



BZX Information Circular 11-103
BYX Information Circular 11-103

Date: September 16, 2011

Re: ETRACS ISE Solid State Drive Index ETN; ETRACS Monthly 2xLeveraged ISE Solid State Drive Index 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 ISE Solid State Drive Index ETN due September 13, 2041	SSDD
ETRACS Monthly 2xLeverage ISE Solid State Drive Index ETN due September 13, 2041	SSDL

Commencement of Trading on the Exchange: September 19, 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 Access Securities ("ETRACS" or "ETNs" or "Notes") linked to the performance of the ISE Solid State Drive Index (the "Index"). The maturity date for each ETN is September 13, 2041. The ETNs were priced at \$25 each and do not guarantee any return of principal.

The ETRACS ISE Solid State Drive Index ETN due September 13, 2041 (the "1x Securities") provides exposure to the performance of the Index, reduced by the Accrued Tracking Fee (as described below) based on a rate of 0.65% per annum. The ETRACS Monthly 2xLeveraged ISE Solid State Drive Index ETN due September 13, 2041 (the "2x Securities") provides 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 0.65% per annum and (ii) the Accrued Financing Charges (as described below). Investing in the Securities involves significant risks. Investors may lose some or all of their principal at maturity or call, upon acceleration or upon early redemption if, with respect to the 1x Securities, the return of the Index (calculated as described herein) is not sufficient to offset the negative effect of the Accrued Fees (as defined below), less the Redemption Fee, if applicable, or, with respect to the 2x Securities, the leveraged return of the Index (calculated as described herein) is not sufficient to offset the negative effect of the Accrued Fees, less the Redemption Fee, if applicable. In addition, the 2x Securities 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, performance of the Index. You will receive a cash payment at maturity, upon exercise by UBS of its call right or upon early acceleration, based on, with respect to the

1x Securities, the performance of the Index less the Accrued Fees, or, with respect to the 2x Securities, the leveraged performance of the Index less the Accrued Fees, as described herein. Investors will receive a cash payment upon early redemption based on, with respect to the 1x Securities, the performance of the Index less the Accrued Fees, or, with respect to the 2x Securities, the leveraged performance of the Index less the Accrued Fees, less, in each case, the Redemption Fee. Payment at maturity or call, upon acceleration 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, call, acceleration or early redemption.

The Index provides a benchmark for investors interested in tracking companies actively involved in the solid state drive segment of the electronic storage industry. The Index is a total return index.

For each ETN, 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 Trading Day in the Final Measurement Period, minus (b) the Accrued Fees as of the last Trading Day in the Final Measurement Period. For each series of ETN, we refer to this cash payment as the "Cash Settlement Amount." If the amount so calculated is less than zero, the payment at maturity for that series of ETN will be zero.

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.