



INFORMATION CIRCULAR: UBS AG

TO: Head Traders, Technical Contacts, Compliance Officers, Heads of ETF Trading, Structured Products Traders

FROM: Nasdaq / BX / PHLX Listing Qualifications Department

DATE: May 3, 2017

EXCHANGE-TRADED PRODUCT

	SYMBOL	CUSIP #
VelocityShares 1x Long VSTOXX Futures ETN	EVIX	90274E828
VelocityShares 1x Daily Inverse VSTOXX Futures ETN	EXIV	90274E810

INFORMATION ON THE SECURITIES

UBS AG (“UBS” or the “Issuer”) has issued several Exchange Traded Access Securities (“ETNs” or “Notes” or “Securities”) that are each linked to the performance of various indices. Each Index is designed to provide exposure to either a long or short position in first and second month futures contracts. The ETNs do not guarantee any return of principal. Investors should be willing to lose up to 100% of their investment if the Index declines.

VelocityShares 1x Long VSTOXX Futures ETN

The VelocityShares 1x Long VSTOXX Futures ETN (“EVIX”) are linked to the VSTOXX Short-Term Futures Investable Index (“EVIX Index”). The EVIX Index replicates the performance of a long position in a portfolio of VSTOXX futures designed to provide a long exposure to constant-maturity one-month forward, one-month implied volatilities on the underlying EURO STOXX 50 Index, taking into account the bid-ask spread in the roll procedure, which will reduce the value of the EVIX Index, and therefore EVIX. The EVIX Index continuously rolls on a daily basis from the first month VSTOXX futures contract to the second month contract. As a result of their long exposure to VSTOXX futures, EVIX are more likely to increase in value when the volatility of European equities increases and more likely to decrease in value when the volatility of European equities decreases.

VelocityShares 1x Daily Inverse VSTOXX Futures ETN

The VelocityShares 1x Daily Inverse VSTOXX Futures ETN (“EXIV”) are linked to the VSTOXX Short-Term Futures Inverse Investable Index (“EXIV Index”). The EXIV Index replicates the performance of a short position in a portfolio of VSTOXX futures designed to provide a short exposure to constant-maturity one-month forward, one-month implied volatilities on the underlying EURO STOXX 50 Index, taking into account the bid-ask spread in the roll procedure and the daily reset costs, which will reduce the value of

EXIV. The EXIV Index continuously rolls on a daily basis from a short position in the first month VSTOXX futures contract to a short position in the second month contract. As a result of their short exposure to VSTOXX futures, EXIV are more likely to increase in value when the volatility of European equities decreases and more likely to decrease in value when the volatility of European equities increases.

Please see the prospectus for the Notes for more details regarding the calculations and details regarding the Index.

It is expected that the market value of the Notes will depend substantially on the value of the Index and may be affected by a number of other interrelated factors including, among other things: the general level of interest rates, the volatility of the Index, the time remaining to maturity, the dividend yield of the stocks comprising the Index, and the credit ratings of the Issuer.

Trading in the Notes on NASDAQ is on a UTP basis and is subject to NASDAQ equity trading rules. Trading in the Notes on BX is on a UTP basis and is subject to BX equity trading rules. Trading in the Notes on PHLX's PSX system is on a UTP basis and is subject to PHLX rules. The Notes will trade on NASDAQ from 7:00 a.m. until 8:00 p.m. Eastern Time. The Notes will trade on BX from 8:00 a.m. until 7:00 p.m. Eastern Time. The Notes will trade on PSX from 9:00 a.m. until 5:00 p.m. Eastern Time. For trading during each market's pre-market and post-market sessions, market participants should note that additional risks may exist with respect to trading the Notes during these sessions, when the underlying index's value or similar value may not be disseminated.

NASDAQ will halt trading in the Notes in accordance with NASDAQ Rule 4120. BX will halt trading in the Notes in accordance with BX Equity Rule 4120. PHLX will halt trading in the Notes in accordance with PHLX Rule 3100. The grounds for a halt under each of these rules include a halt by the primary market because the value of the underlying index or a similar value is not being disseminated as required, or a halt for other regulatory reasons. In addition, NASDAQ, BX and PHLX will also stop trading the Notes if the primary market delists the Notes.

Trading of the Notes on NASDAQ is subject to the provisions of NASDAQ Rule 2310. Trading of the Notes on BX is subject to the provisions of BX Rule 2310. Members recommending transactions in the Notes to customers should make a determination that the securities are suitable for the customer. In addition, members must possess sufficient information to satisfy the "know your customer" obligation that is embedded in the NASDAQ Conduct Rules and BX Conduct Rules.

Members and member organizations recommending transactions in the Notes to customers should make a determination that the recommendation is suitable for the customer, as provided by PHLX Rule 763.

Nasdaq members, BX members and PHLX members and member organizations should also review NASD Notice to Members 03-71 for guidance on trading these products. The Notice reminds members of their obligations to: (1) conduct adequate due diligence to understand the features of the product; (2) perform a reasonable-basis suitability analysis; (3) perform customer-specific suitability analysis in connection with any recommended transactions; (4) provide a balanced disclosure of both the risks and rewards associated with the particular product, especially when selling to retail investors; (5) implement appropriate internal controls; and (6) train registered persons regarding the features, risk and suitability of these products.

This Information Circular is not a statutory prospectus. NASDAQ members, BX members and PHLX members and member organizations should consult the registration statement or prospectus for the Notes for additional information.

Inquiries regarding this Information Circular should be directed to:

- Ben Haskell, Listing Qualifications, at 301.978.8092
- NASDAQ / BX/ PSX Market Sales at 800.846.0477