



**BZX Information Circular 15-131**  
**BYX Information Circular 15-131**

**EDGA Regulatory Information Circular 15-131**  
**EDGX Regulatory Information Circular 15-131**

**Date:** October 9, 2015

**Re:** ETRACS Alerian MLP ETNs

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.

<b><u>Securities (the "Fund")</u></b>	<b><u>Symbol</u></b>
ETRACS Alerian MLP Index ETN Series B due July 18, 2042	AMUB
ETRACS Alerian MLP Infrastructure Index ETN Series B due April 2, 2040	MLPB

**Commencement of Trading on the Exchange:** October 12, 2015

**Issuer/Trust:** UBS AG

**Issuer/Trust Website:** <http://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.

As more fully explained in Prospectus Supplements dated October 8, 2015 (to the prospectus dated June 12, 2015), the ETRACS Alerian MLP Index ETN Series B due July 18, 2042 (the "AMUB ETNs") and the ETRACS Alerian MLP Infrastructure Index ETN Series B due April 2, 2040 (the "MLPB ETNs") (together, the "ETNs") are linked, respectively, to the performance of the Alerian MLP Index (the "AMUB Index") and the Alerian MLP Infrastructure Index (the "MLPB Index") (together, the "Indices"). The ETNs do 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 respective Index. The ETNs are senior unsecured obligations of UBS AG (the "Issuer"), acting through its London branch, which mature on July 18, 2042 (with respect to the AMUB ETNs) and on April 2, 2040 (with respect to the MLPB ETNs).

Each ETN is linked to the direct performance of its respective Index.

The AMUB Index (that is, the Alerian MLP Index) is a price-only index calculated on a real-time basis beginning when the first traded price of any of the Index constituents is received by S&P. The Index measures the composite performance of energy Master Limited Partnerships ("MLPs"). The Index is calculated by S&P using a float-adjusted, capitalization-weighted methodology. Index rebalancings fall into two groups: quarterly rebalancings and special rebalancings. Quarterly rebalancings occur on the third

Friday of each March, June, September, and December, and are effective at the open of the next trading day. Special rebalancings are triggered by corporate actions and will be implemented as practically as possible on a case-by-case basis. The value of the AMUB Index is reported on Bloomberg under ticker symbol "AMZ <Index>".

The MLPB Index (that is, the Alerian MLP Infrastructure Index) is a price return index calculated on a real-time basis beginning when the first traded price of any of the Index constituents is received by S&P. The Index is comprised of energy infrastructure Master Limited Partnerships and is a midstream-focused subset of the Alerian MLP Index. The MLPB Index, the constituents of which earn the majority of their cash flow from the transportation, storage, and processing 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. Index rebalancings fall into two groups: quarterly rebalancings and special rebalancings. Quarterly rebalancings occur on the third Friday of each March, June, September, and December, and are effective at the open of the next trading day. Special rebalancings are triggered by corporate actions and will be implemented as practically as possible on a case-by-case basis. The value of the MLPB Index is reported on Bloomberg under ticker symbol "AMZI <Index>".

Each ETNs' initial indicative value current value on the initial valuation date will equal \$25.00. The Intraday Indicative Value for the ETNs will be disseminated by market data vendors under the symbols AMUB.IV and MLPB.IV, respectively.

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.

### **Investment Risks**

As described in the ETNs' Prospectus Supplements, investing in the ETNs involves a number of risks not associated with an investment in conventional debt securities. An investment in the ETNs involves significant risks and is not appropriate for every investor. Investing in the ETNs is not equivalent to investing directly in the Index. Accordingly, the ETNs should be purchased only by knowledgeable investors who understand the terms of the investment in the ETNs 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 ETNs.

Risks associated with the ETNs include, but are not limited to: non-guaranteed return of principal risk, market risk, industry risk, credit worthiness of the Issuer, trading market for the securities may not develop, no interest payments, redemption 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 ETNs' 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. Exchange 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.