



Cboe BZX Exchange, Inc. Information Circular 18-127
Cboe BYX Exchange, Inc. Information Circular 18-127
Cboe EDGA Exchange, Inc. Information Circular 18-127
Cboe EDGX Exchange, Inc. Information Circular 18-127

Date: August 23, 2018

Re: \$100,000,000 ETRACS NYSE Pickens Core Midstream Index ETN due August 20, 2048

Pursuant to the Rules of Cboe BZX Exchange, Inc., Cboe BYX Exchange, Inc., Cboe EDGA Exchange, Inc., and Cboe EDGX Exchange, Inc. (referred to hereafter as the “Exchanges”), this Information Circular is being issued to advise you that the following securities have been approved for trading pursuant to unlisted trading privileges (“UTP”) on the Exchanges as UTP Derivative Securities pursuant to Chapter XIV of the Exchange’s Rules.

Securities (the “Notes”)

Symbol

\$100,000,000 ETRACS NYSE Pickens Core Midstream
Index ETN due August 20, 2048

PYPE

Commencement of Trading on the Exchanges: August 24, 2018

Issuer/Trust: UBS AG

Primary Listing Exchange: NYSE Arca

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

Background Information on the Notes

As more fully explained in the Preliminary Pricing Supplement dated August 20, 2018, Product Supplement dated August 20, 2018, and the Base Prospectus dated August 20, 2018 for the \$100,000,000 ETRACS NYSE Pickens Core Midstream Index ETN due August 20, 2048 (the “ETNs”) (File No. 333-204908), the return of the ETNs is linked to the NYSE Pickens Core Midstream Index (the “Index”). The ETNs do not guarantee any return of principal at maturity. The investor may receive periodic interest payments under the circumstances described in the pricing supplement and a cash payment at maturity or upon early redemption based on the performance of the Index. The ETNs are senior unsecured obligations of UBS AG (the “Issuer”), which mature on August 20, 2048.



The NYSE Pickens Core Midstream Index measures the performance of the common stock of corporations and units of master limited partnerships, which best represent U.S. midstream energy fundamentals, agnostic of entity structure.

ICE Data Indices, LLC serves as the index provider. The value of the Index is reported on Bloomberg.

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 and will be reduced by the accrued fees as of the last Business Day in the measurement period and may be zero.

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

The ETNs' initial indicative value current value on the initial valuation date will equal \$25.00. The closing indicative value on any business day after the inception date will be based on a monthly compounded two times leveraged participation in the performance of the Index.

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

Additional information regarding the ETNs, including information about redemption procedures, fees, and dividends can be found in the Product 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 and prospectus supplement for each of the ETNs for a full description of risks associated with an investment in the ETNs. These risks may include, but are not limited to, issuer creditworthiness; loss of all or a substantial portion of an investment in ETNs; no guaranteed minimum payment at maturity or call, or upon acceleration or early redemption, no payment of interest or any coupon amount; risks associated with the applicable index or reference asset; acceleration and redemption, resulting in a loss of all or a substantial portion of an investment; and restriction on the minimum number of ETNs that may be redeemed and on the procedures and timing for early redemption.



Exchange Rules Applicable to Trading in the Notes

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

Trading Hours

The Notes will trade on Cboe BZX Exchange, Inc. and Cboe BYX Exchange, Inc. between 8:00 a.m. and 5:00 p.m. ET. The Notes will trade on Cboe EDGA Exchange, Inc. and Cboe EDGX Exchange, Inc. between 8:00 a.m. and 8:00 p.m. ET.

Please note that trading in the Notes during the Exchanges' 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 Exchanges 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 Exchanges 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 913.815.7024 with any inquiries regarding this Information Circular.