



BZX Information Circular 16-016
BYX Information Circular 16-016

EDGA Information Circular 16-016
EDGX Information Circular 16-016

Date: February 22, 2016

Re: UBS AG FI Enhanced Global High Yield ETN due March 3, 2026

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>
UBS AG FI Enhanced Global High Yield ETN due March 3, 2026	FIHD

Commencement of Trading on the Exchange: February 23, 2016

Issuer/Trust: UBS AG

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 Preliminary Pricing Supplement dated February 18, 2016, Product Supplement dated February 12, 2016, and the Prospectus dated June 12, 2015 for the UBS AG FI Enhanced Global High Yield ETN due March 3, 2026 (the "ETNs") (File No. 333-204908), the return of the ETNs is linked to a quarterly compounded two times (2x) leveraged participation in the MSCI World High Dividend Yield USD Gross Total Return Index (the "Index"). The ETNs do not guarantee any return of principal at maturity. The investor will not receive any interest payments or coupon payments during the term of the ETNs. The investor will receive a cash payment at maturity, or upon early redemption, based on the performance of the Index. The ETNs are senior unsecured obligations of UBS AG (the "Issuer") and will mature on March 3, 2026.

The Index is designed to track the performance of large- and mid-cap stocks (excluding REITS) across 23 developed markets countries tracked by the MSCI World Index (the "Parent Index") with higher than average dividend yields that are potentially both sustainable and persistent. The Index also incorporates certain screening mechanisms based on certain "quality" characteristics and recent 1-year price performance that seek to exclude stocks with potentially deteriorating fundamentals that may force them to cut or reduce dividends.

The Index is a free float adjusted market capitalization weighted index. The securities comprising the Index (the "Index Constituent Securities") are selected from the equity securities included in the Parent Index. Only companies with a track record of consistent dividend payments and with the expected capacity to sustain

dividend payouts into the future as determined by the index methodology are eligible Index Constituent Securities. The companies are also screened based on certain “quality” factors such as return on equity (ROE), earnings variability, debt to equity (D/E) as well as recent one-year price performance. The goal is to exclude stocks with potentially deteriorating fundamentals that could be forced to cut or reduce dividends. From the list of eligible companies, only those with a dividend yield which is at least 30% higher than the dividend yield of the Parent Index are selected for inclusion in the Index. The weight of each individual issuer in the Index is capped at 5%.

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 12,500 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 \$100.

The Intraday Indicative Value for the ETNs will be disseminated by market data vendors under the symbol FIHD.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, correlation and compounding risk, leverage risk, potential automatic acceleration risk, market risk, credit risk of the Issuer, the risk that a trading market for the securities may not develop, and risks associated with uncertain tax treatment. 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.