



BZX Information Circular 17-055

Date: May 2, 2017

Re: VelocityShares 1x Long and Daily Inverse VSTOXX Futures ETNs

Pursuant to the Rules of Bats BZX Exchange, Inc. ("BZX"), (referred to hereafter as "Bats" or the "Exchange"), this Information Circular is being issued to advise you that the following securities have been approved for trading on the Exchange pursuant to Chapter XIV of the Exchange's Rules.

<u>Securities (the "Notes")</u>	<u>Symbol</u>
VelocityShares 1x Long VSTOXX Futures ETN linked to the VSTOXX Short-Term Futures Investable Index due May 3, 2047	EVIX
VelocityShares 1x Daily Inverse VSTOXX Futures ETN linked to the VSTOXX Short-Term Futures Inverse Investable Index due May 3, 2047	EXIV

Commencement of Trading on the Exchange: May 3, 2017

Issuer/Trust: UBS AG

Issuer Website: www.ubs.com

Primary Listing Exchange: Bats BZX Exchange

The purpose of this information circular is to outline various rules and policies that will be applicable to trading in this new product on the Exchange, as well as to provide certain characteristics and features of the Notes.

Background Information on the Fund

As more fully explained in the Prospectus Supplement dated May 2, 2017 and Prospectus dated April 29, 2016 for the VelocityShares 1x Long VSTOXX Futures ETN linked to the VSTOXX Short-Term Futures Investable Index due May 3, 2047 and the VelocityShares 1x Daily Inverse VSTOXX Futures ETN linked to the VSTOXX Short-Term Futures Inverse Investable Index due May 3, 2047 (File No. 333-204908), the return of the ETNs is linked to the VSTOXX Short-Term Futures Investable Index and the VSTOXX Short-Term Futures Inverse Investable Index (the "Index"). The ETNs are designed to provide exposure to either a long or short position in first and second month VSTOXX futures contracts. The ETNs do not guarantee any return of principal and do not pay any interest during their term. For each ETN, investors will be entitled to receive a cash payment at maturity, upon early redemption or upon acceleration, as applicable, that will be

linked to the performance of the Index, minus any applicable fees. The ETNs are unsecured debt obligations of UBS AG (the “Issuer”).

The ETNs are subject to early redemption or acceleration in whole or in part at any time. Accordingly, an investor should not expect to be able to hold the ETNs to maturity. Additionally, the ETNs do not guarantee any return of principal at, or prior to, maturity or call, or upon early redemption. Instead, at maturity, investors will receive a cash payment, the amount of which will vary depending on the performance of the Index, reduced by any applicable fees, and may be zero.

The ETNs may be redeemed early, at the investor’s option, subject to a minimum redemption amount of 50,000 ETNs. Upon such early redemption, the investor will receive a cash payment that is based on the performance of the Index, less any applicable fees.

The ETNs’ initial indicative value current value on the initial valuation date will equal \$25.00. The closing indicative value of each series of ETNs on each business day after the inception date will be based on the closing level of the Index on that business day.

The Intraday Indicative Value for the ETNs will be disseminated by market data vendors under the symbol EVIX.IV for EVIX and EXIV.IV for EXIV.

Additional information regarding the ETNs, including information about redemption procedures, fees, and dividends can be found in the Prospectus and Prospectus Supplement.

Investment Risks

As described in the ETNs’ Prospectus Supplement, investing in the ETNs involves a number of risks not associated with an investment in conventional debt securities. An investment in the ETNs involves significant risks and is not appropriate for every investor. Investing in the ETNs is not equivalent to investing directly in the Index. Accordingly, the ETNs should be purchased only by knowledgeable investors who understand the terms of the investment in the ETNs and are familiar with the behavior of the Index and financial markets generally.

Interested persons are referred to the Prospectus for a full description of risks associated with an investment in the ETNs. These risks include, but are not limited to, loss of all or a substantial portion of an investment in the ETNs; no guaranteed minimum payment at maturity or call, or upon acceleration or early redemption, nor do they pay interest or any coupon amount; the ETNs may be accelerated and redeemed, resulting in a loss of all or a substantial portion of an investment; there is a restriction on the minimum number of ETNs that may be redeemed and on the procedures and timing for early redemption; the redemption amount may not be known at the time a request to redeem is elected; and the market value of the ETNs may be influenced by many unpredictable factors. For a more complete description of the securities and the payment at maturity, valuation, fees and risk factors, consult the ETNs’ Prospectus Supplement.

Exchange Rules Applicable to Trading in the Notes

Trading in the Notes on Bats is subject to Bats equity trading rules.

Trading Hours

The Notes will trade on Bats between 8:00 a.m. and 5:00 p.m. ET. The Notes will trade on EDGA and EDGX between 8:00 a.m. and 8:00 p.m. ET.

Please note that trading in the Notes during the Exchange's Pre-Opening and After Hours/Post Closing Trading Sessions ("Extended Market Sessions") may result in additional trading risks which include: (1) that the current underlying indicative value may not be updated during the Extended Market Sessions, (2) lower liquidity in the Extended Market Sessions may impact pricing, (3) higher volatility in the Extended Market Sessions may impact pricing, (4) wider spreads may occur in the Extended Market Sessions, and (5) because the indicative value is not calculated or widely disseminated during the Extended Market Sessions, an investor who is unable to calculate an implied value for the Shares in those sessions may be at a disadvantage to market professionals.

Suitability

Trading in the securities on the Exchange will be subject to the provisions of Exchange Rule 3.7. Members recommending transactions in the securities to customers should make a determination that the recommendation is suitable for the customer. Members should adopt appropriate procedures for the opening and maintaining of accounts, including the maintaining of records prescribed by any applicable regulatory organization and by the rules and regulations of the Commission.

Trading Halts

The Exchange will halt trading in the shares of a security in accordance with Exchange Rules. The grounds for a halt include a halt because the intraday indicative value of the security and/or the value of its underlying index are not being disseminated as required, a halt for other regulatory reasons or due to other conditions or circumstances deemed to be detrimental to the maintenance of a free and orderly market.

This Information Circular is not a statutory prospectus. Members should consult the Prospectus for a security and the security's website for relevant information.

Please contact Listings Services at 913.815.7260 with any inquiries regarding this Information Circular.