



BZX Information Circular 11-075
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Date: June 20, 2011

Re: UBS AG Exchange Traded Access Securities (E-TRACS) ETNs-Oil Futures Contango and Natural Gas Futures Contango ETNs

Pursuant to Rule 14.1(c)(2) of the Rules of BATS Exchange, Inc. and BATS Y-Exchange, Inc. (the "Exchange"), this Information Circular is being issued to advise you that the following securities have been approved for trading on the Exchange as UTP Derivative Securities pursuant to Chapter XIV of the Exchange's Rules.

<u>Security ("Notes")</u>	<u>Symbol</u>
Oil Futures Contango ETN due June 14, 2041	OILZ
Natural Gas Futures Contango ETN due June 14, 2041	GASZ

Commencement of Trading on the Exchange: June 21, 2011

Issuer/Trust: UBS AG

Issuer Website: <http://www.ubs.com>

Primary Listing Exchange: NYSE Arca

Primary Exchange Circular: RB-11-83 (June 16, 2011)

Registration Statement: No. 333-156695

The purpose of this information circular is to outline various rules and policies that will be applicable to trading in this new product on the Exchange, as well as to provide certain characteristics and features of the Notes.

Background Information on the Notes

UBS AG (the "Issuer") has issued Exchange Traded Notes ("ETNs" or "Notes") linked to the performance of an index (each an "Index"). The maturity date for each ETN is June 14, 2041. The ETNs were priced at \$25 each and do not guarantee any return of principal at maturity and do not pay any interest.

The Oil Futures Contango ETN due 2041 series (the "Oil Futures Securities") is linked to the daily performance of the ISE Oil Futures Spread Index (the "Oil Index") and the Natural Gas Contango ETN due 2041 series (the "Natural Gas Futures Securities") is linked to the daily performance of the ISE Natural Gas Futures Spread Index (the "Natural Gas Index" and, together with the Oil Index, the "Indices" and each an "Index").

Each of the Indices tracks continuous exposure to oil or gas futures prices by taking a short position in a short-term oil or gas futures sub-index and a long position in other oil or gas sub-indices of longer maturity futures contracts, as described in more detail below. The return on each series of ETNs is reduced by the Fee Amount of 0.85% per annum, and increased by the Financing Payment. Investing in the ETNs involves significant risks. Investors may lose some or all of their principal at maturity, upon early

redemption, acceleration or upon exercise by the Issuer of its call right if, with respect to the ETNs, the level of the relevant Index, calculated as described herein, declines or does not increase by an amount, together with the Financing Payment, sufficient to offset the combined negative effect of the Fee Amount and the Redemption Fee Amount, if applicable.

The Notes are linked to the performance of the relevant Index and, as a result, will benefit from any positive, but will also be exposed to any negative, performance of each Index. Payment at maturity, upon early redemption, call or acceleration is subject to the creditworthiness of the Issuer. In addition, the actual or perceived creditworthiness of the Issuer will affect the market value, if any, of the Notes prior to maturity, early redemption, call or acceleration. The Notes are designed as an investment vehicle for sophisticated investors who understand the risks of investing in the daily performance of an index that tracks a commodities spread. The Notes are not intended to be a “buy and hold” investment.

The return on the Oil Futures Securities is linked to the Oil Index, which is a blended index that tracks a continuous exposure to oil futures prices by taking a one-and-a-half times long position in aggregate of the ISE Sixth Month Oil Futures Index, ISE Seventh Month Oil Futures Index and ISE Eighth Month Oil Futures Index (the “Oil Medium-Term Sub-Indices”) and a 100% long position in the ISE Short Front Month Oil Futures Index, which provides short (inverse) exposure to the ISE Long Front Month Oil Futures Index (the ISE Long Front Month Oil Futures is referred to herein as the “Oil Short-Term Sub-Index” and, together with the Oil Medium-Term Sub-Indices, the “Oil Sub-Indices”). Each of the Oil Sub-Indices seeks to provide investors with exposure to one maturity of Light Sweet Crude Oil (WTI) futures contracts, which reflect the implied futures prices of Light Sweet Crude Oil (WTI). The return on the Natural Gas Futures Securities is linked to the Natural Gas Index, which is a blended index that tracks a continuous exposure to natural gas futures prices by taking a 100% long position in aggregate of the ISE Twelfth Month Natural Gas Futures Index, ISE Thirteenth Month Natural Gas Futures Index and ISE Fourteenth Month Natural Gas Futures Index (the “Natural Gas Medium-Term Sub-Index”) and a 100% long position in the ISE Short Front Month Natural Gas Futures Index, which provides short (inverse) exposure to the ISE Long Front Month Natural Gas Futures Index (the ISE Long Front Month Natural Gas Futures Index is referred to herein as the “Natural Gas Short-Term Sub-Index” and, together with the Natural Gas Medium Term Sub-Indices, the “Natural Gas Sub-Indices”). Each of the Natural Gas Sub-Indices seeks to provide investors with exposure to one maturity of Henry Hub Natural Gas Futures (NG) futures contracts, which reflect the implied futures prices of Henry Hub Natural Gas. The weights of the relevant sub-indices are rebalanced monthly before the roll process of the relevant Index to maintain the relevant long to short ratio for that Index.

On the Maturity Date, investors will receive a cash payment per \$25 Principal Amount of their ETNs equal to the Current Principal Amount as of the Final Valuation Date. On the Initial Trade Date, the Current Principal Amount for each series of the Securities is equal to \$25.00 per ETN. For each subsequent calendar day, the Current Principal Amount will equal:

$$(\text{Current Principal Amount on the previous calendar day} \times \text{Daily Index Factor}) + \text{Financing Payment} - \text{Fee Amount}$$

If the Securities undergo a split or reverse split, the Current Principal Amount will be adjusted accordingly. Investors will receive a Financing Payment per Note of each series, which accrues on a daily basis. On the Initial Trade Date, the Financing Payment is equal to zero. On each subsequent calendar day, the Financing Payment equals the product of (i) the Financing Rate divided by 360 times (ii) the Current Principal Amount on the previous calendar day.

On any calendar day, the Financing Rate equals:

$$(((1 - (91/360) \times \text{T-Bill Rate})^{-1/91}) - 1) \times 360$$

The T-Bill Rate equals the most recent published 91-day U.S. Treasury Bill auction rate, as published weekly on Monday and made effective the following Index Business Day, available from Bloomberg on page USB3MTA. The T-Bill rate is expressed as a percentage.

Please see the prospectus for the Notes for more details regarding the calculations and details regarding the Index.

It is expected that the market value of the Notes 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.

Exchange Rules Applicable to Trading in the Notes

Trading in the Notes on BATS is subject to BATS equity trading rules.

Trading Hours

The Notes will trade on BATS between 8:00 a.m. and 5:00 p.m. ET.

Please note that trading in the Notes during the Exchange's Pre-Opening and After Hours Trading Sessions may result in additional trading risks which include: (1) that the current underlying indicative value may not be updated during the Pre-Opening and After Hours Trading Sessions, (2) lower liquidity in the Pre-Opening and After Hours Trading Sessions may impact pricing, (3) higher volatility in the Pre-Opening and After Hours Trading Sessions may impact pricing, (4) wider spreads may occur in the Pre-Opening and After Hours Trading Sessions, and (5) because the indicative value is not calculated or widely disseminated during the Pre-Opening or After Hours Trading Sessions, an investor who is unable to calculate an implied value for the Shares in those sessions may be at a disadvantage to market professionals.

Suitability

Trading in the securities on BATS will be subject to the provisions of Exchange Rule 3.7. Members recommending transactions in the securities to customers should make a determination that the recommendation is suitable for the customer. Members should adopt appropriate procedures for the opening and maintaining of accounts, including the maintaining of records prescribed by any applicable regulatory organization and by the rules and regulations of the Commission.

Trading Halts

BATS will halt trading in the shares of a security in accordance with BATS Rule 14.1(c)(4). The grounds for a halt under BATS Rule 14.1(c)(4) include a halt by the primary market because the intraday indicative value of the security and/or the value of its underlying index are not being disseminated as required, or a halt for other regulatory reasons. In addition, BATS will stop trading the shares of a security if the primary market de-lists the security.

This Information Circular is not a statutory prospectus. BATS Members should consult the prospectus for a security and the security's website for relevant information.

Please contact Membership Services at 913.815.7002 with any inquiries regarding this Information Circular.