



FOR IMMEDIATE RELEASE

VelocityShares™ Launches First European Volatility ETNs

Exchange Traded Notes EVIX and EXIV provide U.S. investors with the first products linked to European volatility futures.

Darien, CT (May 3rd, 2017) — VelocityShares, a Janus Capital Group, Inc. (NYSE:JNS) brand, today announced the launch of two new European volatility linked Exchange Traded Notes (“ETNs”):

- VelocityShares™ 1X Long VSTOXX Futures ETN (BATS: EVIX) linked to the VSTOXX Short-Term Futures Investable Index USD
- VelocityShares™ 1X Daily Inverse VSTOXX Futures ETN (BATS: EXIV) linked to the VSTOXX Short-Term Futures Inverse Investable Index USD

EVIX and EXIV are linked to indices on VSTOXX Short-Term Futures, a widely traded measure of European equity market volatility. The VSTOXX Short-Term Futures Investable Index replicates the performance of a long position in a portfolio of VSTOXX futures designed to provide exposure to constant-maturity one-month forward, one-month implied volatilities on the underlying EURO STOXX 50® Index. The VSTOXX Short-Term Futures Inverse Investable Index replicates the performance of a short position in a portfolio of VSTOXX futures designed to provide exposure to constant-maturity one-month forward, one-month implied volatilities on the underlying EURO STOXX 50® Index.

“VelocityShares brought U.S investors the first ETPs providing inverse exposure to VIX futures, now broadly used by a wide range of sophisticated investors,” said Nick Cherney, Senior Vice President, Head of Exchange Products for Janus Capital Group. “The launch of EVIX and EXIV is in response to strong demand from our clients to have similar products with exposure to European volatility. VSTOXX is the premier measure of European equity volatility, and we are very pleased to be able to bring these products to market with UBS, STOXX, Eurex, and BATS.”

Exchange-traded notes are senior, unsecured debt securities issued by financial institutions that provide knowledgeable investors with sophisticated tools for executing their trading strategies. There are restrictions on the minimum number of ETNs investors may redeem pursuant to the ETNs’ early redemption right. There may not be an active trading market in ETNs. The ETNs are subject to significant risks, as described in the prospectus supplement for the ETNs.

About Janus Capital Group Inc.

Janus Capital Group Inc. (JCG) is a global investment firm dedicated to delivering better outcomes for clients through a broad range of investment solutions, including fixed income, equity, alternative and multi-asset class strategies. It does so through a number of distinct asset management platforms, including investment teams within Janus Capital Management LLC (Janus), as well as INTECH Investment Management LLC (INTECH), Perkins Investment Management LLC (Perkins) and Kapstream Capital Pty Limited (Kapstream), in addition to a suite of exchange-traded products. Each team brings distinct asset class expertise, perspective, style-specific experience and a disciplined approach to risk. Investment strategies are offered through open-end funds domiciled in both the U.S. and offshore, as well as through separately managed accounts, collective investment trusts and exchange-traded products. Based in Denver, JCG also has offices located in 12 countries throughout North America, Europe, Asia and Australia. The firm had complex-wide assets under management and ETN assets totaling \$201.9 billion as of March 31, 2017.

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An investment in the ETNs involves significant risks. Please read the more detailed explanation of risks relating to an investment in the ETNs in “Risk Factors” in the prospectus supplement (available at the hyperlink below).

The ETNs are complex securities that require an understanding of futures contracts denominated in a foreign currency, volatility of international securities markets, currency markets, the nature of the underlying securities market, index construction and calculation, and the path dependence of investment returns and are intended for sophisticated investors to use as part of an overall diversified portfolio, and should not be used as a buy and hold investment. The ETNs are intended to be daily trading tools for sophisticated investors to manage daily trading risks as part of an overall diversified portfolio. They are designed to achieve their stated investment objectives on a daily basis, and their performance over longer periods of time can differ significantly from their stated daily objectives. The ETNs are riskier than securities that have intermediate or long-term investment objectives, and may not be suitable for investors who plan to hold them for a period other than one day. Investing in the ETNs involves significant risks and the ETNs may not be suitable as a long-term investment or a “buy and hold” strategy. The ETNs should be purchased only by sophisticated investors who understand the potential consequences of investing in volatility indices and of seeking long and inverse investment returns, the nature of the underlying securities market, currency markets, index construction and calculation, and the path dependence of investment returns, and who are prepared to actively and frequently monitor their investments in the Securities, even intraday.

The ETNs are risky and may not be suitable for investors who plan to hold them for longer periods of time.

The ETNs are subject to a daily investor fee calculated at the rate of 1.35% per annum. The ETNs also include a redemption fee and creation fee, and may also include transaction costs. Please see the prospectus supplement for more details.

The maturity date of the ETNs is May 3, 2047. The ETN issuer has a call right to redeem all outstanding ETNs at any time on or after May 9, 2018 as described in the prospectus supplement. The amount you receive upon a call may be less than you would receive at maturity or if you elected to redeem.

The ETNs do not pay any interest and do not guarantee any payment at maturity or upon call, acceleration or early redemption. The ETNs are fully exposed to a decline in the level of the index and you may lose all or a significant portion of your investment in the ETNs.

The ETNs are senior unsecured debt obligations of the issuer, UBS AG, and are not, either directly or indirectly, an obligation of or guaranteed by any other party. Any payment to be made on the ETNs, including any payment at maturity, or upon call, acceleration or early redemption, depends on the ability of UBS to satisfy its obligations as they come due. As a result, the actual and perceived creditworthiness of UBS will affect the market value, if any, of the ETNs prior to maturity, call, acceleration or early redemption. In addition, in the event UBS were to default on its obligations, you may not receive any amounts owed to you under the terms of the ETNs.

There may not be an active trading market in the ETNs; sales in the secondary market may result in significant losses.

There are restrictions on the minimum number of ETNs you may redeem and on the procedures and timing for early redemption, and any early redemption is subject to the "Redemption Fee Amount," as described in the prospectus supplement.

The ETNs are designed to achieve their stated investment objectives over the short-term, and their performance over longer periods of time can differ from their stated objectives. In addition, investors in VSTOXX futures contracts must roll their VSTOXX futures positions from one month to the next, in order to maintain their exposure because futures positions, unlike positions in securities, cannot be held indefinitely and require frequent transactions in order to be maintained. Assuming a constant futures curve, the need to maintain a constant exposure to VSTOXX futures creates the potential for positive or negative returns based on the shape of the VSTOXX futures curve (i.e. whether the market for VSTOXX futures is in contango or in backwardation). These changes are separate from outright movements in VSTOXX futures or the bid-offer costs applicable on a per-transaction basis. As a result, the return on a position in VSTOXX futures (and therefore the return on an ETN linked to an index of VSTOXX futures) may vary significantly from the percentage changes of the VSTOXX index over the same period.

Typically, though not in all market conditions, this implied “roll cost” significantly decreases the return for investors who are long VSTOXX futures. As a result of this implied “roll cost” and other factors that may cause the value of the ETNs to decrease, and the combined negative effect of the “Daily Investor Fee”, bid-offer spreads and, in the case of the Inverse ETNs, any reset costs, there is a significant possibility that the amount payable on the ETNs at maturity or upon call, early redemption or acceleration will be less than the amount of your initial investment in the ETNs, and that you will lose part or all of your initial investment if you hold the ETNs for a long period of time. We do not expect that any investor will hold the ETNs from inception to maturity. Accordingly, the ETNs should be purchased only by sophisticated investors who understand the consequences of investing in volatility indices and of seeking inverse investment results, the nature of the underlying securities market, currency markets, index construction and calculation, and the path dependence of investment returns, and who will actively and frequently monitor their investment in the ETNs, even intraday.

The index sponsor may adjust the index in a way that affects the index closing level, and the index sponsor has no obligation to consider your interests as a holder of the ETNs.

The VSTOXX is a benchmark index designed to measure the 30-day implied volatility in large cap European stocks and is calculated based on the prices of certain put and call options on the EURO STOXX 50® Index. Assuming all other relevant factors remain constant, as the prices of options on the EURO STOXX 50® Index generally increase, the VSTOXX, which indirectly measures implied volatility by measuring changes in these option prices, typically increases. The VSTOXX has historically had a negative correlation to the EURO STOXX 50® Index. EURO STOXX 50® Index provides a blue-chip representation of supersector leaders in the euro zone. The index covers 50 stocks from 11 euro zone countries: Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal, and Spain.

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VelocityShares is a trade name used by Janus Distributors LLC, in connection with the marketing services it provides for the VelocityShares-branded ETNs. Janus Distributors LLC, a registered broker-dealer, does not offer or sell the ETNs, and will only conduct business in states in which it is registered, unless it is otherwise excluded or exempted from being registered in each state. Janus and UBS are not affiliated.

UBS AG has filed a registration statement (including a prospectus and a supplement thereto) with the Securities and Exchange Commission (“SEC”) for the ETNs. Before you invest, you should read the prospectus supplement dated May 2, 2017 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 ETNs. The prospectus supplement for the ETNs may be obtained by clicking <https://www.sec.gov/Archives/edgar/data/1114446/000119312517154111/d373290d424b2.htm>. You may also get these documents without cost by visiting EDGAR on the SEC website at www.sec.gov. Investors should read the more detailed explanation of risks described under “Risk Factors” in the prospectus supplement for the ETNs.

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