fiduciary basis, in its own name but at the sole risk and for the exclusive benefit of one or more investors, fiduciary instruments in accordance with the Trust and Fiduciary Contracts Act 2003 (the "Fiduciary Instruments").

The Board is entitled to create one or more compartments (referencing the assets of the Company relating to an issue of securities by the Company). The Company shall create a separate fiduciary estate ("patrimoine fiduciaire") in connection with each series of Fiduciary Instruments issued by it.

The Company is supervised and authorized to exercise its activities by the Commission de Surveillance du Secteur Financier ("CSSF").

The accounting year of the Company shall begin on 1 January and shall terminate on 31 December of each year.

Consolidation

The Company is a wholly owned subsidiary of UBS AG, a credit institution incorporated in Switzerland. The annual accounts of the Company are included in the consolidated annual accounts of UBS Group AG, which are available at UBS Group AG, P.O. Box, CH-8098 Zurich, Switzerland.

Changes to the Board of Directors during 2017

Mr. Michael Zahn has been appointed as category B Director with effect as of 14 February 2017. Christian Borner resigned as category A Director with effect as of the later of 31 May 2017 or the date of receipt of the CSSF's non-objection regarding the co-optation of Christian Schoen. The resignation became effective with the receipt of the CSSF's non-objection letter on 29 June 2017 and Christian Schoen was appointed as category A Director of the Company in replacement of Christian Borner with effect as of 17 July 2017.

Changes to Service Providers

On 22 March 2017, UBS Luxembourg Financial Group Asset Management S.A. informed the Company about its resignation as Facilitation Agent and Selling Agent for the Programme and more specifically for Series 2015-4, 2015-5, 2016-1 and 2016-4.

The Company informed the affected Noteholders with same date about the resignation and the Company's intention to appoint Lantern Structured Asset Management Limited as successor facilitation agent and successor selling agent. The resignation of UBS Luxembourg Financial Group Asset Management S.A. and appointment of Lantern Structured Asset Management Limited became effective as of 6 May 2017.

The Company terminated the Corporate Secretarial Services Agreement with PricewaterhouseCoopers Société cooperative, Luxembourg and the Domiciliation Agreement with UBS Fund Services (Luxembourg) S.A. as of 31 December 2017 and entered into a Domiciliation & Corporate Services Agreement with UBS Europe SE, Luxembourg Branch as of 1 January 2018.

Note 2 – Summary of Significant Accounting Policies

The annual accounts are denominated in Euro ("EUR") and have been prepared in accordance with Luxembourg legal and regulatory requirements ("Luxembourg GAAP"), notably with Title II of the law of 19 December 2002 as amended relating to the register of commerce and companies, bookkeeping, company annual accounts and modifying certain other legal dispositions (the "Accounting Law"). Accounting policies and valuation rules are, besides the ones laid down by the Accounting Law, determined and applied by the Board of Directors.

In particular, the following accounting policies have been used:

Conversion of foreign currency

The Company maintains its accounts in Euro ("EUR") and the annual accounts have been drawn up using this currency.

Assets and liabilities in other currencies - apart from tangible and intangible assets - have been converted into the balance sheet currency according to the closing rate at the balance sheet date.

The profit and loss account includes all realized gains and losses and unrealized gains and losses resulting from exchange rate movements.

Revenue and costs in other currencies have been converted into EUR according to the exchange rate of the end of the month in which the revenues and costs have been booked.

Debtors

Accounts receivable are recorded at nominal value minus any necessary value adjustments.

Provisions for liabilities and charges

Provisions are recorded for recognizable risks and uncertain liabilities.

Creditors

Creditors are recorded at reimbursement value.

Income

Income is generally recorded on an accrual basis.

Use of estimates

The generally accepted accounting principles in Luxembourg requires the Board of Directors to make estimates that affect the reported amounts of assets and liabilities and the reported amounts in the profit and loss account during the year. These accounting estimates reflect the Board of Directors' best judgment and actual results could differ from those estimates.

Fiduciary Assets

Fiduciary Assets are valued at market value. Market value corresponds to:

- The last available quote on the valuation day for securities listed on a stock exchange or traded on another regulated market; and
- The probable market or recovery value estimated with due care and in good faith by the Board of Directors, without setoff of individual gains and losses in value in respect of:
 - o unlisted securities or securities that are not traded on another regulated market, and
 - o securities listed on a stock exchange or traded on another regulated market where the latest quote is not representative.

Changes in the value of the Fiduciary Assets are mirrored as changes in the value of the issued Fiduciary Notes, the holders of which carry the risks of the holding of the Fiduciary Assets.

Note 3 – Debtors

The debtors in the amount of EUR 142,253.57 (2016: EUR 144,548.18) represent accrued issuance fee receivables for the notes issued for the month of December. All debtors consist of affiliated undertakings only.

Note 4 – Cash at bank and in hand

Cash includes an amount of EUR 67,707.84 (2016: EUR 61,370.93) placed with an entity belonging to the UBS Group – UBS Europe SE, Luxembourg Branch.

Note 5 – Fiduciary Assets

For Series 2016-2 the Underlying Assets are comprised of the portfolio of reference obligations as defined in the Note documentation and an interest swap agreement under which the Company pays the interest received on the reference obligations and receives quarterly interest amounts from the swap counterparty. The portfolio of reference obligations was comprised as follows as of 31 December 2017:

Details of underlying assets per Note in issuance as of the 31.12.2017

EUR 8,240,000 High Yield Bond Basket Fiduciary Notes, 2016-2

ISIN	Title	Coupon	Maturity	Currency	Nominal (in Currency)	Purchase Value (EUR)	Market Value (EUR)	31.12.2017 (EUR)
FR0011439900	Tereos Finance Groupe	4.250%	04/03/2020	EUR	600,000.00	578,340.18		626,220.00
DE000A14J579	ThyssenKrupp AG	1.750%	25/11/2020	EUR	522,000.00	516,179.70		541,340.10
XS0992638220	Tesco Corporate Treasury Services PLC	2.125%	12/11/2020	EUR	525,000.00	516,264.47		550,042.50
XS1022807090	Puma International Financing S.A.	6.750%	01/02/2021	USD	601,000.00	522,586.57		511,010.16
XS0997484430	Petroleos Mexicanos	3.125%	27/11/2020	EUR	533,000.00	518,060.33		572,282.10
US156700AW62	Centurylink Inc	5.625%	01/04/2020	USD	572,000.00	536,871.40		479,921.72
USU3144QAE09	Frontier Communications	8.875%	15/09/2020	USD	559,000.00	541,650.98		381,728.85
XS0985874543	HeidelbergCement Finance Luxembourg S.A.	3.250%	21/10/2020	EUR	491,000.00	519,414.17		533,717.00
AT0000A100E2	Wienerberger AG	4.000%	17/04/2020	EUR	482,000.00	532,634.10		521,090.20
XS1048568452	Fiat Chrysler Finance Europe	4.750%	22/03/2021	EUR	495,000.00	533,927.30		551,479.50
XS1074396927	Smurfit Kappa Acquisitions	3.250%	01/06/2021	EUR	499,000.00	518,589.24		540,441.95
XS1202846819	Glencore Finance (Europe) SA	1.250%	17/03/2021	EUR	698,000.00	522,104.00		714,856.70
XS1091770161	Phoenix PIB Dutch	3.625%	30/07/2021	EUR	500,000.00	528,010.50		551,675.00
XS1214673722	Arcelor Mittal S.A.	3.000%	09/04/2021	EUR	650,000.00	532,680.33		700,895.00
FR0011769090	Renault SA	3.125%	05/03/2021	EUR	478,000.00	527,138.40		520,470.30
XS0995040051	Anglo American Capital PLC	2.875%	20/11/2020	EUR	759,000.00	509,146.92		815,849.10
	Coupon Swap with UBSAG, London Branch			EUR		-213,598.58		-384,095.54
	TOTAL			EUR		8,240,000.00		8,728,924.64

US Treasury Enhanced Yield Fiduciary Notes, 2017-1

ISIN	Title	Currency	Purchase Value	Market Value	31.12.2017
US912796NS49	91 day US Treasury Bills ("US T-Bills")	USD	790,749,944.89		792,036,133.48
	GMSLA (on US T-Bills) with UBSAG	USD		0	395,375.00
	Current Account with UBSAG, London Branch	USD		55.11	55.11
	TOTAL	USD	790,750,000.00		792,431,563.59

US Treasury Enhanced Yield Fiduciary Notes, 2017-2

ISIN	Title	Currency	Purchase Value	Market Value	31.12.2017
US912796NW50	91 day US Treasury Bills ("US T-Bills")	USD	893,689,971.40		894,359,493.88
	GMSLA (on US T-Bills) with UBSAG, London Branch	USD		0	168,808.11
	Current Account with UBSAG, London Branch	USD		28.60	28.60
	TOTAL	USD	893,690,000.00		894,528,330.59

US Treasury Enhanced Yield Fiduciary Notes, 2017-3

ISIN	Title	Currency	Purchase Value	Market Value	31.12.2017
US912796ML05	91 day US Treasury Bills ("US T-Bills")	USD	970,799,923.87		973,183,599.88
	GMSLA (on US T-Bills) with UBSAG, London Branch	USD		0	862,933.33
	Current Account with UBSAG, London Branch	USD		76.13	76.13
	TOTAL	USD	970,800,000.00		974,046,609.34

US Treasury Enhanced Yield Fiduciary Notes, 2017-4

ISIN	Title	Currency	Purchase Value	Market Value	31.12.2017
US912796LC15	91 day US Treasury Bills ("US T-Bills")	USD	180,749,982.73		181,219,582.45
	GMSLA (on US T-Bills) with UBSAG, London Branch	USD		0	152,884.40
	Current Account with UBSAG, London Branch	USD		17.27	17.27
	TOTAL	USD	180,750,000.00		181,372,484.12

Diversified Emerging Market Bond Fiduciary Notes, 2017-5

ISIN	Title	Currency	Purchase Value	Market Value	31.12.2017
XS1698503304	Series 237 USD 150,000 Secured CIO DEMBI Note l due 2027	USD	61,000,000.00		61,029,405.00
	TOTAL	USD	61,000,000.00		61,029,405.00

US Treasury Enhanced Yield Fiduciary Notes, 2017-6

ISIN	Title	Currency	Purchase Value	Market Value	31.12.2017
US912796L67	91 day US Treasury Bills ("US T-Bills")	USD	218,929,959.54		219,325,467.26
	GMSLA (on US T-Bills) with UBSAG, London Branch	USD		0	125,580.68
	Current Account with UBSAG, London Branch	USD		40.46	40.46
	TOTAL	USD	218,930,000.00		219,451,088.40

Japanese T-Bill Enhanced Yield Fiduciary Notes, 2017-8

ISIN	Title	Currency	Purchase Value	Market Value	31.12.2017
JP1747201HB1	91 day US Treasury Bills ("US T-Bills")	JPY	19,999,950,228.00		19,989,777,354.00
	GMSLA (on JPY T-Bills) with UBSAG, London Branch	JPY		-	7,101,369.86
	Current Account with UBSAG, London Branch	JPY		49,772.00	49,772.00
	TOTAL	JPY	20,000,000,000.00		19,996,928,495.86

US Treasury Enhanced Yield Fiduciary Notes, 2017-9

ISIN	Title	Currency	Purchase Value	Market Value	31.12.2017
US912796NU94	91 day US Treasury Bills ("US T-Bills")	USD	116,699,916.09		116,808,197.15
	GMSLA (on US T-Bills) with UBSAG, London Branch	USD		0	27,230.00
	Current Account with UBSAG, London Branch	USD		83.91	83.91
	TOTAL	USD	116,700,000.00		116,835,511.06

Details of underlying assets per Note in issuance as of the 31.12.2016

US Treasury Enhanced Yield Fiduciary Notes, 2015-4

ISIN	Title	Currency	Purchase Value	Market Value 31.12.2016
US912796KC24	91 day US Treasury Bills ("US T-Bills")	USD	999,999,971	1,000,786,520
	GMSLA (on US T-Bills) with UBS AG, London Branch	USD	0	1,111,111
	Current Account with UBS AG, London Branch	USD	29	29
	TOTAL	USD	1,000,000,000	1,001,897,660

US Treasury Enhanced Yield Fiduciary Notes, 2015-5

ISIN	Title	Currency	Purchase Value	Market Value 31.12.2016
US912796KH11	91 day US Treasury Bills ("US T-Bills")	USD	953,939,937	954,644,053
	GMSLA (on US T-Bills) with UBS AG, London Branch	USD	0	596,213
	Current Account with UBS AG, London Branch	USD	63	63
	TOTAL	USD	953,940,000	955,240,329

US Treasury Enhanced Yield Fiduciary Notes, 2016-1

ISIN	Title	Currency	Purchase Value	Market Value 31.12.2016
US912796KN88	91 day US Treasury Bills ("US T-Bills")	USD	975,959,931	976,276,661
	GMSLA (on US T-Bills) with UBS AG, London Branch	USD	0	230,435
	Current Account with UBS AG, London Branch	USD	69	69
	TOTAL	USD	975,960,000	976,507,165

EUR 8,240,000 High Yield Bond Basket Fiduciary Notes, 2016-2

ISIN	Title	Coupon	Maturity	Currency	Nominal	Purchase Value	Market Value 31.12.2016
FR0011439900	Tereos Finance Groupe	4.250%	04/03/2020	EUR	600,000	578,340	657,258
DE000A14J579	ThyssenKrupp AG	1.750%	25/11/2020	EUR	522,000	516,180	532,753
XS0992638220	Tesco Corporate Treasury Services PLC	2.125%	12/11/2020	EUR	525,000	516,264	545,286
XSI022807090	Puma International Financing S.A.	6.750%	01/02/2021	USD	601,000	522,587	602,044
XS0997484430	Petroleos Mexicanos	3.125%	27/11/2020	EUR	533,000	518,060	558,675
US156700AW62	Centurylink Inc	5.625%	01/04/2020	USD	572,000	536,871	580,300
USLJ3144QAE09	Frontier Communications	8.875%	15/09/2020	USD	559,000	541,651	578,653
XS0985874543	HeidelbergCement Finance Luxembourg S.A.	3.250%	21/10/2020	EUR	491,000	519,414	545,256
AT0000A100E2	Wienerberger AG	4.000%	17/04/2020	EUR	482,000	532,634	541,778
XSI048568452	Fiat Chrysler Finance Europe	4.750%	22/03/2021	EUR	495,000	533,927	560,513
XSI074396927	Smurfit Kappa Acquisitions	3.250%	01/06/2021	EUR	499,000	518,589	539,115
XSI202846819	Glencore Finance (Europe) SA	1.250%	17/03/2021	EUR	698,000	522,104	706,795
XSI091770161	Phoenix PIB Dutch	3.625%	30/07/2021	EUR	500,000	528,011	567,770
XSI214673722	Arcelor Mittal S.A.	3.000%	09/04/2021	EUR	650,000	532,680	697,522
FR0011769090	Renault SA	3.125%	05/03/2021	EUR	478,000	527,138	542,224
XS0995040051	Anglo American Capital PLC	2.875%	20/11/2020	EUR	759,000	509,147	796,145
	Coupon Swap with UBS AG, London Branch			EUR		-213,599	-568,674
	TOTAL			EUR		8,240,000	8,983,411

USD 232,800,000 Floating Rate Fiduciary Notes, 2016-3

ISIN	Title	Currency	Purchase Value	Market Value 31.12.2016
	Swap with UBS AG, London Branch	USD	232,800,000	232,740,172

US Treasury Enhanced Yield Fiduciary Notes, 2016-4

ISIN	Title	Currency	Purchase Value	Market Value 31.12.2016
US912796HV42	91 day US Treasury Bills - US912796HV42 ("US T-Bills")	USD	499,999,988	500,366,907
	GMSLA (on US T-Bills) with UBS AG	USD	0	604,167
	Current Account with UBS AG, London Branch	USD	12	12
	TOTAL	USD	500,000,000	500,971,086

For Series 2017-1, 2017-2, 2017-3, 2017-4, 2017-6 and 2017-9 ("the US T-Bill Series") Underlying Assets are comprised of US Treasuries and/or 91 Day T-Bills, either purchased in an auction or in the secondary market by the Facilitation Agent on behalf of the respective US T-Bill Series, plus any cash issuance proceeds not invested into US Treasuries or 91 Day T-Bills and any accrued securities lending fee agreed with the borrower of the US Treasuries and/or 91 Day T-Bills under a Global Master Securities Lending Agreement ("GMSLA").

The US Treasuries and/or 91 Day T-Bills are returned by the borrower and mature on the respective maturity date of the respective US T-Bill Series.

For Series 2017-5 the Underlying Assets are comprised of Series 237 – USD 150,000 Secured CIO DEMBI Note I due 2017, issued by ELM B.V. ("ELM Note") and any residual cash as well as any redemption or realisation proceeds received in connection with the ELM Note. The ELM Note matures shortly before the maturity date of Series 2017-5 and provides performance linked to a portfolio of emerging market bonds which is subject to adjustment from time to time in accordance with the terms of the ELM Note.

For Series 2017-8 Underlying Assets are comprised of Japanese T-Bills, either purchased in an auction or in the secondary market by the Facilitation Agent on behalf of Series 2017-8, plus any cash issuance proceeds not invested into Japanese T-Bills and any accrued securities lending fee agreed with the borrower of the Japanese T-Bills under a Global Master Securities Lending Agreement ("GMSLA"). The Japanese T-Bills are returned by the borrower and mature on the maturity date of the Series 2017-8.

To the extent collateral is provided by securities borrowers or swap counterparties related to a Series it is deemed an Underlying Asset of that Series as well, however, collateral does not impact the risk and return position of Series' noteholders (except for enforcement scenarios).

The Valuation of the Notes (and the Underlying Assets, respectively) is provided by the respective Calculation Agent and typically based on market values obtained from market data service providers as Bloomberg, Reuters or Telekurs.

Note 6 – Subscribed capital

The Company has been incorporated with a subscribed and completely paid up capital of EUR 31,000, divided into 31,000 registered shares with a par value of EUR 1 each.

Note 7 – Provisions

As at 31 December 2017, provisions in the amount of EUR 53,481.09 (2016: EUR 36,156.56) relate mainly to accruals for external audit fees as well as professional fees (corporate secretary, tax advisory).

Note 8 – Creditors

As at 31 December 2017 and 2016, creditors relate mainly to Safekeeping Fees due to UBS Europe SE, Luxembourg Branch as well as Facilitation Fees to be paid to Lantern Structured Asset Management Limited (2016 and until 5 May 2017: UBS Luxembourg Financial Group Asset Management S.A.). Both entities are affiliated undertakings. All creditors relate to the fees for the month of December 2017 only, similarly as at 31 December 2016.

Note 9 – Summary of the Fiduciary Notes Issuance Program

Unless otherwise indicated definitions used herein shall have the same meaning as in the Company's base prospectus, dated 6 May 2017 ("Base Prospectus") and subsequently updated as of 4 May 2018, for its EUR 10,000,000,000 Fiduciary Note Programme ("Programme") pursuant to the Luxembourg act dated 27 July 2003 relating to trust and fiduciary contracts, as amended.

Under the Programme, the Company (in the following also the Fiduciary) from time to time issues Notes and in conjunction therewith buys or sells Fiduciary Assets or enters into Fiduciary Agreements, always acting on a fiduciary basis, i.e. in its own name but at the sole risk and for the exclusive benefit of the Noteholders. Notes of any kind may be issued, including but not limited to Notes relating to a specified index and/or exchange traded fund or a basket of indices and/or exchange traded funds ("Index/ETF Linked Notes"), a specified share or a basket of shares, a specified American depositary receipt or global depositary receipt or a basket thereof ("Equity Linked Notes") and a specified fund or basket of funds ("Fund Linked Notes") or any combination of the foregoing. Each issue of Notes will be issued on the relevant Terms and Conditions as set out in the Base Prospectus and any applicable Additional Terms and Conditions as set out in the relevant Pricing Supplement. Notes are issued in the form of registered Global Notes. The maximum aggregate nominal amount of Notes outstanding will not at any time exceed EUR 10,000,000,000 (or currency equivalent), unless increased according to the Base Prospectus.

Each Note evidences the existence of a Fiduciary Contract in relation to the relevant Series of Notes governed by the Law between the Fiduciary and the relevant Noteholder under which the Fiduciary has conditional payment obligations to the relevant Noteholder equal to payments of a pro-rata share of principal, interest or any other sums received by the Fiduciary under the Fiduciary Assets and/or the Fiduciary Asset Agreements and/or conditional delivery obligations to the relevant Noteholder. The Fiduciary shall not be liable for or otherwise obliged to pay (a) any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, presentation and surrender for payment, or enforcement of any Note or (b) any tax, duty, withholding or other payment which arises in respect of any payment due to the Fiduciary under any Fiduciary Assets and/or any Fiduciary Asset Agreements and all payments made by the Fiduciary shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted. The Notes do not constitute direct debt obligations of the Company but are solely fiduciary obligations of the Fiduciary and may only be satisfied out of the Fiduciary Assets and/or Fiduciary Asset Agreements of the relevant Series. Such payment obligations are conditional upon the due and timely performance by each Fiduciary Asset Obligor of its obligations, including in respect of payments and deliveries, under the relevant Fiduciary Asset Agreements or Fiduciary Assets. A Noteholder has no direct right of action against any Fiduciary Asset Obligor to enforce its rights under the Notes or the obligations of the Fiduciary Asset Obligor under the relevant Fiduciary Assets and/or any Fiduciary Asset Agreements.

The Fiduciary makes no representation or warranty and assumes no liability for or responsibility or obligation in respect of the legality, validity or enforceability of the Fiduciary Assets and/or the Fiduciary Asset Agreements, the performance and observance by any Obligor of any of its obligations in respect of any of the Fiduciary Asset Agreements or the recoverability of any monies due or to become due under the Fiduciary Assets and/or the Fiduciary Asset Agreements.

The Base Prospectus is approved by the CSSF and the Luxembourg Stock Exchange for Notes issued under the Programme to be listed on the Euro MTF Market.

Fiduciary Assets and Fiduciary Agreements are related to the Series in issuance as of 31 December 2017 as follows:

- EUR 8,240,000 High Yield Bond Basket Fiduciary Notes (Series 2016-2) comprise a basket of High Yield Bonds, cash and a Swap Confirmation related to an ISDA Agreement between UBS AG, London Branch and the Company.
- US Treasury Enhanced Yield Fiduciary Notes comprise US Treasury Bills, cash and a Global Master Securities Lending Agreement ("GMSLA") with UBS AG, London Branch, segregated for each of Series 2017-1, 2017-2, 2017-3, 2017-4, 2017-6 and 2017-9.
- USD 61,000,000 Diversified Emerging Market Bond Fiduciary Notes (Series 2017-5) comprise Series 237 USD 150,000 Secured CIO DEMBI Note I due 2027 (XS1698503304).

- Japanese T-Bill Treasury Enhanced Yield Fiduciary Notes comprise Japanese Treasury Bills, cash and a Global Master Securities Lending Agreement ("GMSLA") with UBS AG, London Branch, segregated for Series 2017-8.

Notes in issuance as of 31 December 2017

Nature of Transaction*	ISIN	Currency	Nominal Amount	Initial Issuance Date	Most recent Extension Date	Final Maturity Date	Issuance Price	Market Price 31.12.2017
EJR 8,240,000 High Yield Bond Basket Fiduciary Notes, 2016-2								
Issuance	XS1346295170	EUR	8,240,000.00	12/02/2016	n/a	09/08/2021	100.0000%	105.9336%
US Treasury Enhanced Yield Fiduciary Notes, 2017-1								
Issuance / Extension	XS1604447547	USD	790,750,000.00	19/05/2017	16/11/2017	09/05/2024	100.0000%	100.2127%
US Treasury Enhanced Yield Fiduciary Notes, 2017-2								
Issuance / Extension	XS1623643241	USD	893,690,000.00	16/06/2017	14/12/2017	06/06/2024	100.0000%	100.0938%
US Treasury Enhanced Yield Fiduciary Notes, 2017-3								
Issuance / Extension	XS1637160208	USD	970,800,000.00	14/07/2017	12/10/2017	05/07/2024	100.0000%	100.3344%
US Treasury Enhanced Yield Fiduciary Notes, 2017-4								
Issuance	XS1677209519	USD	180,750,000.00	05/10/2017	n/a	26/09/2024	100.0000%	100.3444%
Diversified Emerging Market Bond Fiduciary Notes, 2017-5								
Issuance / Increase	XS1687334372	USD	61,000,000.00	17/10/2017	n/a	22/06/2027	100.0000% **	100.0482%
US Treasury Enhanced Yield Fiduciary Notes, 2017-6								
Issuance	XS1694656148	USD	218,930,000.00	02/11/2017	n/a	24/10/2024	100.0000%	100.2380%
Japanese T-Bill Enhanced Yield Fiduciary Notes, 2017-8								
Issuance	XS1711921962	JPY	20,000,000,000.00	13/11/2017	n/a	14/11/2022	100.0000%	99.9846%
US Treasury Enhanced Yield Fiduciary Notes, 2017-9								
Issuance	XS1709298530	USD	116,700,000.00	07/12/2017	n/a	28/11/2024	100.0000%	100.1161%

* US Treasury Enhanced Yield Fiduciary Notes and Japanese T-Bill Enhanced Yield Fiduciary Notes are extendible on a three month basis.

** The second (fungible) tranche has been issued with an issuance price of 99.641%.

Note 10 – Gross Profit

The net turnover includes issuance fees earned from UBS AG, London Branch of EUR 1,372,650.51 (2016: EUR 474,290.22).

On the 28th of July 2016, with effect of 7th of July 2016, the Company entered into an operating cost transfer agreement with UBS AG, London Branch. In the financial year 2017 an amount of EUR 68,107.57 (2016: EUR 48,573.42) of costs were re-charged and related income received.

EUR	<u>FY 2017</u>	<u>FY 2016</u>
Issuance fees received	1,372,650.51	474,290.22
Income from cost recovery agreement	68,107.57	48,573.42
Net turnover	1,440,758.08	522,863.64
External charges	1,440,066.28	522,858.96
Gross profit	691.80	4.68

The vast majority of the external charges consist of commissions paid to UBS (Europe) SE, Luxembourg Branch and Lantern Structured Asset Management Limited (2016 and until 5 May 2017: UBS Luxembourg Financial Group Asset Management S.A.) as well as professional fees for legal, tax, audit and accounting services received.

EUR	<u>FY 2017</u>	<u>FY 2016</u>
Commissions paid in relation to Fiduciary Assets	1,340,619.52	470,915.33
Professional fees	65,505.16	37,540.45
Other operating charges	33,941.60	14,403.18
External charges	1,440,066.28	522,858.96

Note 11 – Staff costs

The Company employed no staff during the business year.

No remuneration has been paid to the members of the Board of Directors in respect of their duties.

Note 12 – Tax on profit or loss

As of 31 December 2017 the Company is subject to normal corporate taxes applicable in Luxembourg.

Note 13 – Subsequent events

Note Issuances

On 23 January 2018 the Company issued Series 2017-10; the USD 41,538,000 Rolling Calendar Collar Leverage Fiduciary Notes. Underlying Assets are comprised of shares in PIMCO Funds Global Investors Series plc – Income Fund ("Pimco Shares") and a total return swap agreement under which the Company pays on a monthly basis the performance of the Pimco Shares to the swap counterparty and receives the performance of a portfolio of exchange traded options.

Board of Directors

With letter dated 19 February 2018, Holger Pfeiffer resigned as category B Director with effect as of the end of the day of receipt of the CSSF's non-objection regarding the appointment of any successor filling the vacancy by way of co-optation.

The resignation became effective with the receipt of the CSSF's non-objection letter on 20 April 2018 and Julian Mieli was appointed as category B Director of the Company in replacement of Holger Pfeiffer and Hermann Kranz was appointed as the new chairman of the Board of Directors with effect as of 21 April 2018.