



**BZX Information Circular 16-014**  
**BYX Information Circular 16-014**

**EDGA Information Circular 16-014**  
**EDGX Information Circular 16-014**

**Date:** February 19, 2016

**Re:** ETRACS S&P GSCI Crude Oil Total Return Index ETN due February 22, 2046

Pursuant to the Rules of Bats BZX Exchange, Inc. ("BZX"), Bats BYX Exchange, Inc. ("BYX"), Bats EDGA Exchange, Inc. ("EDGA") and Bats 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 S&P GSCI Crude Oil Total Return Index ETN due February 22, 2046	OILX

**Commencement of Trading on the Exchange:** February 22, 2016

**Issuer/Trust:** UBS AG

**Issuer/Trust Website:** <http://etracs.ubs.com/product/detail/index/ussymbol/OILX>

**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 Prospectus Supplement dated February 17, 2016 and the Prospectus dated June 12, 2015 for the ETRACS S&P GSCI Crude Oil Total Return Index ETN due February 22, 2046 (the "ETNs") (File No. 333-204908), the ETNs provide exposure to potential price appreciation in the S&P GSCI Crude Oil Total Return Index (the "Index"). The ETNs do not guarantee any return of principal at maturity. The securities do not pay any interest during their term. Instead, investors will receive a cash payment at maturity or upon exercise by UBS of its call right, based on the performance of the Index less any applicable fees. The ETNs are senior unsecured debt obligations of UBS AG (the "Issuer") and mature on February 22, 2046.

The Index is a sub-index of the S&P GSCI commodity index ("S&P GSCI") and reflects the excess returns that are potentially available through an unleveraged investment in the contracts comprising the Index, plus the Treasury Bill rate of interest that could be earned on funds committed to the trading of the underlying contracts. The only contract currently used to calculate the Index is the West Texas Intermediate crude oil futures contract traded on the New York Mercantile Exchange. The S&P GSCI is an index on a production-

weighted basket of futures contracts on physical commodities traded on trading facilities in major industrialized countries.

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 any applicable fees 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 that is based on the performance of the Index, less any applicable fees.

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 symbol OILX.IV.

Additional information regarding the ETNs, including information about redemption procedures, fees, and dividends can be found in the Product Supplement.

### **Investment Risks**

As described in the ETNs' Prospectus Supplement, 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. These risks include, but are not limited to, market risk, credit of issuer risk, concentration risk, risk that a trading market for the securities may not develop, risk of uncertain tax treatment, and risks associated with UBS's call right. 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. Members should consult the Prospectus for a security and the security's website for relevant information.**

Please contact Listings Services at 913.815.7260 with any inquiries regarding this Information Circular.