

July 6, 2016

News Release

UBS declares coupon payments on twenty-three ETRACS Exchange Traded Notes

MLPI:	linked to the Alerian MLP Infrastructure Index
MLPQ:	linked to the Alerian MLP Infrastructure Index
MLPG:	linked to the Alerian Natural Gas MLP Index
MLPW:	linked to the Wells Fargo Master Limited Partnership Index
BDCS:	linked to the Wells Fargo Business Development Company Index
BDCL:	linked to the Wells Fargo Business Development Company Index
MLPB:	linked to the Alerian MLP Infrastructure Index, Series B
BDCZ:	linked to the Wells Fargo Business Development Company Index, Series B
LBDC:	linked to the Wells Fargo Business Development Company Index, Series B
RWXL:	linked to the Dow Jones Global ex-U.S. Select Real Estate Securities Index
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
DVHI:	linked to the NYSE Diversified High Income Index
DVHL:	linked to the NYSE Diversified High Income Index
CEFL:	linked to the ISE High Income Index
FMLP:	linked to the Wells Fargo MLP Ex-Energy 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
MLPZ:	linked to the S&P MLP Index
MRRL:	linked to the Market Vectors Global Mortgage REITs Index, Series B

New York, July 6, 2016 – [UBS Investment Bank](#) today announced coupon payments for twenty-three [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)
MLPI**	ETRACS Alerian MLP Infrastructure ETN	6/30/16	7/12/16	7/14/16	7/22/16	\$0.4470	Quarterly	6.31%
MLPQ**	ETRACS 2x Monthly Leveraged Long Alerian MLP Infrastructure ETN	6/30/16	7/12/16	7/14/16	7/22/16	\$1.6106	Quarterly	11.95%
MLPG**	ETRACS Alerian Natural Gas MLP Index ETN	6/30/16	7/12/16	7/14/16	7/22/16	\$0.3505	Quarterly	5.73%
MLPW**	ETRACS Wells Fargo MLP ETN	6/30/16	7/12/16	7/14/16	7/22/16	\$0.3629	Quarterly	6.16%
BDCS**	ETRACS Wells Fargo Business Development Company ETN	6/30/16	7/12/16	7/14/16	7/22/16	\$0.4530	Quarterly	8.73%
BDCL**	ETRACS 2x Leveraged Long Wells Fargo Business Development Company ETN	6/30/16	7/12/16	7/14/16	7/22/16	\$0.7100	Quarterly	17.04%
MLPZ**	ETRACS 2xMonthly Leveraged S&P MLP Index ETN	6/30/16	7/12/16	7/14/16	7/22/16	\$1.5929	Quarterly	11.53%
MLPB**	ETRACS Alerian MLP Infrastructure Index ETN Series B	6/30/16	7/12/16	7/14/16	7/22/16	\$0.4470	Quarterly	6.31%
BDCZ**	ETRACS Wells Fargo Business Development Company ETN Series B	6/30/16	7/12/16	7/14/16	7/22/16	\$0.4530	Quarterly	8.73%
LBDC**	ETRACS 2x Leveraged Long Wells Fargo Business Development Company ETN Series B	6/30/16	7/12/16	7/14/16	7/22/16	\$0.7100	Quarterly	17.04%
RWXL***	ETRACS Monthly Pay 2xLeveraged Dow Jones International Real Estate ETN	6/30/16	7/12/16	7/14/16	7/22/16	\$0.2112	Monthly	7.34%
DVYL***	ETRACS Monthly Pay 2xLeveraged Dow Jones Select Dividend Index ETN	6/30/16	7/12/16	7/14/16	7/22/16	\$0.3855	Monthly	6.89%
SDYL***	ETRACS Monthly Pay 2xLeveraged S&P Dividend ETN	6/30/16	7/12/16	7/14/16	7/22/16	\$0.3104	Monthly	5.30%
MORL***	ETRACS Monthly Pay 2xLeveraged Mortgage REIT ETN	6/30/16	7/12/16	7/14/16	7/22/16	\$0.6195	Monthly	20.80%
DVHI***	ETRACS Diversified High Income ETN	6/30/16	7/12/16	7/14/16	7/22/16	\$0.1609	Monthly	6.84%
DVHL***	ETRACS Monthly Pay 2xLeveraged Diversified High Income ETN	6/30/16	7/12/16	7/14/16	7/22/16	\$0.3023	Monthly	14.55%
CEFL***	ETRACS Monthly Pay 2xLeveraged Closed-End Fund ETN	6/30/16	7/12/16	7/14/16	7/22/16	\$0.3191	Monthly	19.69%
FMLP***	ETRACS Wells Fargo@ MLP Ex-Energy ETN	6/30/16	7/12/16	7/14/16	7/22/16	\$0.0036	Monthly	5.16%
LMLP***	ETRACS Monthly Pay 2xLeveraged Wells Fargo MLP Ex-Energy ETN	6/30/16	7/12/16	7/14/16	7/22/16	\$0.0189	Monthly	13.17%

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 2xLeveraged US High Dividend Low Volatility ETN	6/30/16	7/12/16	7/14/16	7/22/16	\$0.3245	Monthly	9.26%
SMHD***	ETRACS Monthly Pay 2xLeveraged US Small Cap High Dividend ETN	6/30/16	7/12/16	7/14/16	7/22/16	\$0.4242	Monthly	17.43%
LRET***	ETRACS Monthly Pay 2xLeveraged MSCI US REIT Index ETN	6/30/16	7/12/16	7/14/16	7/22/16	\$0.2950	Monthly	6.82%
MRRL***	ETRACS Monthly Pay 2xLeveraged Mortgage REIT ETN Series B	6/30/16	7/12/16	7/14/16	7/22/16	\$0.6195	Monthly	20.80%

* 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](#)".

** "Current Yield (annualized)" equals the current Coupon Amount, multiplied by four (to annualize such coupon), 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.

*** "Current Yield (annualized)" equals the current 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: RWXL, DVYL, SDYL, MORL, DVHL, CEFL, LMLP, HDLV, SMHD, LRET, and MRRL pay a variable monthly coupon linked to 2 times the cash distributions, if any, on the respective underlying index constituents, less withholding taxes, if any. DVHI and FMLP pay a variable monthly coupon linked to the cash distributions, if any, on the 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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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 applicable prospectus, pricing or product supplement, dated as of various dates, and the prospectus dated April 29, 2016 to understand fully the terms of the securities and other considerations that are important in making a decision about investing in the ETRACS. The applicable offering document for each ETRACS may be obtained by clicking on the ticker symbol of each ETRACS identified above. You may also get these documents without cost by visiting EDGAR on the SEC website at www.sec.gov. The securities related to the offerings are not deposit liabilities and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency of the United States, Switzerland or any other jurisdiction.

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