EDGA & EDGX STOCK EXCHANGES			
Regulatory Information Circular			
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Subject: **ETRACS Monthly 2xLeveraged ISE Cloud Computing Index ETN due October 4, 2041**

Background Information on the Notes

As more fully explained in the Registration Statement No. 333-156695 for ETRACS Monthly 2xLeveraged ISE Cloud Computing Index ETN due October 4, 2041 (the "Note"), the Securities are linked to the performance of the ISE Cloud Computing Index™ (the "Index"), which is a total return index. The Index provides a benchmark for investors interested in tracking companies actively involved in the cloud computing industry.

The Notes are senior unsecured debt securities issued by UBS AG (the "Issuer"). The Notes provide a monthly compounded two times leveraged exposure to the performance of the Index, reduced by (i) the Accrued Tracking Fee based on a rate of 0.60% per annum and (ii) the Accrued Financing Charges as described in the Note's Prospectus. Investors will receive a cash payment at maturity, upon exercise by the Issuer of its call right or upon early acceleration, based on the leveraged performance of the Index less the Accrued Fees, as described in the Prospectus. Investors will receive a cash payment upon early redemption based on the leveraged performance of the Index less the Accrued Fees and the Redemption Fee. Payment at maturity or call, upon acceleration or upon early redemption is subject to the creditworthiness of the Issuer. In addition, the actual and perceived creditworthiness of the Issuer will affect the market value, if any, of the Notes prior to maturity, call, acceleration or early redemption.

Payment at Maturity

For each Security, unless earlier redeemed, called or accelerated, investors will receive at maturity a cash payment equal to (a) the product of (i) the Current Principal Amount times (ii) the Index Factor as of the last Final Valuation Date, minus (b) the Accrued Fees as of the Final Valuation Date. The cash payment is referred to as the "Cash Settlement Amount." If the amount so calculated is less than zero, the payment at maturity will be zero.

The Issuer Call Right

On any Business Day on or after October 8, 2012 through and including the Maturity Date (the "Call Settlement Date"), the Issuer may at its option redeem all, but not less than all, issued and outstanding Notes. To exercise its Call Right, the Issuer must provide notice to the holders of the Notes not less than ten calendar days prior to the Call Settlement Date. Upon early redemption in the event the Issuer exercises this right, investors will receive a cash payment equal to the Call Settlement Amount, which will be calculated as described herein and paid on the Call Settlement Date. If the amount so calculated is less than zero, the payment upon exercise of the Call Right will be zero.

Principal Risks

Investment in the Notes will involve significant risks. The Notes are not secured debt and are riskier than ordinary unsecured debt securities. In addition, the Notes are two times leveraged with respect to the Index and, as a result, will benefit from two times any beneficial, but will be exposed to two times any adverse, monthly performance of the Index. Investors may lose some or all of their principal at maturity or call, upon acceleration or upon early redemption if the leveraged return of the Index is not sufficient to offset the negative effect of the Accrued Fees, less the Redemption Fee, if applicable. Investing in the Notes is not equivalent to investing directly in the Index Constituents or the Index itself. Additional risks include correlation and compounding risk; market risk; credit of issuer risk; risks associated with the Issuer unauthorized trading; potential over-concentration in a particular market segment risk; risk that a trading market for the Notes may not develop; potential automatic acceleration risk; and limited performance history risk. Additional risks are described in the Prospectus.

Exchange Rules Applicable to Trading in the Notes

The Notes are considered an equity securities, thus rendering trading in the securities subject to the exchanges existing rules governing the trading of equity securities.

Trading Hours

Trading in the shares on EDGA and EDGX Exchanges (the “Exchanges”) is on a UTP basis and is subject to the Exchanges equity trading rules. The shares will trade from 8:00 a.m. until 8:00 p.m. Eastern Time. Members trading the shares 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.

Trading Halts

The Exchanges will halt trading in the shares in accordance with Exchange 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 shares 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 shares if the primary market de-lists the shares.

Suitability

Trading in the shares on the Exchanges will be subject to the provisions of EDGA and EDGX Exchange Rules 3.7. Members recommending transactions in the shares 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 Issuer 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 Issuer'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 Notes' Registration Statement, SAI, Prospectus and website for relevant information.

Appendix A

Ticker	Fund Name	CUSIP
LSKY	ETRACS Monthly 2xLeveraged ISE Cloud Computing TR Index ETN due October 4, 2041	90267E330