

UBS AG  
Form 424B2  
January 24, 2019

**The information in this preliminary pricing supplement is not complete and may be changed. We may not sell these Notes until the pricing supplement, the accompanying product supplement, the accompanying index supplement and the accompanying prospectus (collectively, the Offering Documents) are delivered in final form. The Offering Documents are not an offer to sell these Notes and we are not soliciting offers to buy these Notes in any state where the offer or sale is not permitted.**

**Subject to Completion**  
PRELIMINARY PRICING  
SUPPLEMENT

Dated January 24, 2019

Filed Pursuant to Rule 424(b)(2)

Registration Statement No.  
333-225551

(To Prospectus dated October 31,  
2018, Index Supplement dated  
October 31, 2018 and Product  
Supplement dated October 31,  
2018)

## **UBS AG \$ Trigger Autocallable Contingent Yield Notes**

Linked to the least performing of the S&P 500 Index and the Russell 2000 Index due on or about January 27, 2022

## **Investment Description**

UBS AG Trigger Autocallable Contingent Yield Notes (the Notes) are unsubordinated, unsecured debt securities issued by UBS AG (UBS or the issuer) linked to the least performing of the S&P 500 Index and the Russell 2000 Index. UBS will pay a contingent coupon on the coupon payment date only if the closing level of each underlying asset on the applicable observation date (including the final valuation date) is equal to or greater than its coupon barrier. Otherwise, no contingent coupon will be paid for the relevant coupon payment date. UBS will automatically call the Notes early if the closing level of each underlying asset on any observation date (Quarterly, beginning after 6 months) prior to the final valuation date is equal to or greater than its initial level. If the Notes are subject to an automatic call, UBS will pay on the applicable coupon payment date following such observation date (the call settlement date) a cash payment per Note equal to your principal amount plus the contingent coupon otherwise due, and no further payments will be owed to you under the Notes. If the Notes are not subject to an automatic call and the closing level of each underlying asset on the final valuation date (the final level) is equal to or greater than its downside threshold, UBS will pay you a cash payment per Note equal to the principal amount. If, however, the Notes are not subject to an automatic call and the final level of any underlying asset is less than its downside threshold, UBS will pay you a cash payment per Note that is less than the principal amount, if anything, resulting in a percentage loss on your initial investment equal to the percentage decline in the least performing underlying asset from the trade date to the final valuation date (the underlying return) and, in extreme situations, you could lose all of your initial

investment. The "least performing underlying asset" is the underlying asset with the lowest underlying return as compared to any other underlying asset. **Investing in the Notes involves significant risks. You may lose a significant portion or all of your initial investment and may not receive any contingent coupon during the term of the Notes. You will be exposed to the market risk of each underlying asset on each observation date and on the final valuation date and any decline in the level of one underlying asset may negatively affect your return and will not be offset or mitigated by a lesser decline or any potential increase in the level of any other underlying asset. Generally, a higher contingent coupon rate on a Note is associated with a greater risk of loss and a greater risk that you will not receive contingent coupons over the term of the Notes. The contingent repayment of principal applies only at maturity. Any payment on the Notes, including any repayment of principal, is subject to the creditworthiness of UBS. If UBS were to default on its payment obligations you may not receive any amounts owed to you under the Notes and you could lose all of your initial investment.**

## Features

**Potential for Periodic Contingent Coupons** UBS will pay a contingent coupon on a coupon payment date only if the closing level of each underlying asset is equal to or greater than its coupon barrier on the applicable observation date (including the final valuation date). Otherwise, if the closing level of any underlying asset is less than its coupon barrier on the applicable observation date, no contingent coupon will be paid for the relevant coupon payment date.

**Automatic Call Feature** UBS will automatically call the Notes and pay you the principal amount of your Notes plus the contingent coupon otherwise due on the related coupon payment date if the closing level of any underlying asset is equal to or greater than its initial level on any observation date Quarterly, beginning after 6 months prior to the final valuation date. If the Notes were previously subject to an automatic call, no further payments will be owed to you under the Notes.

**Contingent Repayment of Principal at Maturity with Potential for Full Downside Market Exposure** If by maturity the Notes have not been subject to an automatic call and the final level of each underlying asset is equal to or greater than its downside threshold, UBS will repay you the principal amount per Note at maturity. If, however, the final level of any underlying asset is less than its downside threshold, UBS will pay you a cash payment per Note that is less than the principal amount, if anything, resulting in a percentage loss on your investment equal to the underlying return of the least performing underlying asset. The contingent repayment of principal applies only if you hold the Notes to maturity. Any payment on the Notes including any repayment of principal, is subject to the creditworthiness of UBS.

## Key Dates\*

Trade Date	January 24, 2019
Settlement Date	January 28, 2019
Observation Dates	Quarterly (callable after 6 months) (see page )
Final Valuation Date	January 24, 2022
Maturity Date	January 27, 2022

\*Expected. See page 2 for additional details.

**Notice to investors: the Notes are significantly riskier than conventional debt instruments. The issuer is not necessarily obligated to repay the principal amount of the Notes at maturity, and the Notes may have the same downside market risk as the least performing underlying asset. This market risk is in addition to the credit risk inherent in purchasing a debt obligation of UBS. You should not purchase the Notes if you do not understand or are not comfortable with the significant risks involved in investing in the Notes.**

**You should carefully consider the risks described under Key Risks beginning on page and under Risk Factors beginning on page PS-17 of the Trigger Autocallable Contingent Yield Notes("TACYN") product supplement before purchasing any Notes. Events relating to any of those risks, or other risks and uncertainties, could adversely affect the market value of, and the return on, your Notes. You may lose a significant portion or all of your initial investment in the Notes. The Notes will not be listed or displayed on any securities exchange or any electronic communications network.**

## Note Offering

These preliminary terms relate to Notes we are offering linked to the least performing of the S&P 500 Index and the Russell 2000 Index. The final terms of the Notes will be set on the trade date.

Underlying Asset	Bloomberg Ticker	Contingent Coupon Rate	Initial Levels	Downside Thresholds	Coupon Barriers	CUSIP	ISIN
S&P 500 Index	SPX	7.65% to 8.24% per annum		, 80.00% of the Initial Level	, 80.00% of the Initial Level	90270KXA2	US90270KXA23
Russell 2000 Index	RTY			, 80.00% of the Initial Level	, 80.00% of the Initial Level		

The estimated initial value of the Notes as of the trade date is expected to be between \$939.60 and \$964.60 for Notes linked to the least performing of the S&P 500 Index and the Russell 2000 Index. The range of the estimated initial value of the Notes was determined on the date hereof by reference to UBS internal pricing models, inclusive of the internal funding rate. For more information about secondary market offers and the estimated initial value of the Notes, see Key Risks Fair value considerations and Limited or no secondary market and secondary market price considerations on pages 5 and 6 of this supplement.

**See Additional Information about UBS and the Notes on page [pageref addinformation ?](#). The Notes will have the terms set forth in the TACYN product supplement relating to the Securities, dated [.] , the accompanying prospectus and this preliminary pricing supplement.**

**Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these Securities or passed upon the adequacy or accuracy of this preliminary pricing supplement, the TACYN product supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.**

The Notes are not bank deposits and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

Offering of Notes	Issue Price to Public		Underwriting Discount(1)(2)		Proceeds to UBS AG(1)(2)	
	Total	Per Note	Total	Per Note	Total	Per Note
		\$1,000.00		\$20.00		\$980.00

Notes linked to the least performing of the S&P 500 Index and the Russell 2000 Index

Our affiliate, UBS Securities LLC, will receive an underwriting discount of \$20.00 per principal amount for each (1) Note sold in this offering. UBS Securities LLC intends to re-allow the full amount of this discount to a third party dealer.

Certain registered investment advisers unaffiliated from UBS may purchase Notes from such third party dealer at a purchase price of at least \$980.00 per principal amount of the Notes, and such third party dealer, with respect to (2) sales made to such registered investment advisers, may forgo some or all of the underwriting discount with respect to such sales.

**UBS Securities LLC**

**UBS Investment Bank**

## **Additional Information about UBS and the Notes**

UBS has filed a registration statement (including a prospectus, as supplemented by an index supplement and a product supplement for the Notes) with the Securities and Exchange Commission (the SEC), for the offering to which this document relates. Before you invest, you should read these documents and any other documents related to the Notes that UBS has filed with the SEC for more complete information about UBS and this offering. You may obtain these documents for free from the SEC website at [www.sec.gov](http://www.sec.gov). Our Central Index Key, or CIK, on the SEC website is 0001114446.

**You may access these documents on the SEC website at [www.sec.gov](http://www.sec.gov) as follows:**

Market-linked Securities product supplement dated October 31, 2018

<https://www.sec.gov/Archives/edgar/data/1114446/000091412118002085/ub47016353-424b2.htm>

Index Supplement dated October 31, 2018

<https://www.sec.gov/Archives/edgar/data/1114446/000091412118002083/ub46174419-424b2.htm>

Prospectus dated October 31, 2018:

<https://www.sec.gov/Archives/edgar/data/1114446/000119312518314003/d612032d424b3.htm>

References to UBS, we, our and us refer only to UBS AG and not to its consolidated subsidiaries. In this document, Trigger Autocallable Contingent Yield Notes or the Notes refer to the Notes that are offered hereby. Also, references to the accompanying product supplement or Market-linked Securities product supplement mean the UBS product supplement, dated October 31, 2018, references to the index supplement mean the UBS index supplement, dated October 31, 2018 and references to accompanying prospectus mean the UBS prospectus, titled Debt Securities and Warrants, dated October 31, 2018.

This document, together with the documents listed above, contains the terms of the Notes and supersedes all other prior or contemporaneous oral statements as well as any other written materials including all other prior pricing terms, correspondence, trade ideas, structures for implementation, sample structures, brochures or other educational materials of ours. You should carefully consider, among other things, the matters set forth in Key Risks beginning on page 4 and in Risk Factors in the accompanying product supplement, as the Notes involve risks not associated with conventional debt securities. We urge you to consult your investment, legal, tax, accounting and other advisors before deciding to invest in the Notes.

If there is any inconsistency between the terms of the Notes described in the accompanying prospectus, the accompanying product supplement, the accompanying index supplement and this document, the following hierarchy will govern: first, this document; second, the accompanying product supplement; third, the accompanying index supplement; and last, the accompanying prospectus.

UBS reserves the right to change the terms of, or reject any offer to purchase, the Notes prior to their issuance. In the event of any changes to the terms of the Notes, UBS will notify you and you will be asked to accept such changes in connection with your purchase. You may also choose to reject such changes in which case UBS may reject your offer to purchase.

ii

## Investor Suitability

### **The Notes may be suitable for you if:**

You fully understand the risks inherent in an investment in the Notes, including the risk of loss of a significant portion or all of your initial investment. You understand and accept that an investment in the Notes is linked to the performance of the least performing underlying asset and not a basket of the underlying assets, that you will be exposed to the individual market risk of each underlying asset on each observation date and on the final valuation date and that you may lose a significant portion or all of your initial investment if the closing level of any underlying asset is less than its downside threshold on the final valuation date.

You can tolerate a loss of a significant portion or all of your initial investment and are willing to make an investment that may have the same downside market risk as a hypothetical investment in the least performing underlying asset or the stocks comprising the underlying assets (the "underlying constituents.") You are willing to receive no contingent coupons and believe the closing level of each underlying asset will be equal to or greater than its coupon barrier on the specified observation dates and the final level of

### **The Notes may not be suitable for you if:**

You do not fully understand the risks inherent in an investment in the Notes, including the risk of loss of a significant portion or all of your initial investment. You do not understand or are unwilling to accept that an investment in the Notes is linked to the performance of the least performing underlying asset and not a basket of the underlying assets, that you will be exposed to the individual market risk of each underlying asset on each observation date and on the final valuation date and that you may lose a significant portion or all of your initial investment if the closing level of any underlying asset is less than its downside threshold on the final valuation date.

You require an investment designed to provide a full return of principal at maturity.

You cannot tolerate a loss of a significant portion or all of your initial investment or are unwilling to make an investment that may have the same downside market risk as a hypothetical investment in

each underlying asset will be equal to or greater than its downside threshold on the final valuation date.

You can accept that the risks of each underlying asset are not mitigated by the performance of any other underlying asset and the risks of investing in securities with a return based on the performance of multiple underlying assets.

You understand and accept that you will not participate in any appreciation of any underlying asset and that your potential return is limited to the contingent coupons specified in the applicable pricing supplement.

You can tolerate fluctuations in the price of the Notes prior to maturity that may be similar to or exceed the downside fluctuations in the levels of the underlying assets.

You would be willing to invest in the Notes based on the downside threshold(s) and coupon barrier(s) specified on the cover hereof and if the contingent coupon rate was set equal to the bottom of the range specified on the cover hereof (the actual contingent coupon rate will be set on the trade date).

You do not seek guaranteed current income from your investment and are willing to forgo any dividends paid on the underlying constituents.

You are willing to invest in Notes that may be subject to an automatic call and you are otherwise willing to hold such Notes to maturity and you accept that there may be little or no secondary market for the Notes.

You understand and are willing to accept the risks associated with the underlying assets.

You are willing to assume the credit risk of UBS for all payments under the Notes, and understand that if UBS defaults on its obligations you may not receive any amounts due to you including any repayment of principal.

You understand that the estimated initial value of the Notes determined by our internal pricing models is lower than the issue price and that should UBS Securities LLC or any affiliate make secondary markets for the Notes, the price (not including their customary bid-ask spreads) will temporarily exceed

the least performing underlying asset.

You are unwilling to receive no contingent coupons during the term of the Notes and believe that the closing level of at least one underlying asset will decline during the term of the Notes and is likely to be less than its coupon barrier on at least one observation date or that the final level of any underlying asset will be less than its downside threshold on the final valuation date.

You cannot accept that the risks of each underlying asset are not mitigated by the performance of any other underlying asset or the risks of investing in securities with a return based on the performance of multiple underlying assets.

You seek an investment that participates in the full appreciation in the levels of the underlying assets or that has unlimited return potential.

You seek an investment that participates in the full appreciation in the levels of the underlying assets or that has unlimited return potential.

You cannot tolerate fluctuations in the price of the Notes prior to maturity that may be similar to or exceed the downside fluctuations in the levels of the underlying assets.

You would be unwilling to invest in the Notes based on the downside threshold(s) or coupon barrier(s) specified on the cover hereof or if the contingent coupon rate was set equal to the bottom of the range specified on the cover hereof (the actual contingent coupon rate will be set on the trade date).

You seek guaranteed current income from this investment or prefer to receive any dividends paid on the underlying constituents.

You are unable or are unwilling to invest in Notes that may be subject to an automatic call, you are otherwise unable or unwilling to hold the Notes to maturity or you seek an investment for which there will be an active secondary market for the Notes. You do not understand or are unwilling to accept the risks associated with the underlying assets.

the internal pricing model price.

You are unwilling to assume the credit risk of UBS for all payments under the Notes, including any repayment of principal.

**The suitability considerations identified above are not exhaustive. Whether or not the Notes are a suitable investment for you will depend on your individual circumstances and you should reach an investment decision only after you and your investment, legal, tax, accounting and other advisors have carefully considered the suitability of an investment in the Notes in light of your particular circumstances. You should review Information About the Underlying Assets herein for more information on the underlying assets. You should also review carefully the Key Risks section herein for risks related to an investment in the Notes.**

## Preliminary Terms

Issuer: UBS AG, London Branch  
 Principal Amount: \$1,000 per Note  
 Term: Approximately 3 years, unless subject to an automatic call.  
 Underlying Assets: The S&P 500 Index and the Russell 2000 Index  
**If the closing level of each underlying asset is equal to or greater than its coupon barrier on any observation date (including the final valuation date), UBS will pay you the contingent coupon applicable to such observation date on the related coupon payment date.**

**If the closing level of any underlying asset is less than its coupon barrier on any observation date (including the final valuation date), the contingent coupon applicable to such observation date will not accrue or be payable and UBS will not make any payment to you on the relevant coupon payment date.**

Contingent Coupon and Contingent Coupon Rate:

The contingent coupon will be a fixed amount based upon equal periodic installments at the contingent coupon rate, which is a per annum rate. The table below sets forth the range of the contingent coupon rate and contingent coupon for each Note that would be applicable to each observation date on which the closing level of each underlying asset is greater than or equal to its coupon barrier. The actual contingent coupon rate will be determined on the trade date.

**Contingent Coupon Rate** 7.65% - 8.24%  
**Contingent Coupon** \$19.125 - \$20.60

**Contingent coupons on the Notes are not guaranteed. UBS will not pay you the contingent coupon for any observation date on which the closing level of any underlying asset is less than its coupon barrier.**

UBS will automatically call the Notes if the closing level of each underlying asset on any observation date (Quarterly, beginning after 6 months) prior to the final valuation date is equal to or greater than its initial level.

Automatic Call Feature: If the Notes are subject to an automatic call, UBS will pay you on the corresponding coupon payment date (which will be the call settlement date) a cash payment per Note equal to your principal amount plus the contingent coupon otherwise due on such date. Following an automatic call, no further payments will be made on the Notes.

Payment at Maturity (per Note): **If the Notes are not subject to an automatic call and the final level of each underlying asset is equal to or greater than its downside threshold, UBS will pay you a cash payment equal to:**

Principal Amount of \$1,000

**If the Notes are not subject to an automatic call and the final level of any underlying asset is less than its downside threshold, UBS will pay you a cash payment that is less than the principal amount, if anything, equal to:**

$\$1,000 \times (1 + \text{Underlying Return of the least performing Underlying Asset})$

**In such a case, you will suffer a percentage loss on your initial investment equal to the underlying return of the least performing underlying asset regardless of the underlying return of any other underlying asset.**

Least Performing Underlying Asset:

The underlying asset with the lowest underlying return as compared to the other underlying asset(s)

Underlying Return:

For each underlying asset, the quotient, expressed as a percentage, of the following formula:

Downside Threshold:(1)

For each underlying asset, a specified level of the underlying asset that is less than its initial level, equal to a percentage of its initial level and equal to its coupon barrier, as indicated on the cover hereof and as determined by the calculation agent.

Coupon Barrier:(1)

For each underlying asset, a specified level of the underlying asset that is less than its initial level, equal to a percentage of the initial level and equal to the downside threshold, as indicated on the cover hereof and as determined by the calculation agent.

Initial Level:(1)

The closing level of each underlying asset on the trade date, as determined by the calculation agent.

Final Level:(1)

The closing level of each underlying asset on the final valuation date, as determined by the calculation agent.

As may be adjusted as described under General Terms of the Securities Discontinuance of or Adjustment to an Underlying Index; Alteration of Method of Calculation in the accompanying product supplement.

(1)

## Investment Timeline

**Investing in the Notes involves significant risks. You may lose a significant portion or all of your initial investment. Any payment on the Notes, including any repayment of principal, is subject to the creditworthiness of UBS. If UBS were to default on its payment obligations, you may not receive any amounts owed to you under the Notes and you could lose all of your initial investment.**

**If the Notes are not subject to an automatic call, you may lose a significant portion or all of your initial investment. Specifically, if the Notes are not subject to an automatic call and the final level of any underlying asset is less than its downside threshold, you will lose a percentage of your principal amount equal to the underlying return of the least performing underlying asset and, in extreme situations, you could lose all of your initial investment. You will be exposed to the market risk of each underlying asset on each observation date and on the final valuation date and any decline in the level of one underlying asset may negatively affect your return and will not be offset or mitigated by a lesser decline or any potential increase in the level of any other**



underlying asset.

## Observation Dates and Coupon Payment Dates(1)(2)

Observation Dates	Coupon Payment Dates
April 24, 2019*	April 29, 2019*
July 24, 2019*	July 29, 2019
October 24, 2019	October 29, 2019
January 24, 2020	January 29, 2020
April 24, 2020	April 29, 2020
July 24, 2020	July 29, 2020
October 26, 2020	October 29, 2020
January 25, 2021	January 28, 2021
April 26, 2021	April 29, 2021
July 26, 2021	July 29, 2021
October 25, 2021	October 28, 2021
January 24, 2022**	January 27, 2022***

\* The Notes are not callable until the first potential call settlement date, which is July 29, 2019.

\*\* This is also the final valuation date.

\*\*\*This is also the maturity date.

(1) Subject to the market disruption event provisions set forth in the accompanying product supplement.

(2) 3 business days following each observation date, except that the coupon payment date for the final valuation date is the maturity date.

## Key Risks

**An investment in the Notes involves significant risks. Investing in the Notes is not equivalent to a hypothetical investment in the least performing underlying asset or its underlying constituents. Some of the risks that apply to the Notes are summarized below, but we urge you to read the more detailed explanation of risks relating to the Notes in the Risk Factors section of the accompanying product supplement. We also urge you to consult your investment, legal, tax, accounting and other advisors before you invest in the Notes.**

**Risk of loss at maturity** The Notes differ from ordinary debt securities in that UBS will not necessarily make periodic coupon payments or repay the principal amount of the Notes at maturity. If the Notes are not subject to an automatic call and the final level of any underlying asset is less than its downside threshold, you will lose a percentage of your principal amount equal to the underlying return of the least performing underlying asset and, in extreme situations, you could lose all of your initial investment.

**The contingent repayment of principal applies only at maturity** You should be willing to hold your Notes to maturity. If you are able to sell your Notes prior to an automatic call or maturity in the secondary market,

you may have to sell them at a loss relative to your initial investment even if the level of each underlying asset is equal to or greater than its downside threshold. All payments on the Notes are subject to the creditworthiness of UBS.

**You may not receive any contingent coupons with respect to your Notes** UBS will not necessarily make periodic coupon payments on the Notes. UBS will pay a contingent coupon for each observation date on which the closing level of each underlying asset is equal to or greater than its coupon barrier. If the closing level of any underlying asset is less than its coupon barrier on any observation date, UBS will not pay you the contingent coupon applicable to such observation date. If the closing level of any underlying asset is less than its coupon barrier on each of the observation dates, UBS will not pay you any contingent coupons during the term of, and you will not receive a positive return on, your Notes. Generally, this non-payment of the contingent coupon coincides with a period of greater risk of principal loss on your Notes.

**Your potential return on the Notes is limited to the contingent coupons and you will not participate in any appreciation of any underlying asset or underlying constituents** The return potential of the Notes is limited to the pre-specified contingent coupon rate, regardless of any appreciation of any underlying asset. In addition, your return on the Notes will vary based on the number of observation dates, if any, on which the requirements of the contingent coupon have been met prior to maturity or an automatic call. Further, if the Notes are subject to an automatic call, you will not receive any contingent coupons or any other payment in respect of any observation dates after the applicable call settlement date. Because the Notes may be subject to an automatic call as early as the first potential call settlement date, the total return on the Notes could be less than if the Notes remained outstanding until maturity. Furthermore, if the Notes are not subject to an automatic call, you may be subject to the decline of the least performing underlying asset even though you cannot participate in any appreciation of any underlying asset or underlying constituents. As a result, the return on an investment in the Notes could be less than the return on a hypothetical direct investment in any or all of the underlying assets or underlying constituents. In addition, as an owner of the Notes, you will not have voting rights or any other rights of a holder of the underlying constituents.

**A higher contingent coupon rate or lower downside thresholds or coupon barriers may reflect greater expected volatility of the underlying assets, and greater expected volatility generally indicates an increased risk of loss at maturity** The economic terms for the Notes, including the contingent coupon rate, coupon barriers and downside thresholds, are based, in part, on the expected volatility of each underlying asset at the time the terms of the Notes are set. Volatility refers to the frequency and magnitude of changes in the level of each underlying asset. The greater the expected volatility of each underlying asset as of the trade date, the greater the expectation is as of that date that the closing level of each underlying asset could be less than its coupon barrier on any observation date and that the final level of each underlying asset could be less than its downside threshold on the final valuation date and, as a consequence, indicates an increased risk of not receiving a contingent coupon and an increased risk of loss, respectively. All things being equal, this greater expected volatility will generally be reflected in a higher contingent coupon rate than the yield payable on our conventional debt securities with a similar maturity or on otherwise comparable securities, and/or lower downside thresholds and/or coupon barriers than those terms on otherwise comparable securities. Therefore, a relatively higher contingent coupon rate may indicate an increased risk of loss. Further, relatively lower downside threshold(s) and/or coupon barrier(s) may not necessarily indicate that the Notes have a greater likelihood of a return of principal at maturity and/or paying contingent coupons. You should be willing to accept the downside market risk of the least performing underlying asset and the potential to lose a significant portion or all of your initial investment.

**Reinvestment risk** The Notes will be subject to an automatic call if the closing level of each underlying asset is equal to or greater than its initial level on certain observation dates prior to the final valuation date as set forth under Observation Dates and Coupon Payment Dates above. Because the Notes could be subject to an automatic call, the term of your investment may be limited. In the event that the Notes are subject to an automatic call, there is no guarantee that you would be able to reinvest the proceeds at a comparable return and/or with a comparable contingent coupon rate for a similar level of risk. In addition, to the extent you are able to reinvest such proceeds in an investment comparable to the Notes, you may incur transaction costs such as dealer discounts and hedging costs built into the price of the new securities. Generally, however, the longer

the Notes remain outstanding, the less likely the Notes will be subject to an automatic call due to the decline in the level of an underlying asset and the shorter time remaining for the level of any such underlying asset to recover. Such periods generally coincide with a period of greater risk of principal loss on your Notes.

**You are exposed to the market risk of each underlying asset** Your return on the Notes is not linked to a basket consisting of the underlying assets. Rather, it will be contingent upon the performance of each individual underlying asset. Unlike an instrument with a return linked to a basket of indices, common stocks or other underlying securities, in which risk is mitigated and diversified among all of the components of the basket, you will be exposed equally to the risks related to each underlying asset. Poor performance by any underlying asset over the term of the Notes will negatively affect your return and will not be offset or mitigated by a positive performance by any other underlying asset. For instance, you may receive a negative return equal to the underlying return of the least performing underlying asset if the closing level of one underlying asset is less than its downside threshold on the final valuation date, even if the underlying return of any other underlying asset is positive or has not declined as much. Accordingly, your investment is subject to the market risk of each underlying asset.

**Because the Notes are linked to the least performing underlying asset, you are exposed to a greater risk of no contingent coupons and losing a significant portion or all of your initial investment at maturity than if the Notes were linked to only one underlying asset** The risk that you will not receive any contingent coupons and lose a significant portion or all of your initial investment in the Notes is greater if you invest in the Notes than the risk of investing in substantially similar securities that are linked to the performance of only one underlying asset. With more underlying assets, it is more likely that the closing level of any underlying asset will be less than its coupon barrier on any observation date or decline to a closing level that is less than its downside threshold than if the Notes were linked to fewer underlying assets.

In addition, the lower the correlation is between the performance of a pair of underlying assets, the more likely it is that one of the underlying assets will decline in value to a closing level or final level, as applicable, that is less than its coupon barrier or downside threshold on any observation date or on a final valuation date, respectively. Although the correlation of the underlying assets performance may change over the term of the Notes, the economic terms of the Notes, including the contingent coupon rate, downside threshold and coupon barrier are determined, in part, based on the correlation of the underlying assets performance calculated using our internal models at the time when the terms of the Notes are finalized. All things being equal, a higher contingent coupon rate and lower downside threshold and coupon barrier is generally associated with lower correlation of the underlying assets. Therefore, if the performance of a pair of underlying assets is not correlated to each other or is negatively correlated, the risk that you will not receive any contingent coupons or that the final level of any underlying asset is less than its downside threshold will occur is even greater despite a lower downside threshold and coupon barrier. Therefore, it is more likely that you will not receive any contingent coupons and that you will lose a significant portion or all of your initial investment at maturity.

**Credit risk of UBS** The Notes are unsubordinated, unsecured debt obligations of UBS and are not, either directly or indirectly, an obligation of any third party. Any payment to be made on the Notes, including any repayment of principal, depends on the ability of UBS to satisfy its obligations as they come due. As a result, UBS's actual and perceived creditworthiness may affect the market value of the Notes. If UBS were to default on its obligations, you may not receive any amounts owed to you under the terms of the Notes and you could lose all of your initial investment.

**Market risk** The return on the Notes, which may be negative, is directly linked to the performance of the underlying assets and indirectly linked to the value of the underlying constituents. The level of the underlying assets can rise or fall sharply due to factors specific to the underlying assets and its underlying constituents and their issuers (each, an underlying constituent issuer), such as stock price volatility, earnings and financial conditions, corporate, industry and regulatory developments, management changes and decisions and other events, as well as general market factors, such as general stock market or commodity market volatility and levels, interest rates and economic and political conditions.

**Fair value considerations.**

**The issue price you pay for the Notes will exceed their estimated initial value** The issue price you pay for the Notes will exceed their estimated initial value as of the trade date due to the inclusion in the issue price of the underwriting discount, hedging costs, issuance costs and projected profits. As of the close of the relevant markets on the trade date, we will determine the estimated initial value of the Notes by reference to our internal pricing models and it will be set forth herein. The pricing models used to determine the estimated initial value of the Notes incorporate certain variables, including the levels and volatility of the underlying assets and underlying constituents, the correlation among the underlying assets, any expected dividends of the and underlying constituents, if applicable, prevailing interest rates, the term of the Notes and our internal funding rate. Our internal funding rate is typically lower than the rate we would pay to issue conventional fixed or floating rate debt securities of a similar term. The underwriting discount, hedging costs, issuance costs, projected profits and the difference in rates will reduce the economic value of the Notes to you. Due to these factors, the estimated initial value of the Notes as of the trade date will be less than the issue price you pay for the Notes.

**The estimated initial value is a theoretical price; the actual price that you may be able to sell your Notes in any secondary market (if any) at any time after the trade date may differ from the estimated initial value** The value of your Notes at any time will vary based on many factors, including the factors described above and in Market risk above and is impossible to predict. Furthermore, the pricing models that we use are proprietary and rely in part on certain assumptions about future events, which may prove to be incorrect. As a result, after the trade date, if you attempt to sell the Notes in the secondary market, the actual value you would receive may differ, perhaps materially, from the estimated initial value of the Notes determined by reference to our internal pricing models. The estimated initial value of the Notes does not represent a minimum or maximum price at which we or any of our affiliates would be willing to purchase your Notes in any secondary market at any time.

**Our actual profits may be greater or less than the differential between the estimated initial value and the issue price of the Notes as of the trade date** We may determine the economic terms of the Notes, as well as hedge our obligations, at least in part, prior to the trade date. In addition, there may be ongoing costs to us to maintain and/or adjust any hedges and such hedges are often imperfect. Therefore, our actual profits (or potentially, losses) in issuing the Notes cannot be determined as of the trade date and any such differential between the estimated initial value and the issue price of the Notes as of the trade date does not reflect our actual profits. Ultimately, our actual profits will be known only at the maturity of the Notes.

**Limited or no secondary market and secondary market price considerations.**

**There may be little or no secondary market for the Notes** The Notes will not be listed or displayed on any securities exchange or any electronic communications network. UBS Securities LLC and its affiliates intend, but are not required, to make a market for the Notes and may stop making a market at any time. If you are able to sell your Notes prior to maturity, you may have to sell them at a substantial loss. Furthermore, there can be no assurance that a secondary market for the Notes will develop. The estimated initial value of the Notes does not represent a minimum or maximum price at which we or any of our affiliates would be willing to purchase your Notes in any secondary market at any time.

**The price at which UBS Securities LLC and its affiliates may offer to buy the Notes in the secondary market (if any) may be greater than UBS valuation of the Notes at that time, greater than any other secondary market prices provided by unaffiliated dealers (if any) and, depending on your broker, greater than the valuation provided on your customer account statement** For a limited period of time following the issuance of the Notes, UBS Securities LLC or its affiliates may offer to buy or sell such

Notes at a price that exceeds (i) our valuation of the Notes at that time based on our internal pricing models, (ii) any secondary market prices provided by unaffiliated dealers (if any) and (iii) depending on your broker, the valuation provided on customer account statements. The price that UBS Securities LLC may initially offer to buy such Notes following issuance will exceed the valuations indicated by our internal pricing models due to the inclusion for a limited period of time of the aggregate value of the underwriting discount, hedging costs, issuance costs and theoretical projected trading profit. The portion of such amounts included in our price will decline to zero on a straight line basis over a period ending no later than the date specified under Supplemental Plan of Distribution (Conflicts of Interest); Secondary Markets (if any). Thereafter, if UBS Securities LLC or an affiliate makes secondary markets in the Notes, it will do so at prices that reflect our estimated value determined by reference to our internal pricing models at that time. The temporary positive differential relative to our internal pricing models arises from requests from and arrangements made by UBS Securities LLC with the selling agents of structured debt securities such as the Notes. As described above, UBS Securities LLC and its affiliates intend, but are not required, to make a market for the Notes and may stop making a market at any time. The price at which UBS Securities LLC or an affiliate may make secondary markets at any time (if at all) will also reflect its then current bid-ask spread for similar sized trades of structured debt securities. UBS Securities LLC reflects this temporary positive differential on its customer statements. Investors should inquire as to the valuation provided on customer account statements provided by unaffiliated dealers.

**Economic and market factors affecting the terms and market price of Notes prior to maturity**

Because structured notes, including the Notes, can be thought of as having a debt component and a derivative component, factors that influence the values of debt instruments and options and other derivatives will also affect the terms and features of the Notes at issuance and the market price of the Notes prior to maturity. These factors include the levels of the underlying assets and their underlying constituents; the volatility of the underlying assets and their underlying constituents; the correlation among the underlying assets; the dividend rate paid on the underlying constituents, if applicable; the time remaining to the maturity of the Notes; interest rates in the markets; geopolitical conditions and economic, financial, political, force majeure and regulatory or judicial events; whether each of the underlying assets is currently or has been less than its coupon barrier; the availability of comparable instruments; the creditworthiness of UBS; the then current bid-ask spread for the Notes and the factors discussed under Potential conflict of interest below. These and other factors are unpredictable and interrelated and may offset or magnify each other.

**Impact of fees and the use of internal funding rates rather than secondary market credit spreads on secondary market prices**

All other things being equal, the use of the internal funding rates described above under Fair value considerations as well as the inclusion in the issue price of the underwriting discount, hedging costs, issuance costs and any projected profits are, subject to the temporary mitigating effect of UBS Securities LLCs and its affiliates market making premium, expected to reduce the price at which you may be able to sell the Notes in any secondary market.

**There can be no assurance that the investment view implicit in the Notes will be successful** It is impossible to predict whether and the extent to which the levels of the underlying assets will rise or fall and there can be no assurance that the closing level of each underlying asset will be equal to or greater than its coupon barrier on any observation date, or, if the Notes are not subject to an automatic call, that the final level of each underlying asset will be equal to or greater than its downside threshold. The level of each underlying asset will be influenced by complex and interrelated political, economic, financial and other factors that affect the underlying constituent issuers. You should be willing to accept the downside risks associated with the relevant markets tracked by each such underlying asset in general and the underlying assets and its underlying constituents in particular, and the risk of losing a significant portion or all of your initial investment.

**The Notes are subject to small-capitalization stock risks** The Notes are subject to risks associated with small-capitalization companies because the Russell 2000 Index is comprised of stocks of companies that may be considered small-capitalization companies. These companies often have greater stock price volatility, lower

trading volume and less liquidity than large-capitalization companies and therefore the underlying asset may be more volatile than an index in which a greater percentage of the underlying equity constituents are issued by large-capitalization companies. Stock prices of small-capitalization companies are also more vulnerable than those of large-capitalization companies to adverse business and economic developments, and the stocks of small-capitalization companies may be thinly traded. In addition, small-capitalization companies are typically less stable financially than large-capitalization companies and may depend on a small number of key personnel, making them more vulnerable to loss of personnel. Small-capitalization companies are often given less analyst coverage and may be in early, and less predictable, periods of their corporate existences. Such companies tend to have smaller revenues, less diverse product lines, smaller shares of their product or service markets, fewer financial resources and less competitive strengths than large-capitalization companies and are more susceptible to adverse developments related to their products.

**UBS cannot control actions by the index sponsors and the index sponsors have no obligation to consider your interests** UBS and its affiliates are not affiliated with the index sponsors and have no ability to control or predict their actions, including any errors in or discontinuation of public disclosure regarding methods or policies relating to the calculation of the underlying assets. The index sponsors are not involved in the Notes offering in any way and have no obligation to consider your interest as an owner of the Notes in taking any actions that might affect the market value of your Notes.

**The underlying assets reflect price return, not total return** The return on your Notes is based on the performance of the underlying assets, which reflect the changes in the market prices of the underlying constituents. They are not, however, linked to a total return index or strategy, which, in addition to reflecting those price returns, would also reflect dividends paid on the underlying constituents. The return on your Notes will not include such a total return feature or dividend component.

**Changes affecting the underlying assets could have an adverse effect on the value of the Notes** The policies of each index sponsor as specified under Information About the Underlying Assets (together, the "index sponsors"), concerning additions, deletions and substitutions of the underlying equity constituents and the manner in which the index sponsor takes account of certain changes affecting those underlying equity constituents may adversely affect the levels of the underlying assets. The policies of the index sponsors with respect to the calculation of the underlying assets could also adversely affect the levels of the underlying assets. The index sponsors may discontinue or suspend calculation or dissemination of the underlying assets. Any such actions could have an adverse effect on the value of the Notes.

**Potential UBS impact on the underlying assets** Trading or transactions by UBS or its affiliates in the underlying assets or any underlying constituent, listed and/or over-the-counter options, futures, exchange-traded funds or other instruments with returns linked to the performance of the underlying assets or any underlying constituent, may adversely affect the levels of the underlying assets and, therefore, the market value of the Notes.

**Potential conflict of interest** UBS and its affiliates may engage in business with an underlying asset issuer or any underlying constituent issuer, which may present a conflict between the obligations of UBS and you, as a holder of the Notes. There are also potential conflicts of interest between you and the calculation agent, which will be an affiliate of UBS and which will make potentially subjective judgments. The calculation agent will determine whether the contingent coupon is payable to you on any coupon payment date, whether the Notes are subject to an automatic call and the payment at maturity of the Notes, if any, based on observed levels of the underlying assets. The calculation agent can postpone the determination of the initial level, closing level or final level of any underlying asset (and therefore the settlement date, the related coupon payment date or the maturity date, as applicable), on the trade date, any observation date or the final valuation date, respectively, if a market disruption event occurs and is continuing on such date. As UBS determines the economic terms of the Notes, including the contingent coupon rate, downside threshold and coupon barrier, and such terms include the underwriting discount, hedging costs, issuance costs and projected profits, the Notes represent a package of economic terms. There are other potential conflicts of interest insofar as an investor could potentially get better economic terms if that investor entered into exchange-traded and/or OTC derivatives or other instruments with third parties, assuming that such instruments were available and the investor had the ability to assemble and enter into such instruments.

Additionally, UBS and its affiliates act in various capacities with respect to the Notes, including as a principal, agent or dealer in connection with the sale of the Notes. Such affiliates, and any other third-party dealers, will derive compensation from the distribution of the Notes and such compensation may serve as an incentive to sell these Notes instead of other investments. Furthermore, given that UBS Securities LLC and its affiliates temporarily maintain a market making premium, it may have the effect of discouraging UBS Securities LLC and its affiliates from recommending sale of your Notes in the secondary market.

**Potentially inconsistent research, opinions or recommendations by UBS** UBS and its affiliates publish research from time to time on financial markets and other matters that may influence the value of the Notes, or express opinions or provide recommendations that are inconsistent with purchasing or holding the Notes. Any research, opinions or recommendations expressed by UBS or its affiliates may not be consistent with each other and may be modified from time to time without notice. Investors should make their own independent investigation of the merits of investing in the Notes and the underlying assets to which the Notes are linked.

**The Notes are not bank deposits** An investment in the Notes carries risks which are very different from the risk profile of a bank deposit placed with UBS or its affiliates. The Notes have different yield and/or return, liquidity and risk profiles and would not benefit from any protection provided to deposits.

**Under certain circumstances, the Swiss Financial Market Supervisory Authority (FINMA) has the power to take actions that may adversely affect the Notes** Pursuant to article 25 et seq. of the Swiss Banking Act, FINMA has broad statutory powers to take measures and actions in relation to UBS if it (i) is overindebted, (ii) has serious liquidity problems or (iii) fails to fulfill the applicable capital adequacy provisions after expiration of a deadline set by FINMA. If one of these prerequisites is met, the Swiss Banking Act grants significant discretion to FINMA to open restructuring proceedings or liquidation (bankruptcy) proceedings in respect of, and/or impose protective measures in relation to, UBS. In particular, a broad variety of protective measures may be imposed by FINMA, including a bank moratorium or a maturity postponement, which measures may be ordered by FINMA either on a stand-alone basis or in connection with restructuring or liquidation proceedings. In a restructuring proceeding, the resolution plan may, among other things, (a) provide for the transfer of UBS's assets or a portion thereof, together with debts and other liabilities, and contracts of UBS, to another entity, (b) provide for the conversion of UBS's debt and/or other obligations, including its obligations under the Notes, into equity and/or (c) potentially provide for haircuts on obligations of UBS, including its obligations under the Notes. Although no precedent exists, if one or more measures under the revised regime were imposed, such measures may have a material adverse effect on the terms and market value of the Notes and/or the ability of UBS to make payments thereunder.

**Uncertain tax treatment** Significant aspects of the tax treatment of the Notes are uncertain. You should consult your tax advisor about your tax situation.

## Hypothetical Examples of How the Notes Might Perform

The below examples are based on hypothetical terms. The actual terms will be set on the trade date and will be indicated on the cover of the applicable pricing supplement.

The examples below illustrate the payment upon a call or at maturity for a \$1,000 Note on a hypothetical offering of the Notes, with the following assumptions (amounts may have been rounded for ease of reference):

Principal Amount:	\$1,000
Term:	Approximately 3 years
Contingent Coupon Rate:	7.65% per annum (or 1.9125% per quarter)

Edgar Filing: UBS AG - Form 424B2

Contingent Coupon: \$19.125 per quarter  
 Observation Dates: Quarterly (callable after 6 months)

Initial Level:  
     Underlying Asset A 2,633.33  
     Underlying Asset B 1,460.490

Downside Threshold:  
     Underlying Asset A 2,106.66 (which is 80.00% of the initial level)  
     Underlying Asset B 1,168.392 (which is 80.00% of the initial level)

Coupon Barrier:  
     Underlying Asset A 2,106.66 (which is 80.00% of the initial level)  
     Underlying Asset B 1,168.392 (which is 80.00% of the initial level)

**Example 1 The Closing Level of each Underlying Asset is equal to or greater than its Initial Level on the Observation Date corresponding to the first potential Call Settlement Date**

Date	Closing Level	Payment (per Note)
First Observation Date	Underlying Asset A: 2,765.00 (equal to or greater than Initial Level)	\$19.125 (Contingent Coupon Not Callable)
	Underlying Asset B: 1,475.09 (equal to or greater than Initial Level)	
Second Observation Date	Underlying Asset A: 2,712.33 (equal to or greater than Initial Level)	\$1,019.125 (Settlement Amount)
	Underlying Asset B: 1,489.70 (equal to or greater than Initial Level)	
Total Payment:		\$1,038.25 (a 3.825% total return)

Because the Notes are subject to an automatic call on the first potential call settlement date (which is approximately 6 months after the trade date), UBS will pay you on the call settlement date a total of \$1,019.125 per Note, reflecting your principal amount plus the applicable contingent coupon. When added to the contingent coupon(s) of \$19.125 received in respect of prior observation date(s), UBS will have paid you a total of \$1,038.25 per Note for a 3.825% total return on the Notes. No further amount will be owed to you under the Notes.

**Example 2 Notes are NOT subject to an Automatic Call and the Final Level of each Underlying Asset is equal to or greater than its Downside Threshold**

Date	Closing Level	Payment (per Note)
First Observation Date		\$19.125 (Contingent Coupon Not Callable)



Edgar Filing: UBS AG - Form 424B2

	Underlying Asset A: 2,712.33 (equal to or greater than Initial Level)	
	Underlying Asset B: 1,475.09 (equal to or greater than Initial Level)	
	Underlying Asset A: Various (all less than Coupon Barrier)	
Second Observation Date through Eleventh Observation Date	Underlying Asset B: Various (all equal to or greater than Initial Level)	\$0.00
	Underlying Asset A: 2,580.66 (equal to or greater than Downside Threshold and Coupon Barrier; less than Initial Level)	
Final Valuation Date	Underlying Asset B: 1,431.28 (equal to or greater than Downside Threshold and Coupon Barrier; less than Initial Level)	\$1,019.125 (Payment at Maturity)
	Total Payment:	\$1,038.25 (a 3.825% total return)

Because the Notes are not subject to an automatic call and the final level of each underlying asset is equal to or greater than its downside threshold, at maturity, UBS will pay you a total of \$1,019.125 per Note, reflecting your principal amount plus the applicable contingent coupon. When added to the contingent coupon(s) of \$19.125 received in respect of prior observation date(s), UBS will have paid you a total of \$1,038.25 per Note for a 3.825% total return on the Notes.

**Example 3 Notes are NOT subject to an Automatic Call and the Final Level of an Underlying Asset is less than its Downside Threshold**

<b>Date</b>	<b>Closing Level</b>	<b>Payment (per Note)</b>
	Underlying Asset A: 2,190.93 (equal to or greater than Coupon Barrier; less than Initial Level)	
First Observation Date	Underlying Asset B: 1,203.44 (equal to or greater than Coupon Barrier; less than Initial Level)	\$19.125 (Contingent Coupon)
Second Observation Date through Eleventh Observation Date	Underlying Asset A: Various (all less than Coupon Barrier)	\$0.00
	Underlying Asset B: Various (all equal to or greater than Initial	

	Level)	
	Underlying Asset A: 1,053.33 (less than Downside Threshold and Coupon Barrier)	\$1,000.00 [1 + Underlying Return of the Least Performing Underlying Asset] =
Final Valuation Date		\$1,000.00 [1+(-60.00)%] =
	Underlying Asset B: 1,533.51 (equal to or greater than Initial Level)	\$1,000.00 0.40 =
		\$400.00 (Payment at Maturity)
	Total Payment:	\$419.125 (a 58.0875% loss)

Because the Notes are not subject to an automatic call and the final level of Underlying Asset A is less than its Downside Threshold, at maturity UBS will pay you \$400.00 per Note. When added to the contingent coupon(s) of \$19.125 received in respect of prior observation date(s), UBS will have paid you \$419.125 per Note for a loss on the Notes of 58.0875%.

**We make no representation or warranty as to which of the underlying assets will be the least performing underlying asset for the purposes of calculating your actual payment at maturity.**

**Investing in the Notes involves significant risks. The Notes differ from ordinary debt securities in that UBS is not necessarily obligated to repay the full amount of your initial investment. If the Notes are not subject to an automatic call, you may lose a significant portion or all of your initial investment. Specifically, if the Notes are not subject to an automatic call and the final level of any underlying asset is less than its Downside Threshold, you will lose a percentage of your principal amount equal to the underlying return of the least performing underlying asset and, in extreme situations, you could lose all of your initial investment.**

**You will be exposed to the market risk of each underlying asset on each observation date and on the final valuation date and any decline in the level of one underlying asset may negatively affect your return and will not be offset or mitigated by a lesser decline or any potential increase in the level of any other underlying asset. Any payment on the Notes, including any payments in respect of an automatic call, contingent coupon or any repayment of principal, is subject to the creditworthiness of UBS. If UBS were to default on its payment obligations, you may not receive any amounts owed to you under the Notes and you could lose all of your initial investment.**

## Information About the Underlying Assets

### S&P 500 Index

We have derived all information contained herein regarding the S&P 500 Index ("SPX") including, without limitation, its make-up, method of calculation and changes in its components, from publicly available information. Such information reflects the policies of, and is subject to change by S&P Dow Jones Indices LLC (its "Index Sponsor" or

"S&P Dow Jones"). SPX is published by S&P Dow Jones, but S&P Dow Jones has no obligation to continue to publish SPX, and may discontinue publication of SPX at any time. SPX is determined, comprised and calculated by S&P Dow Jones without regard to the [Securities/Notes]. SPX is intended to provide an indication of the pattern of common stock price movement. The calculation of the value of SPX is based on the relative value of the aggregate market value of the common stock of 500 companies as of a particular time compared to the aggregate average market value of the common stocks of 500 similar companies during the base period of the years 1941 through 1943. As of February 28, 2018, the top industry sectors which comprise the SPX represent the following weights: Information Technology (24.9%), Financials (14.7%), Health Care (13.7%), Consumer Discretionary (12.7%), Industrials (10.2%), Consumer Staples (7.7%), Energy (5.7%), Materials (2.9%), Utilities (2.9%), Real Estate (2.8%) and Telecommunication Services (1.9%); industry weightings may be found at the Index Sponsor's website and are updated periodically. On November 15, 2017, S&P Dow Jones announced that effective September 28, 2018 it will broaden the current Telecommunication Services Sector and rename it Communication Services. The renamed Sector will include the existing telecommunication companies, as well as companies selected from the Consumer Discretionary Sector currently classified under the Media Industry Group and the Internet & Direct Marketing Retail Sub-Industry, along with select companies currently classified in the Information Technology Sector. Effective March 10, 2017, company additions to SPX should have an unadjusted company market capitalization of \$6.1 billion or more (an increase from the previous requirement of an unadjusted company market capitalization of \$5.3 billion or more).

Information from outside sources is not incorporated by reference in, and should not be considered part of, this document or any accompanying prospectus. UBS has not conducted any independent review or due diligence of any publicly available information with respect to the underlying asset.

### **Historical Information**

The following table sets forth the quarterly high and low closing levels for the S&P 500 Index, based on the daily closing levels as reported by Bloomberg, without independent verification. UBS has not undertaken an independent review or due diligence of any publicly available information obtained from Bloomberg. An intraday level of the S&P 500 Index on January 24, 2019 was 2,633.33. The actual initial level will be the closing level of the S&P 500 Index on the trade date. **The historical performance of the underlying asset should not be taken as indication of the future performance of the underlying asset during the term of the Notes.**

<b>Quarter Begin</b>	<b>Quarter End</b>	<b>Quarterly Closing High</b>	<b>Quarterly Closing Low</b>	<b>Quarterly Close</b>
April 1, 2014	June 30, 2014	1,962.87	1,815.69	1,960.23
July 1, 2014	September 30, 2014	2,011.36	1,909.57	1,972.29
October 1, 2014	December 31, 2014	2,090.57	1,862.49	2,058.90
January 2, 2015	March 31, 2015	2,117.39	1,992.67	2,067.89
April 1, 2015	June 30, 2015	2,130.82	2,057.64	2,063.11

Edgar Filing: UBS AG - Form 424B2

July 1, 2015	September 30, 2015	2,128.28	1,867.61	1,920.03
October 1, 2015	December 31, 2015	2,109.79	1,923.82	2,043.94
January 4, 2016	March 31, 2016	2,063.95	1,829.08	2,059.74
April 1, 2016	June 30, 2016	2,119.12	2,000.54	2,098.86
July 1, 2016	September 30, 2016	2,190.15	2,088.55	2,168.27
October 3, 2016	December 30, 2016	2,271.72	2,085.18	2,238.83
January 3, 2017	March 31, 2017	2,395.96	2,257.83	2,362.72
April 3, 2017	June 30, 2017	2,453.46	2,328.95	2,423.41
July 3, 2017	September 29, 2017	2,519.36	2,409.75	2,519.36
October 2, 2017	December 29, 2017	2,690.16	2,529.12	2,673.61
January 2, 2018	March 29, 2018	2,872.87	2,581.00	2,640.87
April 2, 2018	June 29, 2018	2,786.85	2,581.88	2,718.37
July 2, 2018	September 28, 2018	2,930.75	2,713.22	2,913.98
October 1, 2018	December 31, 2018	2,925.51	2,351.10	2,506.85
January 2, 2019	January 23, 2019*	2,670.71	2,447.89	2,638.70

The above table only includes data through this date. Accordingly, the Quarterly Closing High, Quarterly Closing Low and Quarterly Close data indicated are for this shortened period only and do not reflect complete data for this calendar quarter.

The graph below illustrates the performance of the S&P 500 Index for the period indicated, based on information from Bloomberg. The solid line represents a hypothetical downside threshold and a hypothetical coupon barrier of 2,106.66, which is equal to approximately 80.00% of an intraday level on January 24, 2019. The actual coupon barrier and downside threshold will be set on the trade date. **Past performance of the underlying asset is not indicative of the future performance of the underlying asset.**

## Russell 2000 Index

We have derived all information contained herein regarding the Russell 2000 Index ("RTY") including, without limitation, its make-up, method of calculation and changes in its components, from publicly available information. Such information reflects the policies of, and is subject to change by the Frank Russell Company (the "Index Sponsor" or "FTSE Russell"). RTY is published by FTSE Russell, but FTSE Russell has no obligation to continue to publish RTY, and may discontinue publication of RTY at any time. RTY is determined, comprised and calculated by FTSE Russell without regard to the Notes. RTY measures the composite price performance of the smallest 2,000 companies included in the Russell 3000 Index. The Russell 3000 Index is composed of the 3,000 largest United States companies by market capitalization and represents approximately 98% of the market capitalization of the United States equity market. RTY's value is calculated by adding the market values of the index's component stocks and then dividing the derived total market capitalization by the "adjusted" capitalization of RTY on the base date of December 31, 1978. The top ten constituents of the RTY as of March 31, 2018, by weight, are: Nektar Therapeutics, GrubHub Inc., bluebird bio, Inc., Sage Therapeutics, Inc., MKS Instruments, Inc., Curtiss-Wright Corporation, Knight-Swift Transportation Holdings Inc., Aspen Technology, Inc., EPAM Systems, Inc. and Encompass Health Corporation; constituent weights may be found at the Index Sponsor's website and are updated periodically. As of March 31, 2018, the top industry sectors which comprise the RTY represent the following: Financial Services, Health Care, Technology, Producer Durables and Consumer Discretionary; sectors may be found at the Index Sponsor's website and are updated periodically.

Information from outside sources is not incorporated by reference in, and should not be considered part of, this document or any accompanying prospectus. UBS has not conducted any independent review or due diligence of any publicly available information with respect to the underlying asset.

## Historical Information

The following table sets forth the quarterly high and low closing levels for the Russell 2000 Index, based on the daily closing levels as reported by Bloomberg, without independent verification. UBS has not undertaken an independent review or due diligence of any publicly available information obtained from Bloomberg. An intraday level of the Russell 2000 Index on January 24, 2019 was 1,460.490. The actual initial level will be the closing level of the Russell 2000 Index on the trade date. **The historical performance of the underlying asset should not be taken as indication of the future performance of the underlying asset during the term of the Notes.**

Quarter Begin	Quarter End	Quarterly Closing High	Quarterly Closing Low	Quarterly Close
---------------	-------------	------------------------	-----------------------	-----------------

Edgar Filing: UBS AG - Form 424B2

April 1, 2014	June 30, 2014	1,192.960	1,095.986	1,192.960
July 1, 2014	September 30, 2014	1,208.150	1,101.676	1,101.676
October 1, 2014	December 31, 2014	1,219.109	1,049.303	1,204.696
January 2, 2015	March 31, 2015	1,266.373	1,154.709	1,252.772
April 1, 2015	June 30, 2015	1,295.799	1,215.417	1,253.947
July 1, 2015	September 30, 2015	1,273.328	1,083.907	1,100.688
October 1, 2015	December 31, 2015	1,204.159	1,097.552	1,135.889
January 4, 2016	March 31, 2016	1,114.028	953.715	1,114.028
April 1, 2016	June 30, 2016	1,188.954	1,089.646	1,151.923
July 1, 2016	September 30, 2016	1,263.438	1,139.453	1,251.646
October 3, 2016	December 30, 2016	1,388.073	1,156.885	1,357.130
January 3, 2017	March 31, 2017	1,413.635	1,345.598	1,385.920
April 3, 2017	June 30, 2017	1,425.985	1,345.244	1,415.359
July 3, 2017	September 29, 2017	1,490.861	1,356.905	1,490.861
October 2, 2017	December 29, 2017	1,548.926	1,464.095	1,535.511
January 2, 2018	March 29, 2018	1,610.706	1,463.793	1,529.427
April 2, 2018	June 29, 2018	1,706.985	1,492.531	1,643.069

July 2, 2018	September 28, 2018	1,740.753	1,653.132	1,696.571
October 1, 2018	December 31, 2018	1,672.992	1,266.925	1,348.559
January 1, 2019	January 23, 2019*	1,482.501	1,330.831	1,454.255

\* The above table only includes data through this date. Accordingly, the Quarterly Closing High, Quarterly Closing Low and Quarterly Close data indicated are for this shortened period only and do not reflect complete data for this calendar quarter.

The graph below illustrates the performance of the Russell 2000 Index for the period indicated, based on information from Bloomberg. The solid line represents a hypothetical downside threshold and a hypothetical coupon barrier of 1,168.392, which is equal to approximately 80.00% of an intraday level on January 24, 2019. The actual coupon barrier and downside threshold will be set on the trade date. **Past performance of the underlying asset is not indicative of the future performance of the underlying asset.**

## Correlation of the Underlying Assets:

The graph below illustrates the daily performance of the underlying assets from January 26, 2009 through January 23, 2019. For comparison purposes, each underlying asset has been normalized to have a closing level of 100 on January 26, 2009 by dividing the closing level of that underlying asset on each trading day by the closing level of that underlying asset on January 26, 2009 and multiplying by 100. We obtained the closing levels used to determine the normalized closing levels set forth below from Bloomberg, without independent verification.

The closer the relationship of the daily returns of the underlying assets over a given period, the more positively correlated those underlying assets are. The lower (or more negative) the correlation among the underlying assets, the less likely it is that those underlying assets will move in the same direction and therefore, the greater the potential for one of those underlying assets to close below its coupon barrier or downside threshold on an observation date or on the final valuation date, respectively. This is because the less positively correlated the underlying assets are, the greater the likelihood that at least one of the underlying assets will decrease in value. However, even if the underlying assets have a higher positive correlation, one or more of the underlying assets might close below its coupon barrier or downside threshold on an observation date or the final valuation date, respectively, as the underlying assets may decrease in value together. Although the correlation of the underlying assets performance may change over the term of the Notes, the correlations referenced in setting the terms of the Notes are calculated using UBS internal models at the time when the terms of the Notes are set and are not derived from the daily returns of the underlying assets over the period set forth below. A higher contingent coupon rate is generally associated with lower correlation of the underlying assets, which reflects a greater potential for missed contingent coupons and for a loss on your investment at maturity. See Key Risks A higher contingent coupon rate or lower downside thresholds or coupon barriers may reflect greater expected volatility of each underlying asset, and greater expected volatility generally indicates an increased risk of loss at maturity, You are exposed to the market risk of each underlying asset and Because the Notes

are linked to the least performing underlying asset, you are exposed to a greater risk of no contingent coupons and losing a significant portion or all of your initial investment at maturity than if the Notes were linked to fewer underlying assets herein.

Past performance of the underlying assets is not indicative of the future performance of the underlying assets.

## What Are the Tax Consequences of the Notes?

**This discussion is based on the Internal Revenue Code of 1986, as amended (the Code), its legislative history, existing and proposed regulations under the Code, published rulings, interpretations and court decisions, all as currently in effect and all of which are subject to change, possibly on a retroactive basis.**

**The U.S. federal income tax consequences of your investment in the Notes are uncertain and we do not plan to request a ruling from the Internal Revenue Service (the "IRS"). Some of these tax consequences are summarized below, but we urge you to read the more detailed discussion in Material U.S. Federal Income Tax Consequences of the accompanying product supplement, including the discussion under "Securities Treated as Prepaid Derivatives or Prepaid Forwards with Associated Contingent Coupons", and to discuss the tax consequences of your particular situation with your tax advisor.**

*US Tax Treatment.* Pursuant to the terms of the Notes, UBS and you agree, in the absence of an administrative or judicial ruling to the contrary, to characterize the Notes as pre-paid derivative contracts with respect to the underlying assets. If your Notes are so treated, any contingent coupon that is paid by UBS (including on the maturity date or upon an automatic call) should be included in your income as ordinary income in accordance with your regular method of accounting for U.S. federal income tax purposes. In determining our information reporting obligations, if any, we intend to treat the contingent coupons as ordinary income.

In addition, excluding amounts or proceeds attributable to any contingent coupons, you should generally recognize gain or loss upon the taxable disposition or maturity of your Notes in an amount equal to the difference between the amount you receive at such time (other than amounts or proceeds attributable to a contingent coupon or any amount attributable to any accrued but unpaid contingent coupons) and the amount you paid for your Notes. Such gain or loss should generally be long-term capital gain or loss if you have held your Notes for more than one year (otherwise such gain or loss would be short-term capital gain or loss). The deductibility of capital losses is subject to limitations. Although uncertain, it is possible that proceeds received from the taxable disposition of your Notes prior to an observation date that are attributable to an expected contingent coupon, could be treated as ordinary income. You should consult your tax advisor regarding this risk.

**In the opinion of our counsel, Cadwalader, Wickersham & Taft LLP, it would be reasonable to treat your Notes in the manner described above. However, because there is no authority that specifically addresses the tax treatment of the Notes, it is possible that your Notes could alternatively be treated for tax purposes as a single contingent payment debt instrument, or pursuant to some other characterization, such that the timing and character of your income from the Notes could differ materially and adversely from the treatment described above, as described further under Material U.S. Federal Income Tax Consequences Alternative Treatments for**



**Securities Treated as Any Type of Prepaid Derivative or Prepaid Forward in the accompanying product supplement.**

*Notice 2008-2.* In 2007, the IRS has released a notice that may affect the taxation of holders of the Notes. According to Notice 2008-2, the IRS and the U.S. Treasury Department are actively considering whether the holder of an instrument such as the Notes should be required to accrue ordinary income on a current basis. It is not possible to determine what guidance they will ultimately issue, if any. It is possible, however, that under such guidance, holders of the Notes will ultimately be required to accrue income currently in excess of any receipt of contingent coupons and this could be applied on a retroactive basis. The IRS and the U.S. Treasury Department are also considering other relevant issues, including whether additional gain or loss from such instruments should be treated as ordinary or capital, whether non-U.S. holders of such instruments should be subject to withholding tax on any deemed income accruals, and whether the special constructive ownership rules of Section 1260 of the Code should be applied to such instruments. Holders are urged to consult their tax advisors concerning the significance, and potential impact, of the above considerations. Except to the extent otherwise required by law, UBS intends to treat your Notes for U.S. federal income tax purposes in accordance with the treatment described above and under Material U.S. Federal Income Tax Consequences Securities Treated as Prepaid Derivatives or Prepaid Forwards with Associated Contingent Coupons in the accompanying product supplement unless and until such time as the IRS and the Treasury Department determine that some other treatment is more appropriate.

*Medicare Tax on Net Investment Income.* U.S. holders that are individuals, estates, and certain trusts are subject to an additional 3.8% tax on all or a portion of their net investment income, which may include any income or gain realized with respect to the Notes, to the extent of their net investment income that when added to their other modified adjusted gross income, exceeds \$200,000 for an unmarried individual, \$250,000 for a married taxpayer filing a joint return (or a surviving spouse), or \$125,000 for a married individual filing a separate return. The 3.8% Medicare tax is determined in a different manner than the income tax. U.S. holders should consult their tax advisors with respect to their consequences with respect to the 3.8% Medicare tax.

*Specified Foreign Financial Assets.* Certain U.S. holders that own specified foreign financial assets in excess of an applicable threshold may be subject to reporting obligations with respect to such assets with their tax returns, especially if such assets are held outside the custody of a U.S. financial institution. You are urged to consult your tax advisor as to the application of this legislation to your ownership of the Notes.

*Non-U.S. Holders.* The U.S. federal income tax treatment of the contingent coupons is unclear. Subject to the discussions below with respect to Section 871(m) of the Code and FATCA (as defined below), our counsel is of the opinion that contingent coupons paid to a non-U.S. holder that provides us (and/or the applicable withholding agent) with a fully completed and validly executed applicable IRS Form W-8 should not be subject to U.S. withholding tax and we do not intend to withhold any tax on contingent coupons. However, it is possible that the IRS could assert that such payments are subject to U.S. withholding tax, or that another withholding agent may otherwise determine that withholding is required, in which case the other withholding agent may withhold up to 30% on such payments (subject to reduction or elimination of such withholding tax pursuant to an applicable income tax treaty). We will not pay any additional amounts in respect of such withholding. Subject to Section 897 of the Code and Section 871(m) of the Code, discussed below, gain from the taxable disposition or maturity of a Note generally should not be subject to U.S. tax unless (i) such gain is effectively connected with a trade or business conducted by the non-U.S. holder in the U.S.,

(ii) the non-U.S. holder is a non-resident alien individual and is present in the U.S. for 183 days or more during the taxable year of such taxable disposition and certain other conditions are satisfied or (iii) has certain other present or former connections with the U.S.

*Section 897.* We will not attempt to ascertain whether any underlying constituent issuer would be treated as a United States real property holding corporation (USRPHC) within the meaning of Section 897 of the Code. We also have not attempted to determine whether the Notes should be treated as United States real property interests ("USRPI") as defined in Section 897 of the Code. Nevertheless, we do not intend to treat the Notes as USRPI. If any underlying constituent issuer and the Notes were so treated, certain adverse U.S. federal income tax consequences could possibly apply, including subjecting any gain to a non-U.S. holder in respect of a Note upon a taxable disposition or maturity of a Note to U.S. federal income tax on a net basis, and the proceeds from such a taxable disposition could be subject to a 15% withholding tax. Non-U.S. holders should consult their tax advisor regarding the potential treatment of any underlying constituent issuer for their Notes as a USRPHC and the Notes as USRPI.

*Section 871(m).* A 30% withholding tax (which may be reduced by an applicable income tax treaty) is imposed under Section 871(m) of the Code on certain dividend equivalents paid or deemed paid to a non-U.S. holder with respect to a specified equity-linked instrument that references one or more dividend-paying U.S. equity securities or indices containing U.S. equity securities. The withholding tax can apply even if the instrument does not provide for payments that reference dividends. Treasury regulations provide that the withholding tax applies to all dividend equivalents paid or deemed paid on specified equity-linked instruments that have a delta of one (delta one specified equity-linked instruments) issued after 2016 and to all dividend equivalents paid or deemed paid on all other specified equity-linked instruments issued after 2018. However, the IRS has issued guidance that states that the Treasury and the IRS intend to amend the effective dates of the Treasury regulations to provide that withholding on dividend equivalents paid or deemed paid will not apply to specified equity-linked instruments that are not delta one specified equity-linked instruments and are issued before January 1, 2021.

Based on our determination that the Notes are not delta-one with respect to any underlying asset or any U.S. underlying constituents, our counsel is of the opinion that the Notes should not be delta one specified equity-linked instruments and thus should not be subject to withholding on dividend equivalents. Our determination is not binding on the IRS, and the IRS may disagree with this determination. Furthermore, the application of Section 871(m) of the Code will depend on our determinations made upon issuance of the Notes. If withholding is required, we will not make payments of any additional amounts.

Nevertheless, after issuance, it is possible that your Notes could be deemed to be reissued for tax purposes upon the occurrence of certain events affecting an underlying asset, the underlying constituents or your Notes, and following such occurrence your Notes could be treated as delta one specified equity-linked instruments that are subject to withholding on dividend equivalents. It is also possible that withholding tax or other tax under Section 871(m) of the Code could apply to the Notes under these rules if a non-U.S. holder enters, or has entered, into certain other transactions in respect of an underlying asset, the underlying constituents or the Notes. A non-U.S. holder that enters, or has entered, into other transactions in respect of an underlying asset, the underlying constituents or the Notes should consult its tax advisor regarding the application of Section 871(m) of the Code to its Notes in the context of its other transactions.

**Because of the uncertainty regarding the application of the 30% withholding tax on dividend equivalents to the Notes, you are urged to consult your tax advisor regarding the potential application of Section 871(m) of the**

**Code and the 30% withholding tax to an investment in the Notes.**

*Foreign Account Tax Compliance Act.* The Foreign Account Tax Compliance Act (FATCA) was enacted on March 18, 2010, and imposes a 30% U.S. withholding tax on withholdable payments (i.e., certain U.S.-source payments, including interest (and original issue discount), dividends, other fixed or determinable annual or periodical gain, profits, and income, and on the gross proceeds from a disposition of property of a type which can produce U.S.-source interest or dividends) and passthru payments (i.e., certain payments attributable to withholdable payments) made to certain foreign financial institutions (and certain of their affiliates) unless the payee foreign financial institution agrees (or is required), among other things, to disclose the identity of any U.S. individual with an account of the institution (or the relevant affiliate) and to annually report certain information about such account. FATCA also requires withholding agents making withholdable payments to certain foreign entities that do not disclose the name, address, and taxpayer identification number of any substantial U.S. owners (or do not certify that they do not have any substantial U.S. owners) to withhold tax at a rate of 30%. Under certain circumstances, a holder may be eligible for refunds or credits of such taxes.

Pursuant to final and temporary Treasury regulations and other IRS guidance, the withholding and reporting requirements under FATCA generally applies to certain withholdable payments made on or after July 1, 2014, and will generally apply to certain gross proceeds on a sale or disposition occurring after December 31, 2018, and certain foreign passthru payments made after December 31, 2018 (or, if later, the date that final regulations defining the term foreign passthru payment are published). If withholding is required, we (or the applicable paying agent) will not be required to pay additional amounts with respect to the amounts so withheld. Foreign financial institutions and non-financial foreign entities located in jurisdictions that have an intergovernmental agreement with the U.S. governing FATCA may be subject to different rules.

Investors should consult their tax advisor about the application of FATCA, in particular if they may be classified as financial institutions (or if they hold their Notes through a foreign entity) under the FATCA rules.

*Proposed Legislation.* In 2007, legislation was introduced in Congress that, if enacted, would have required holders of Notes purchased after the bill was enacted to accrue interest income over the term of the Notes despite the fact that there may not be interest payments over the entire term of the Notes. It is not possible to predict whether a similar or identical bill will be enacted in the future, or whether any such bill would affect the tax treatment of your Notes.

Furthermore, in 2013, the House Ways and Means Committee released in draft form certain proposed legislation relating to financial instruments. If enacted, the effect of this legislation generally would have been to require instruments such as the Notes to be marked to market on an annual basis with all gains and losses to be treated as ordinary, subject to certain exceptions.

It is not possible to predict whether any similar or identical bills will be enacted in the future, or whether any such bill would affect the tax treatment of your Notes. You are urged to consult your tax advisor regarding the possible changes in law and their possible impact on the tax treatment of your Notes.

**Prospective purchasers of the Notes are urged to consult their tax advisor concerning the application of U.S. federal income tax laws to their particular situations, as well as any tax consequences of the purchase, beneficial ownership and disposition of the Notes arising under the laws of any state, local, non-U.S. or other taxing jurisdiction.**

## Supplemental Plan of Distribution (Conflicts of Interest); Secondary Markets (if any)

We will agree to sell to UBS Securities LLC, and UBS Securities LLC will agree to purchase, all of the Notes at the issue price to the public less the underwriting discount indicated on the cover hereof. UBS Securities LLC intends to resell the Notes to Incapital LLC at a discount from the issue price to public equal to the underwriting discount indicated on the cover hereof. Certain unaffiliated registered investment advisers will purchase Notes from Incapital LLC at a purchase price of at least \$980.00 per principal amount of the Notes, and Incapital LLC, with respect to sales made to such unaffiliated registered investment advisers, may forgo some or all of the underwriting discount with respect to such sales.

**Conflicts of Interest** UBS Securities LLC is an affiliate of UBS and, as such, has a conflict of interest in this offering within the meaning of Financial Industry Regulatory Authority, Inc. (FINRA) Rule 5121. In addition, UBS will receive the net proceeds (excluding the underwriting discount) from the initial public offering of the Notes, thus creating an additional conflict of interest within the meaning of FINRA Rule 5121. Consequently, the offering is being conducted in compliance with the provisions of FINRA Rule 5121. UBS Securities LLC is not permitted to sell Notes in this offering to an account over which it exercises discretionary authority without the prior specific written approval of the account holder.

**UBS Securities LLC and its affiliates may offer to buy or sell the Notes in the secondary market (if any) at prices greater than UBS internal valuation** The value of the Notes at any time will vary based on many factors that cannot be predicted. However, the price (not including UBS Securities LLCs or any affiliates customary bid-ask spreads) at which UBS Securities LLC or any affiliate would offer to buy or sell the Notes immediately after the trade date in the secondary market is expected to exceed the estimated initial value of the Notes as determined by reference to our internal pricing models. The amount of the excess will decline to zero on a straight line basis over a period ending no later than 3 months after the trade date, provided that UBS Securities LLC may shorten the period based on various factors, including the magnitude of purchases and other negotiated provisions with selling agents. Notwithstanding the foregoing, UBS Securities LLC and its affiliates are not required to make a market for the Notes and may stop making a market at any time. For more information about secondary market offers and the estimated initial value of the Notes, see Key Risks Fair value considerations and Key Risks Limited or no secondary market and secondary market price considerations of this document.

**Prohibition of Sales to EEA Retail Investors** The Notes 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, 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. Consequently no key information document required by Regulation (EU) No 1286/2014, as amended (the "PRIIPs Regulation"), for offering or selling the Notes or otherwise making them available to retail

investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.