



BZX Information Circular 11-101
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Date: September 9, 2011

Re: S&P 500 VIX Futures Index Series iPath US Treasury 5-Year Bull ETN

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>
ETRACS Daily Short 1-Month S&P 500 VIX Futures ETN	AAVX
ETRACS Daily Short 2-Month S&P 500 VIX Futures ETN	BBVX
ETRACS Daily Short 3-Month S&P 500 VIX Futures ETN	CCVX
ETRACS Daily Short 4-Month S&P 500 VIX Futures ETN	DDVX
ETRACS Daily Short 5-Month S&P 500 VIX Futures ETN	EEVX
ETRACS Daily Short 6-Month S&P 500 VIX Futures ETN	FFVX
ETRACS 1-Month S&P 500 VIX Futures ETN	VXAA
ETRACS 2-Month S&P 500 VIX Futures ETN	VXBB
ETRACS 3-Month S&P 500 VIX Futures ETN	VXCC
ETRACS 4-Month S&P 500 VIX Futures ETN	VXDD
ETRACS 5-Month S&P 500 VIX Futures ETN	VXEE
ETRACS 6-Month S&P 500 VIX Futures ETN	VXFF

Commencement of Trading on the Exchange: September 12, 2011

Issuer/Trust: UBS AG

Issuer Website: www.ubs.com/e-tracs

Primary Listing Exchange: NYSE Arca

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" or "ETRACS") based on the S&P 500 VIX Futures Index Series (each an "Index" and collectively the "Indices"). Each Note is a senior unsecured debt security of the Issuer. The Notes were priced at \$100 each and have a maturity date on September 6, 2041.

Each "short" series of the ETNs provides short (inverse) exposure to the daily performance of the related index in the S&P 500 VIX Futures Index Series, reduced by the Tracking Fee (as described below) based on a rate of 1.35% per annum and the Event Risk Weekly Hedge Cost (as described below). Each "long" series of the ETNs provides exposure to the daily performance of the related index in the S&P 500 VIX Futures Index Series reduced by the Tracking Fee (as described below) based on a rate of 0.85% per annum.

Each Index is designed to provide investors with exposure to futures contracts on the CBOE Volatility Index (the "VIX Index"), having a constant weighted average maturity ranging from one month to six months, depending on the series of the Notes purchased. Investing in the Notes involves significant risks.

Investors may lose some or all of their principal at maturity, upon acceleration, upon early redemption, or upon exercise by the Issuer of its call right if the level of the related Index increases or does not decrease by an amount sufficient to offset the negative effect of the Tracking Fee, the Event Risk Weekly Hedge Cost and the Redemption Fee, if applicable. Investors will receive a cash payment at maturity, upon acceleration or upon exercise by the Issuer of its call right, based on the inverse performance of the related Index, less the Tracking Fee and the Event Risk Weekly Hedge Cost. Investors will receive a cash payment upon early redemption based on the inverse performance of the related Index less the Tracking Fee, the Event Risk Weekly Hedge Cost 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 or early redemption.

The Event Risk Weekly Hedge Cost on the initial trade date will equal zero. On each subsequent calendar day until maturity, acceleration, early redemption or call, the Event Risk Weekly Hedge Cost will be equal to the product of (i) 0.077% divided by 7 times (ii) the Current Principal Amount for that series on the immediately preceding calendar day. Because the Event Risk Weekly Hedge Cost is calculated and subtracted from the Current Principal Amount on a daily basis, the net effect of the Event Risk Weekly Hedge Cost accumulates over time. The Event Risk Weekly Hedge Cost of 0.077% (7.7 basis points) per calendar week equates to approximately 4% per annum.

The Tracking Fee for the "short" series on the initial trade date will equal zero. On each subsequent calendar day until maturity, acceleration, early redemption or call, the Tracking Fee will be equal to the product of (i) 1.35% divided by 365 times (ii) the Current Principal Amount for that series on the immediately preceding calendar day. Because the Tracking Fee is calculated and subtracted from the Current Principal Amount on a daily basis, the net effect of the Tracking Fee accumulates over time.

The Tracking Fee for the "long" series on the initial trade date will equal zero. On each subsequent calendar day until maturity, acceleration, early redemption or call, the Tracking Fee will be equal to the product of (i) 0.85% divided by 365 times (ii) the Current Principal Amount for that series on the immediately preceding calendar day. Because the Tracking Fee is calculated and subtracted from the Current Principal Amount on a daily basis, the net effect of the Tracking Fee accumulates over time.

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.