



BZX Information Circular 15-133
BYX Information Circular 15-133

EDGA Regulatory Information Circular 15-133
EDGX Regulatory Information Circular 15-133

Date: October 9, 2015

Re: ETRACS Wells Fargo Business Development Company Index 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.

<u>Securities (the "Fund")</u>	<u>Symbol</u>
ETRACS Wells Fargo Business Development Company Index ETN Series B due April 26, 2041	BDCZ
2xLeveraged Long ETRACS Wells Fargo Business Development Company Index Series B due May 24, 2041	LBDC

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 the Prospectus Supplements dated October 8, 2015, the ETRACS Wells Fargo Business Development Company Index ETN Series B due April 26, 2041 (the "BDCZ ETNs") and the 2xLeveraged Long ETRACS Wells Fargo Business Development Company Index Series B due May 24, 2041 (the "LBDC ETNs") (together, the "ETNs") are linked to the performance of the Wells Fargo Business Development Company Index (the "Index"). 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 Index. The ETNs are senior unsecured obligations of UBS AG (the "Issuer"), acting through its London branch, which mature on April 26, 2041 (with respect to the BDCZ ETNs) and May 24, 2041 (with respect to the LBDC ETNs).

The BDCZ ETNs are linked to the direct performance of the Index and the LBDC ETNs provide a 2x leveraged exposure to the Index.

Because the LBDC ETNs are two times leveraged with respect to the Index, the LBDC ETNs may benefit from two times any positive, but will be exposed to two times any negative, monthly compounded performance of the Index. The return on the LBDC ETNs, however, can, and most likely will, differ significantly from two times the return on a direct investment in the Index. The LBDC ETNs are very

sensitive to changes in the performance of the Index, and returns may be negatively impacted in complex ways by volatility of the Index on a monthly basis. Accordingly, the LDBC ETNs 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 intended to measure the performance of all business development companies (“BDC”) that are listed on the NYSE MKT or NASDAQ and that satisfy specified market capitalization and other eligibility requirements. To qualify as a BDC, the company must be registered with the Securities and Exchange Commission (“SEC”) and have elected to be regulated as a BDC under the Investment Company Act of 1940 (“1940 Act”).

The Index is a float-adjusted, capitalization-weighted index of all applicable NYSE MKT or NASDAQ-listed BDCs that have a market capitalization of at least \$100 million at the time of inclusion. Float is determined by subtracting shares held by insiders and “related shareholders.” Related shareholders include employee stock ownership plans, employee stock ownership trusts, qualifying employee share ownership trusts, employee benefit trusts, government-owned interests, venture capital investors and owners investing other than as part of active money management. Market capitalization is determined based on the total number of common equity shares outstanding of the issuer, regardless of whether shares are held by insiders or related shareholders, multiplied by the public share price.

The Index composition is determined by the Wells Fargo Securities, LLC, and the Index value is calculated by the NYSE Arca based on trading pricing of the BDCs on the NYSE or NASDAQ and not on net asset values published by the BDCs.

To be considered for inclusion in the Index, an issuer must meet regulatory, listing and market capitalization requirements. The Index Sponsor reviews the Index composition quarterly and adjusts the composition as required on each quarterly rebalancing date.

The value of the Index is reported on Bloomberg under ticker symbol “WFBDCPX <Index>”.

The ETNs are subject to early redemption or acceleration in whole or in part at any time. Accordingly, an investor should not expect to be able to hold the ETNs to maturity. Additionally, the ETNs do 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 the accrued fees as of the last Business Day in the measurement period and may be zero.

The ETNs 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 performance of the Index for the BDCZ ETNs. In the case of the LDBC ETNs, the investor will receive a cash payment based on the monthly compounded two times leveraged performance of the Index.

The 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 BDCZ.IV and LDBC.IV.

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, 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 Supplements.

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.