



EDGA & EDGX STOCK EXCHANGES			
Regulatory Information Circular			
Circular Number:	2012-070	Contact:	Jeff Rosenstock
Date:	July 18, 2012	Telephone:	(201) 942-8295

Subject: ETRACS Alerian MLP Index ETN due July 18, 2042

Background Information on the Notes

As more fully explained in the [Registration Statement](#) (No. 333-178960), UBS AG (London Branch) (the “Issuer” or “UBS”) from time to time may offer to sell debt securities and warrants, including leveraged Exchange Traded Notes (“ETNs”), of which the ETRACS Alerian MLP Index ETN (the “Notes” or “Securities”) is one class.

Description of the Notes

The Securities are senior unsecured debt securities issued by UBS that provide exposure to potential price appreciation in the Alerian MLP Index (the “Index”), subject to an Accrued Tracking Fee (as described below) based on a Quarterly Tracking Fee of 0.20% (equivalent to 0.80% per annum). Investors may lose some or all of their principal at maturity, early redemption or upon exercise by UBS of its call right if the level of the Index as measured by the Volume Weighted Average Price (“VWAP”) Level declines or does not increase by an amount sufficient to offset the Accrued Tracking Fee and the Redemption Fee Amount (0.125% of the Current Indicative Value), if applicable. The Securities may pay a quarterly coupon during their term. Investors will receive a cash payment at maturity or upon exercise by UBS of its call right, based on the performance of the Index less the Accrued Tracking Fee, as described in the Pricing Supplement for the ETNs. Investors will receive a cash payment upon early redemption based on the performance of the Index less the Accrued Tracking Fee and the Redemption Fee Amount. Payment at maturity or upon early redemption is subject to the creditworthiness of UBS. In addition, the actual and perceived creditworthiness of UBS will affect the market value, if any, of the Securities prior to maturity, call or early redemption. All items referred to but not defined herein are defined in the Pricing Supplement for the ETNs.

The return on the Securities is linked to the performance of the Alerian MLP Index. The Index measures the performance of 50 prominent energy master limited partnerships. The Index constituents earn the majority of their cash flow from the transportation, storage, processing or production of energy commodities.

Payment at Maturity

For each Security, unless earlier redeemed or called, investors will receive at maturity a cash payment equal to (a) the product of (i) the Principal Amount and (ii) the Index Performance Ratio as of the last Index Business Day in the Final Measurement Period plus (b) the final Coupon Amount minus (c) the Accrued Tracking Fee as of the last Index Business Day in the Final Measurement Period, plus (d) the Stub Reference Distribution Amount as of the last Index Business Day in the Final Measurement Period, if any. This cash payment is the “Cash Settlement Amount.” If the amount so calculated is less than zero, the payment at maturity will be zero.

Current Indicative Value

As determined by the Security Calculation Agent as of any date of determination, the Current Indicative Value is an amount per Security equal to the product of (i) the Principal Amount and (ii) a fraction, the numerator of which is equal to the VWAP Level as of such date and the denominator of which is equal to the Initial VWAP Level.

Principal Risks

The Securities are fully exposed to any decline in the level of the Index, as measured by the VWAP Level. Because the Accrued Tracking Fee reduces the final payment, the level of the Index, as measured by the Final VWAP Level, as compared to the Initial VWAP Level, will need to increase by an amount at least equal to the percentage of the Principal Amount represented by the Accrued Tracking Fee and Redemption Fee Amount, if applicable, less any Coupon Amounts, any Stub Reference Distribution Amount and/or Adjusted Coupon Amount, as applicable, in order for investors to receive an aggregate amount over the term of the Securities equal to at least the Principal Amount of the Securities. If the increase in the level of the Index, as measured by the Final VWAP Level, as compared to the Initial VWAP Level, is insufficient to offset the negative effect of the Accrued Tracking Fee and Redemption Fee Amount, if applicable, less any Coupon Amounts, any Stub Reference Distribution Amount and/or Adjusted Coupon Amount, as applicable, or if the level of the Index, as measured by the Final VWAP Level is less than the Initial VWAP Level, investors will lose some or all of their investment at maturity or call, or upon early redemption. Other risks include market risk; credit of issuer risk; potential over-concentration in a particular industry risk; risk that a trading market for the Securities may not develop; minimum redemption amount risk; irrevocable redemption election risk; uncertain tax treatment risk and UBS’s call right risk.

Additional risks are described in the Prospectus for the ETNs, available at the ETN’s [website](#).

Exchange Rules Applicable to Trading in the Notes

The ETNs are considered equity securities, thus rendering trading in the ETNs subject to the Exchanges’ existing rules governing the trading of equity securities.

Trading Hours

Trading in the securities on EDGA Exchange, Inc. and EDGX Exchange, Inc. (the “Exchanges”) is on a UTP basis and is subject to the Exchanges equity trading rules. The securities will trade from 8:00 a.m. until 8:00 p.m. Eastern Time. Members trading the securities during the Extended Market Sessions (Pre-opening and Post-closing sessions) are exposed to the risk of the lack of the calculation or dissemination of underlying index value or intraday indicative value (“IIV”). For certain derivative securities products, an updated underlying index value or IIV may not be calculated or publicly disseminated in the Extended Market hours. Since the underlying index value and IIV are not calculated or widely disseminated during Extended Market hours, an investor who is unable to calculate implied values for certain derivative securities products during Extended Market hours may be at a disadvantage to market professionals.

Suitability

Trading in the securities on the Exchanges will be subject to the provisions of EDGA and EDGX Exchange Rules 3.7. Members recommending transactions in the securities to customers should make a determination that the recommendation is suitable for the customer. In addition, Members must possess sufficient information to satisfy the “know your customer” obligation that is embedded in Exchange Rules 3.7.

Members also should review FINRA Notice to Members 03-71 for guidance on trading these products. The Notice reminds Members of their obligations to: (1) conduct adequate due diligence to understand the features of the product; (2) perform a reasonable-basis suitability analysis; (3) perform customer-specific suitability analysis in connection with any recommended transactions; (4) provide a balanced disclosure of both the risks and rewards associated with the particular product, especially when selling to retail investors; (5) implement appropriate internal controls; and (6) train registered persons regarding the features, risk and suitability of these products.

Delivery of a Prospectus

Pursuant to federal securities laws, investors purchasing shares must receive a prospectus prior to or concurrently with the confirmation of a transaction. Investors purchasing shares directly from the Fund (by delivery of the Deposit Amount) must also receive a prospectus.

Prospectuses may be obtained through the Distributor or on the Fund’s website. The Prospectus does not contain all of the information set forth in the registration statement (including the exhibits to the registration statement), parts of which have been omitted in accordance with the rules and regulations of the SEC. For further information about the Fund, please refer to the Trust’s registration statement.

No-Action Relief Under Federal Securities Regulations

The Securities and Exchange Commission has issued no-action relief from certain provisions of and rules under the Securities Exchange Act of 1934 (the “Exchange Act”), regarding trading in Barclays Index-Linked Securities (File No. TP 06-71) (SEC Letter dated

May 30, 2006) for securities with structures similar to that of the securities described herein (the “No-Action Letter”). As what follows is only a summary of the relief outlined in the Letter, the Exchange also advises interested members to consult the No-Action Letter, for more complete information regarding the matters covered therein.

Regulation M Exemptions

Generally, Rules 101 and 102 of Regulation M is an anti-manipulation regulation that, subject to certain exemptions, prohibits a “distribution participant” and the issuer or selling security holder, in connection with a distribution of securities, from bidding for, purchasing, or attempting to induce any person to bid for or purchase, any security which is the subject of a distribution until after the applicable restricted period, except as specifically permitted in Regulation M. The provisions of the Rules apply to underwriters, prospective underwriters, brokers, dealers, and other persons who have agreed to participate or are participating in a distribution of securities, and affiliated purchasers of such persons.

The Letter states that the SEC Division of Trading and Markets will not recommend enforcement action under Rule 101 of Regulation M against persons who may be deemed to be participating in a distribution of the notes to bid for or purchase the notes during their participation in such distribution.

Rule 102 of Regulation M prohibits issuers, selling security holders, or any affiliated purchaser of such person from bidding for, purchasing, or attempting to induce any person to bid for or purchase a covered security during the applicable restricted period in connection with a distribution of securities effected by or on behalf of an issuer or selling security holder. Rule 100 of Regulation M defines “distribution” to mean any offering of securities that is distinguished from ordinary trading transactions by the magnitude of the offering and the presence of special selling efforts and selling methods.

The Letter states that the SEC Division of Trading and Markets will not recommend enforcement action under Rule 102 of Regulation M against Barclays and its affiliated purchasers who bid for or purchase or redeem notes during the continuous offering of the notes.

Section 11(d)(1) of the Exchange Act; Exchange Act Rule 11d1-2

Section 11(d)(1) of the Exchange Act generally prohibits a person who is both a broker and a dealer from effecting any transaction in which the broker-dealer extends credit to a customer on any security which was part of a new issue in the distribution of which he or she participated as a member of a selling syndicate or group within thirty days prior to such transaction. The Letter states that the SEC Division of Trading and Markets will not recommend enforcement action under Section 11(d)(1) of the Exchange Act against broker-dealers who treat the notes, for purposes of Rule 11d1-2, as “securities issued by a registered . . . open-end investment company as defined in the Investment Company Act” and thereby, extend credit or maintain or arrange for the extension or maintenance of credit on the notes that have been owned by the persons to whom credit is provided for more than 30 days, in reliance on the exemption contained in the rule.

This Regulatory Information Circular is not a statutory Prospectus. Members should consult the ETN's [Registration Statement](#), SAI, Prospectus, and the ETN's [website](#) for relevant information.

Appendix A

Ticker	Fund Name	CUSIP
AMU	ETRACS Alerian MLP Index ETN	90267B682