



EDGA & EDGX STOCK EXCHANGES			
Regulatory Information Circular			
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Subject: UBS AG 1x Monthly Short Exchange Traded Access Securities Linked to the Alerian MLP Infrastructure Total Return Index due October 1, 2040

Background Information on the Security

As more fully explained in the Registration Statement No. 333-156695 for UBS AG Exchange Traded Access Securities (“E-TRACS”) ETNs, the Securities are linked to the performance of an index, as described below. The purpose of this Information Circular is to outline various rules and policies that will be applicable to trading the Securities. For a more complete description of the Securities and the payment at maturity, the Index, early repurchase provisions, early repurchase mechanics, valuation, fees and risk factors, consult the Registration Statement.

Description of the Security

The UBS AG 1x Monthly Short Exchange Traded Access Securities (E-TRACS) linked to the Alerian MLP Infrastructure Total Return Index (the “Securities”) are senior unsecured debt securities issued by UBS AG (UBS) that provide short exposure to the compounded monthly inverse performance of the Alerian MLP Infrastructure Total Return Index (the “Index”), reduced by (i) the accrued stock borrow fees and (ii) the fee amount of 0.85% per annum, and increased by the accrued financing payment (each as described below). Investing in the Securities involves significant risks. The Securities do not pay any interest during their term. Instead, you will receive a cash payment at maturity, acceleration or upon exercise by UBS of its call right based on the compounded monthly inverse performance of the Index and the accrued financing payment less the accrued stock borrow fees and the fee amount as described in the pricing supplement. A cash payment will be received upon early redemption based on the compounded monthly inverse performance of the Index and the accrued financing payment less the accrued stock borrow fees, the fee amount and the redemption fee amount. Payment at maturity, acceleration, call 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, acceleration, call or early redemption. Investing in the Securities involves significant risks, including the loss of some or all of an investment in the Securities and will be subject to the credit risk of UBS AG.

Description of the Index

The Index provides an enhanced liquid subset of master limited partnerships that includes only midstream energy transportation and storage assets, and selects those companies that are infrastructure hard-asset focused. The Index provides diversified exposure specifically to infrastructure investment. The Index, whose constituents each earn the majority of their cash flow from transportation and storage of energy commodities, provides investors with a

benchmark for the infrastructure component of this emerging asset class. The Index is calculated by Standard & Poor's using a capped, float-adjusted, capitalization-weighted methodology. The Index is disseminated through ticker AMZIX. Relevant data points such as dividend yield are also published daily. Index values, constituents, total market capitalization, and announcements regarding constituent changes can be found at www.alerian.com.

The Securities are linked to the inverse performance, compounded monthly, measured by reference to its VWAP Level and its closing level, of the Alerian MLP Infrastructure Total Return Index.

Early Redemption

Investors may elect to require UBS to redeem your Securities, in whole or in part, once a week prior to the Maturity Date commencing on October 11, 2010 through and including September 26, 2040, subject to a minimum redemption amount of at least 50,000 Securities. Investors redeeming Securities will receive a cash payment equal to the Closing Indicative Security Value minus the Redemption Fee Amount, which will be determined on the applicable Valuation Date and paid on the applicable Redemption Date. Investors must comply with the redemption procedures described in the Registration Statement.

Indicative Value

The intraday indicative value of the Securities (MLPS.IV) calculated and published by NYSE Arca will be based on the intraday indicative value of the Index instead of the VWAP Levels of the Index. Because the intraday indicative value of the Securities may vary significantly from the VWAP Levels and the Final VWAP Level, the payment at maturity or call, or upon early redemption of Securities may be significantly different than the payment investors would receive if such payment is determined by reference to the intraday indicative value of the Securities.

Exchange Rules Applicable to Trading in the Security

The ETN is considered an equity security, thus rendering trading in the ETN subject to the Exchanges' existing rules governing the trading of equity securities.

Principal Risks

Interested persons are referred to the Prospectus for a description of risks associated with an investment in the Security. It is expected that the market value of the Security will depend substantially on the value of the Index and may be affected by a number of other interrelated factors including, among other things: the general level of interest rates, the volatility of the Index, the time remaining to maturity, the dividend yield of the stocks comprising the Index, and the credit ratings of the Issuer.

Trading Hours

Trading in the shares on 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 of a Trust 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 of a Trust 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

Members are advised to consult the “Supplemental Plan of Distribution” in the Prospectus regarding prospectus delivery requirements.

No-Action Relief Under Federal Securities Regulations

The SEC has issued no-action relief from certain provisions of rules under the Securities Exchange Act of 1934 (“the Act”) regarding trading in the 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.

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 affected 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): SEC Rules 11d1-1 and 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 Trust’s Registration Statement, SAI, Prospectus and the Fund’s website for relevant information.

Appendix A

Ticker	Fund Name	Cusip
MLPS	UBS AG 1x Monthly Short Exchange Traded Access Securities Linked to the Alerian MLP Infrastructure Total Return Index due October 1, 2040	902641612