EDGA Exchange, Inc. & EDGX Exchange, Inc.			
Regulatory Information Circular			
Circular Number:	2013-072	Contact:	Jeff Rosenstrock
Date:	September 19, 2013	Telephone:	(201) 942-8295

Subject: **UBS ETRACS Diversified High Income ETN**

Background Information on the Notes

As more fully explained in the Prospectus Supplement to the Prospectus dated January 11, 2012 for the ETRACS Diversified High Income ETN (the "ETN") (File No. 333-178960), the return on the ETN is based on the performance of the NYSE Diversified High Income Index (the "Index") during the term of the ETN. The Index is reported on Bloomberg under ticker symbol "NYDVHI". The ETNs are issued by UBS AG, London Branch ("UBS"). The maturity date is September 18, 2043.

Ticker	Notes Name	CUSIP
DVHI	ETRACS Diversified High Income ETN	90267L805

Description of the Notes

The ETNs are senior unsecured debt securities issued by UBS that provide exposure to potential price appreciation in the Index, subject to an Accrued Tracking Fee. The Accrued Tracking Fee is based on the Monthly Tracking Fee, which is equal to the product of 0.07% (equivalent to 0.84% per annum) and the Current Indicative Value for the ETNs which will be disseminated by market data vendors under the symbol DVHI.IV, (with additional information regarding the ETN, including redemption procedures, fees and dividends, found in the Prospectus Supplement). Investing in the ETNs involves significant risks. Investors may lose some or their entire principal at maturity, early redemption or upon exercise by UBS of its call right if the level of the Index declines or does not increase by an amount sufficient to offset the Accrued Tracking Fee or Adjusted Tracking Fee Shortfall and the Redemption Fee, if applicable. The ETNs may pay a monthly 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 Prospectus Supplement. 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.

The ETNs are senior unsecured medium-term notes issued by UBS with a return linked to the performance of the price return version of the Index. The Index measures the performance of a broad, diversified basket of publicly-traded securities that typically pay high dividends or distributions. The Index constituents must satisfy certain dividend or distribution yield and frequency criteria, liquidity criteria and other eligibility requirements. The Index currently includes 15 business development companies ("BDCs") (comprising 15% of the Index), 25 master limited partnerships (comprising 15% of the Index), 15 U.S. mortgage real estate investment trusts (comprising 7.5% of the Index), 20 U.S. real estate investment trusts, excluding Mortgage REITs ("REITs") (comprising 7.5% of the Index), 50 U.S. equities (comprising 7.5% of the Index) and 13 exchange-traded funds ("ETFs") (comprising 47.5% of the Index). Four of the ETFs invest in international equities (comprising 7.5% of the Index), three of the ETFs invest in U.S. investment grade and high yield municipal bonds (comprising 10% of the Index), one ETF invests in high yield corporate bonds (comprising 10% of the Index), one ETF invests in emerging market sovereign bonds (comprising 10% of the Index) and four of the ETFs invest in preferred stocks (comprising 10% of the Index).

The ETNs do not guarantee any return of principal at maturity. Instead, at maturity, investors will receive 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 calculated above is less than zero, the payment at maturity will be zero. An Investor may lose some or all of its investment at maturity. Because the Accrued Tracking Fee (including any Tracking Fee Shortfall) reduces the final payment, the level of the Index, as measured by the Final Index Level, will need to increase from the Initial Index Level by an amount at least equal to the percentage of the principal amount represented by the Accrued Tracking Fee, less any Coupon Amounts and/or any Stub Reference Distribution Amount, in order for an investor to receive an aggregate amount over the term of the ETNs equal to at least the principal amount of the ETNs. If the increase in the level of the Index, as measured by the Final Index Level compared to the Initial Index Level, is insufficient to offset the negative effect of the Accrued Tracking Fee or if the Final Index Level is less than the Initial Index Level, the investor will lose some or all of his or her investment at maturity.

The ETNs are subject to early redemption or acceleration in whole or in part at any time. Accordingly, an investor should not expect to be able to hold the ETNs to maturity.

For a more complete description of the ETNs and the Index, visit the website www.ubs.com. For more information on the Index, and various fees and expenses for the notes consult the Prospectus Supplement.

Principal Risks

Interested persons are referred to the Prospectus Supplement for a description of risks associated with an investment in the ETNs. These risks include: loss of principal risk; market risk; credit of issuer risk; minimum redemption amount risk; irrevocable redemption election risk; uncertain tax treatment; UBS call right; and index risk. The ETNs are riskier than ordinary unsecured debt securities.

For a more complete description of the ETNs, the payment at maturity and the valuation, fees and risk factors, consult the ETNs' Prospectus Supplement.

Exchange Rules Applicable to Trading in the Notes

The Notes are considered equity securities, thus rendering trading in the Notes subject to the existing rules governing the trading of equity securities on the EDGA Exchange, Inc. and EDGX Exchange, Inc. (together, the "Exchanges").

Trading Hours

Trading in the Notes on the Exchanges is on a UTP basis and is subject to the Exchanges' equity trading rules. The Notes will trade from 8:00 a.m. until 8:00 p.m. Eastern Time. Members trading the Notes during the Extended Market Sessions (Preopening 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.

Trading Halts

The Exchanges will halt trading in the Notes in accordance with the Exchanges' Rules 14.1(c)(4). The grounds for a halt under this Rule include a halt by the primary market because it stops trading the Notes and/or a halt because dissemination of the IIV or applicable currency spot price has ceased, or a halt for other regulatory reasons. In addition, the Exchanges will stop trading the Notes if the primary market de-lists the Notes.

Suitability

Trading in the Notes on the Exchanges will be subject to the provisions of the Exchanges' Rules 3.7. Members recommending transactions in the Notes 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 the Exchanges' 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 Notes must receive a prospectus prior to or concurrently with the confirmation of a transaction. Investors purchasing Notes directly from the Issuer (by delivery of the Deposit Amount) must also receive a prospectus. Prospectuses may be obtained through the Distributor or on the Issuer'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 Notes, please refer to the Issuer's registration statement.

Exemptive, Interpretive and 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 Deutsche Bank AG Exchange-Traded Notes (SEC Letter dated October 17, 2007) and Barclays Bank PLC Exchange-Traded Notes (SEC No-Action Letters dated May 30, 2006 and July 27, 2006) for securities with structures similar to that of the securities described herein (the "Letters"). Members are referred to the No-Action Letters, available at www.sec.gov, for additional information.

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

<u>Section 11(d)(1); SEC Rules 11d1-1 and 11d1-2</u>

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 Letters state 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 ETNs' <u>Prospectus Supplement</u> and the ETNs' <u>website</u> for relevant information.