

UBS AG
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PROSPECTUS ADDENDUM

**(to Product Supplement dated November 14, 2014,
Amendment
No. 1, dated November 14, 2014, to Pricing
Supplement dated
June 24, 2014 and Prospectus dated October 31,
2018)**

UBS AG

UBS SWITZERLAND AG

ETRACS Monthly Pay 2xLeveraged Wells Fargo MLP Ex-Energy ETN due June 24, 2044

This prospectus addendum relates to the series of outstanding Exchange Traded Access Securities entitled ETRACS Monthly Pay 2xLeveraged Wells Fargo MLP Ex-Energy ETN due June 24, 2044 (the Securities), which was previously issued by UBS AG and is part of a series of debt securities entitled Medium Term Notes, Series A. The Securities were initially registered, and all or a portion were initially offered and sold, under registration statements previously filed by UBS AG. When UBS AG initially registered your Securities, UBS AG prepared a pricing supplement (as amended or supplemented from time to time), referred to as the original pricing supplement, relating to the Securities. UBS AG also prepared a product supplement (as amended from time to time), referred to as the product supplement, dated as of November 14, 2014, which supplements and forms part of the original pricing supplement. The original pricing supplement, which is Amendment No. 1, dated November 14, 2014, to the pricing supplement dated June 24, 2014, and the product supplement were attached to a base prospectus, which has been replaced from time to time, most recently by a base prospectus dated December 27, 2017. This prospectus addendum and the original pricing supplement and product supplement will be used by UBS AG in connection with the continuous offering of the Securities.

UBS AG has prepared a new base prospectus dated October 31, 2018. This new base prospectus replaces the base prospectus dated December 27, 2017. Because, except as provided herein, the terms of your Securities otherwise have remained the same, UBS AG is continuing to use the original pricing supplement and product supplement. As a result, you should read the original pricing supplement and product supplement for your Securities, which give the specific terms of your Securities, together with the new base prospectus dated October 31, 2018. When you read these documents, please note that all references in the original pricing supplement and product supplement to the base prospectus dated as of a date prior to October 31, 2018, or to any sections of the prior base prospectus, should refer instead to the new base prospectus dated October 31, 2018, or to the corresponding section of that new base prospectus. In addition, please note that instead of using the website links in the original pricing supplement and

product supplement to the base prospectus dated as of a date prior to October 31, 2018, you should use the following website link to access the new base prospectus dated October 31, 2018:

<http://www.sec.gov/Archives/edgar/data/1114446/000119312518314023/d612032d424b3.htm>

Please also disregard the table of contents for the base prospectus dated as of a date prior to October 31, 2018 that is provided in the original pricing supplement and product supplement. A table of contents for the new base prospectus is provided on page i of the new base prospectus.

Supplemental Risk Factor Disclosure

Differences between the Securities and Bank Deposits

An investment in the Securities may give rise to higher yields than a bank deposit placed with UBS or with any other investment firm in the UBS Group (a UBS Bank Deposit). However, an investment in the Securities carries risks which are very different from the risk profile of a UBS Bank Deposit. The Securities are expected to have greater liquidity than a UBS Bank Deposit since UBS Bank Deposits are generally not transferable. However, the Securities may have no established trading market when issued, and one may never develop. Investments in the Securities do not benefit from the protection provided pursuant to Directive 2014/49/EU of the European Parliament and of the Council of the European Union on deposit guarantee schemes or any national

implementing measure implementing this Directive in any jurisdiction. Therefore, if we become insolvent or default on our obligations, investors investing in such Securities in a worst case scenario could lose their entire investment. Further, if UBS experiences financial difficulties, the Swiss Financial Market Supervisory Authority has the power to open resolution or liquidation proceedings or impose protective measures in relation to UBS Group AG, UBS AG or UBS Switzerland AG, and holders of the Securities may be subject to write-down or conversion into equity on any application of the general bail-in tool and non-viability loss absorption, which may result in such holders losing some or all of their investment.

Supplemental Tax Disclosure

The following supplements and updates the discussion under Material U.S. Federal Income Tax Consequences Non-United States Holders in the accompanying pricing supplement and is intended to be read in conjunction with the discussion therein.

The Securities may be subject to withholding tax pursuant to regulations under Section 871(m) of the Code with respect to instruments that are issued (or deemed issued) on or after January 1, 2017. In general, these regulations impose a 30% withholding tax (subject to reduction under an applicable treaty) on deemed dividend amounts with respect to certain notes held by non-U.S. holders that reference U.S. equities or indices that include U.S. equities (unless that income is effectively connected with the holder's conduct of a trade or business in the United States). The regulations only apply to a contract that is issued before January 1, 2019 if the contract is a delta-one contract (i.e., a contract that provides for delta-one exposure to underlying U.S. corporations). We believe and we intend to take the position that the Securities should be treated as delta-one contracts for this purpose.

Withholding under Section 871(m) of the Code generally applies only to transactions that reference U.S. stocks. However, special rules under the Section 871(m) regulations provide that a transaction that references certain partnerships that hold significant investments in U.S. stocks (Covered Partnerships) will be treated as referencing the U.S. stocks owned by the Covered Partnerships. We believe that some of the Index Constituents will be Covered Partnerships, and that accordingly, subject to the discussion in the following paragraph, Securities that are issued on or after January 1, 2017 will be subject to Section 871(m) of the Code. If applicable, the Section 871(m) tax will be based on the dividends that are paid on or after January 1, 2017 during a non-U.S. holder's holding period in a Security with respect to U.S. stocks that are held by a Covered Partnership in the Index or any U.S. stocks that are included in the Index (to the extent of the notional interest in the Covered Partnership or stock that is referenced by the holder's Security).

Notwithstanding the general rule described above, the Section 871(m) regulations provide that instruments that reference a qualified index generally are not subject to withholding under Section 871(m). Although it is not entirely clear whether and how the qualified index rules apply to an index that includes partnerships, it is possible that the Index will be treated as a qualified index if U.S. stocks represent less than 10% of the value of the Index, after looking-through to the U.S. stocks that are held by the Covered Partnerships in the Index. We do not currently have sufficient information to determine whether the Index is a qualified index. Therefore, although it is possible that we will determine that the Index should be treated as a qualified index in the future, we currently intend to treat Securities that are issued on or after January 1, 2017 as subject to withholding tax under Section 871(m).

We have issued Securities for tax purposes after January 1, 2017, and we may do so in the future. Furthermore, it is possible that the Securities could be deemed to be reissued for tax purposes upon a rebalancing of the Index, in which case Securities that are issued before January 1, 2017 would be deemed to be newly issued upon a rebalancing of the Index after such date. Moreover, Securities that are issued (or deemed issued) on or after January 1, 2017 will have the same CUSIP and ISIN number as Securities that were issued before that date, and accordingly there is unlikely to be a practical way to distinguish among Securities that are subject to withholding under this regime and those that are not. Accordingly, non-U.S. holders of Securities should generally assume that withholding agents will treat them for

Section 871(m) purposes as having acquired Securities that were issued on or after January 1, 2017.

As noted in the accompanying pricing supplement, we intend to treat Coupon Amounts that are paid to a non-U.S. holder as subject to a 30% withholding tax (unless that income is effectively connected with the holder's conduct of a trade or business in the United States). We believe that such withholding should generally equal or exceed the 30% withholding tax on dividend equivalent payments that is required by Section 871(m) and therefore, subject to the discussion below, no additional U.S. withholding tax should be required under Section 871(m) in respect of payments on the Securities. Nevertheless, in certain cases, the application of Section 871(m) to the Securities could increase a non-U.S. holder's substantive U.S. federal income tax liability with respect to the Securities. For example, a non-U.S. holder that sells Securities between Coupon Payment Dates could be subject to additional U.S. withholding tax under Section 871(m) in respect of any dividends that were received by the Covered Partnerships in the Index or distributed in respect of any U.S. stocks in the Index, in each case since the last Coupon Payment Date for the Securities. Additionally, Section 871(m) may limit a non-U.S. holder's ability to claim a refund in respect of any U.S. withholding tax that is imposed with respect to the Securities.

In addition, it is possible that a withholding agent will take the position that the Section 871(m) tax with respect to the Securities should be imposed in addition to the 30% withholding tax on the Coupon Amounts, in which case the application of Section 871(m) to the Securities could significantly increase a non-U.S. holder's tax liability in respect of the Securities. This risk will be increased if a withholding agent elects to impose Section 871(m) withholding on the date that an underlying dividend is paid (or at the close of an applicable quarter), rather than imposing the tax on a payment date with respect to the Securities. In addition, if a withholding agent makes this election, it may collect the tax from other assets that the non-U.S. holder has in its custody. A non-U.S. holder should consult its tax advisor regarding this risk.

In addition, while the Securities should initially be grandfathered from the Foreign Account Tax Compliance Act (FATCA) rules that impose a 30% withholding tax on certain payments to investors and intermediaries that fail to comply with certain certification and information reporting requirements, any payments on the Securities that are subject to Section 871(m) withholding tax will also be subject to FATCA withholding if the investor or intermediary does not comply with the applicable FATCA certification and identification requirements.

The new regulations issued under 871(m) of the Code are complex, and aspects of their impact on the Securities are not entirely clear at this time. Significantly in this respect, it is not clear how non-U.S. holders and withholding agents should obtain the information necessary to determine the Section 871(m) tax with respect to dividends that are received by the Covered Partnerships in the Index in light of the limited public information regarding the U.S. stocks that are held by the Index components and the amount and timing of any dividends with respect to such stocks. Non-U.S. holders of Securities are, therefore, urged to consult their tax advisors and their custodians regarding the application of Section 871(m) to the Securities.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (EEA). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, MiFID II); (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the Insurance Mediation Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the Prospectus Directive). Consequently no key information document required by Regulation (EU) No 1286/2014 (the PRIIPs Regulation) for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

UBS AG, UBS Securities LLC, UBS Financial Services Inc. or any affiliate of UBS AG may use this prospectus addendum, together with the original pricing supplement and product supplement and the new base prospectus, in connection with offers and sales of the Securities in market-making transactions. Please see Supplemental Plan of Distribution in the original pricing supplement and product supplement and Plan of Distribution in the new base prospectus.

UBS Investment Bank

UBS Financial Services Inc.

Prospectus Addendum dated October 31, 2018