



BZX Information Circular 15-051
BYX Information Circular 15-051

EDGA Information Circular 15-051
EDGX Information Circular 15-051

Date: May 5, 2015

Re: ETRACS Monthly Pay 2xLeveraged MSCI US REIT Index ETN

Pursuant to the Rules of BATS Exchange, Inc. ("BZX"), BATS Y-Exchange, Inc. ("BYX"), EDGA Exchange, Inc. ("EDGA") and EDGX Exchange, Inc. ("EDGX", each such exchange referred to hereafter as "BATS" or the "Exchange" and together with BZX, BYX and EDGA, the "Exchange"), this Information Circular is being issued to advise you that the following securities have been approved for trading pursuant to unlisted trading privileges ("UTP") on the Exchange as UTP Derivative Securities pursuant to Chapter XIV of the Exchange's Rules.

Securities (the "Fund")

Symbol

ETRACS Monthly Pay 2xLeveraged MSCI US REIT Index ETN due
May 5, 2045

LRET

Commencement of Trading on the Exchange: May 6, 2015

Issuer/Trust: UBS AG

Issuer/Trust Website: etracs.ubs.com

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

As more fully explained in the Pricing Supplement and the Product Supplement dated November 14, 2014, the ETRACS Monthly Pay 2xLeveraged MSCI US REIT Index ETN due May 5, 2045 (the "ETN") (File No. 333-200212) is linked to the performance of the MSCI US REIT Index (the "Index"). The ETN does not guarantee any return of principal at maturity and will not make interest payments. At maturity or upon early redemption, investors will receive a cash payment based on the performance of the Index. The ETN provides a 2x leveraged exposure to the Index. The ETN is a senior unsecured obligation of UBS AG (the "Issuer"), acting through its London branch, which matures on May 5, 2045.

Because the ETN is two times leveraged with respect to the Index, the ETN may benefit from two times any positive, but will be exposed to two times any negative, performance of the Index. The ETN should be purchased only by knowledgeable investors who understand the potential consequences of investing in the Index and of seeking monthly compounding leveraged investment results. Investors should actively and frequently monitor their investment in the Securities.

The Index is a free float-adjusted market capitalization weighted index that is comprised of equity REIT securities. The Index includes securities with exposure to core real estate (e.g. residential and retail properties), as well as securities with exposure to other types of real estate (e.g. casinos and theaters). The Index is based on the MSCI USA Investable Market Index (the "Parent Index"), which is comprised of all of

the securities included in the MSCI USA Large Cap, MSCI USA Mid Cap and MSCI USA Small Cap Indexes. As of March 31, 2015, the Index was comprised of 140 Index Constituent Securities listed on various US securities exchanges. The Index is published in US Dollars.

The value of the Index is reported on Bloomberg under ticker symbol "RMZ <Index>".

The ETN does not guarantee any return of principal at, or prior to, maturity or call, or upon early redemption. Instead, at maturity, investors will receive a cash payment, the amount of which will vary depending on the performance of the Index and will be reduced by any accrued fees and may be zero.

The ETN may be redeemed early, at the investor's option, subject to a minimum redemption amount of 50,000 securities. Upon such early redemption, the investor will receive a cash payment based on the monthly compounded two times leveraged performance of the Index.

The ETN's initial indicative value current value on the initial valuation date will equal \$25.00. The Intraday Indicative Value for the ETN will be disseminated by market data vendors under the symbol LRET.IV. Additional information regarding the ETN, including information about redemption procedures, fees, and dividends can be found in the Product Supplement.

Investment Risks

As described in the ETN's Prospectus Supplement, investing in the ETN involves a number of risks not associated with an investment in conventional debt securities. An investment in the ETN involves significant risks and is not appropriate for every investor. Investing in the ETN is not equivalent to investing directly in the Index. Accordingly, the ETN should be purchased only by knowledgeable investors who understand the terms of the investment in the ETN and are familiar with the behavior of the Index and financial markets generally. Interested persons are referred to the Prospectus for a full description of risks associated with an investment in the ETN.

Risks associated with the ETN include, but are not limited to: correlation and compounding risk, leverage risk, market risk, credit of issuer, a trading market for the securities may not develop, the securities may not provide a hedge against price and/or value decreases or increases, holders are not guaranteed a coupon payment, redemption risk, automatic acceleration risk, call risk, and tax risk. The ETNs are riskier than ordinary unsecured debt securities.

For a more complete description of the securities and the payment at maturity, valuation, fees and risk factors, consult the ETN's Prospectus Supplement.

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. The Notes will trade on EDGA and EDGX between 8:00 a.m. and 8:00 p.m. ET.

Please note that trading in the Notes during the Exchange's Pre-Opening and After Hours/Post Closing Trading Sessions ("Extended Market Sessions") may result in additional trading risks which include: (1) that the current underlying indicative value may not be updated during the Extended Market Sessions, (2) lower liquidity in the Extended Market Sessions may impact pricing, (3) higher volatility in the Extended Market Sessions may impact pricing, (4) wider spreads may occur in the Extended Market Sessions, and (5) because the indicative value is not calculated or widely disseminated during the Extended Market 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 the Exchange 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

The Exchange will halt trading in the shares of a security in accordance with Exchange Rules. The grounds for a halt include a halt because the intraday indicative value of the security and/or the value of its underlying index are not being disseminated as required, a halt for other regulatory reasons or due to other conditions or circumstances deemed to be detrimental to the maintenance of a free and orderly market.

This Information Circular is not a statutory prospectus. 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.