

August 3, 2017

News Release

UBS declares coupon payments on ten monthly pay ETRACS Exchange Traded Notes

DVYL: linked to the Dow Jones U.S. Select Dividend Index

SDYL: linked to the S&P High Yield Dividend Aristocrats Index

MORL: linked to the Market Vectors Global Mortgage REITs Index

DVHL: linked to the NYSE Diversified High Income Index

CEFL: linked to the ISE High Income Index

LMLP: linked to the Wells Fargo MLP Ex-Energy Index

HDLV: linked to the Solactive US High Dividend Low Volatility Index

SMHD: linked to the Solactive US Small Cap High Dividend Index

LRET: linked to the MSCI US REIT Index

MRRL: linked to the Market Vectors Global Mortgage REITs Index

New York, August 3, 2017 – [UBS Investment Bank](#) today announced coupon payments for ten [ETRACS](#) Exchange Traded Notes (the “ETNs”), all traded on the NYSE Arca.

NYSE Ticker	ETN Name and Prospectus/ Pricing Supplement*	Valuation Date	Ex-Date	Record Date	Payment Date	Coupon Amount	Payment Schedule	Current Yield (annualized)**
DVYL	ETRACS Monthly Pay 2xLeveraged Dow Jones Select Dividend Index ETN	7/31/17	8/9/17	8/11/17	8/21/17	\$0.1526	Monthly	6.96%
SDYL	ETRACS Monthly Pay 2xLeveraged S&P Dividend ETN	7/31/17	8/9/17	8/11/17	8/21/17	\$0.2695	Monthly	5.28%
MORL	ETRACS Monthly Pay 2xLeveraged Mortgage REIT ETN	7/31/17	8/9/17	8/11/17	8/21/17	\$0.0962	Monthly	18.83%
DVHL	ETRACS Monthly Pay 2xLeveraged Diversified High Income ETN	7/31/17	8/9/17	8/11/17	8/21/17	\$0.1527	Monthly	13.61%
CEFL	ETRACS Monthly Pay 2xLeveraged Closed-End Fund ETN	7/31/17	8/9/17	8/11/17	8/21/17	\$0.2445	Monthly	14.68%
LMLP	ETRACS 2xLeveraged Wells Fargo MLP Ex-Energy ETN	7/31/17	8/9/17	8/11/17	8/21/17	\$0.0598	Monthly	11.00%

NYSE Ticker	ETN Name and Prospectus/ Pricing Supplement*	Valuation Date	Ex-Date	Record Date	Payment Date	Coupon Amount	Payment Schedule	Current Yield (annualized)**
HDLV	ETRACS Monthly Pay 2xLeveraged US High Dividend Low Volatility ETN	7/31/17	8/9/17	8/11/17	8/21/17	\$0.2176	Monthly	10.39%
SMHD	ETRACS Monthly Pay 2xLeveraged US Small Cap High Dividend ETN	7/31/17	8/9/17	8/11/17	8/21/17	\$0.1281	Monthly	18.19%
LRET	ETRACS Monthly Pay 2xLeveraged MSCI US REIT Index ETN	7/31/17	8/9/17	8/11/17	8/21/17	\$0.0842	Monthly	7.83%
MRRL	ETRACS Monthly Pay 2xLeveraged Mortgage REIT ETN Series B	7/31/17	8/9/17	8/11/17	8/21/17	\$0.0962	Monthly	18.83%

* The table above provides a hyperlink to the relevant prospectus and supplements thereto for each of our ETRACS ETNs, which are identified by their names. For more information on each ETRACS ETN, see "[List of ETNs](#)".

** Due to the monthly coupon payment schedule of these ETNs, "Current Yield (annualized)" equals the sum of the most recently announced Coupon Amount and the two immediately preceding Coupon Amounts, multiplied by four (to annualize such coupons), divided by the closing Current Indicative Value of the ETN on its current Coupon Valuation Date rounded to two decimal places for ease of analysis. The Current Yield is not indicative of future coupon payments, if any, on the ETN. You are not guaranteed any coupon or distribution amount under the ETN.

Note: The ETNs listed in the table pay a variable monthly coupon linked to the cash distributions, if any, on the respective underlying index constituents, less withholding taxes, if any. Variations in the amount of monthly distributions will lead to large variations in the Current Yield as calculated above. As such, the Current Yield for each is not indicative of future coupon payments, if any, on these ETNs.

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About ETRACS

ETRACS ETNs are senior unsecured notes issued by UBS AG, are traded on NYSE Arca, and can be bought and sold through a broker or financial advisor. **An investment in ETRACS ETNs is subject to a number of risks, including the risk of loss of some or all of the investor's principal, and is subject to the creditworthiness of UBS AG. Investors are not guaranteed any coupon or distribution amount under the ETNs. We urge you to read the more detailed explanation of risks described under "Risk Factors" in the applicable prospectus supplement, or product supplement and pricing supplement, as applicable, for the ETRACS ETN.**

UBS AG has filed a registration statement (including a prospectus and supplements thereto) with the Securities and Exchange Commission, or SEC, for the offerings of securities to which this communication relates. Before you invest, you should read the

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