EDGA Exchange, Inc. & EDGX Exchange, Inc.			
Regulatory Information Circular			
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Subject: **ETRACS Monthly Pay 2xLeveraged Closed-End Fund ETN**

Background Information on the Notes

As more fully explained in the Pricing Supplement to the Product Supplement dated August 5, 2013 and the Prospectus dated January 11, 2012, Registration Statement No. 333-178960, for the ETRACS Monthly Pay 2xLeveraged Closed-End Fund ETN (the "ETN"), the return on the ETN is based on the performance of the ISE High Income Index (the "Index") during the term of the ETN.

Ticker	Fund Name	CUSIP
CEFL	ETRACS Monthly Pay 2xLeveraged Closed-End Fund ETN	90270L842

Description of the Notes

The ETRACS Monthly Pay 2xLeveraged Closed-End Fund ETN due December 10, 2043 (the "Securities") are a series of Monthly Pay 2xLeveraged Exchange Traded Access Securities (ETRACS) linked to the price return version of the ISE High Income Index. The Securities are senior unsecured debt securities issued by UBS AG (UBS). The Securities provide a monthly compounded two times leveraged long exposure to the performance of the Index, reduced by the Accrued Fees. Because the Securities are two times leveraged with respect to the Index, the Securities may benefit from two times any positive, but will be exposed to two times any negative, monthly compounded performance of the Index. The Securities may pay a monthly coupon during their term linked to two times the cash distributions, if any, on the Index Constituent Securities. But if the Index Constituent Securities do not make any cash distributions, the investor will not receive a monthly coupon.

The return on the Securities is linked to the performance of the price return version of the ISE High Income Index. The Index measures the performance of 30 U.S. closed-end funds, as selected and ranked by the Index Sponsor in accordance with the Index methodology. Each Index Constituent Security must be domiciled in the U.S., a closed-end fund registered as an investment company, listed on a registered U.S. securities exchange and satisfy minimum market capitalization and liquidity requirements. Each fund is then ranked according to fund yield, fund share price discount from/premium to net asset value and liquidity criteria. For a detailed description of the Index, see the Pricing Supplement.

The investor will receive a cash payment at maturity, upon acceleration or upon exercise by UBS of its Call Right based on the monthly compounded leveraged performance of the Index less the

Accrued Fees, calculated as described in the product supplement. The investor will receive a cash payment upon early redemption based on the monthly compounded leveraged performance of the Index less the Accrued Fees and the Redemption Fee, calculated as described in the product supplement. Payment at maturity or call, upon acceleration or upon early redemption will be subject to the creditworthiness of UBS. In addition, the actual and perceived creditworthiness of UBS will affect the market value, if any, of the Securities prior to maturity, call, acceleration or early redemption.

The Intraday Indicative value ("IIV") for the Securities is reported on Bloomberg under ticker symbol "CEFLIV".

Principal Risks

An investment in the Securities will involve significant risks. The Securities are not secured debt and are significantly riskier than ordinary unsecured debt securities. Unlike ordinary debt securities, the return on the Securities is linked to the performance of the Index. The Securities are two times leveraged with respect to the Index and, as a result, may benefit from two times any positive, but will be exposed to two times any negative, monthly performance of the Index. Investing in the Securities involves significant risks. Investors may lose some or all of their principal at maturity, early redemption, acceleration or upon exercise by UBS of its call right if the monthly compounded leveraged return of the Index is not sufficient to offset the negative effect of the Accrued Fees and the Redemption Fee, if applicable. Investors may not receive any monthly coupon payment during the term of the Securities.

Other risks include: the Index has a limited performance history; risks associated with closed-end funds; the Index Constituent Securities may trade at a discount from or a premium to their net asset value; the Index Constituent Securities are subject to market risk; the Index Constituent Securities are subject to management risk; shares of closed-end funds do not assure dividend payments; certain Index Constituents may be classified as "non-diversified"; the value of a closed-end fund may not accurately track the value of the securities in which such closed-end fund invests; the Index Constituent Securities are subject to portfolio turnover risk; strategic risks associated with closed-end funds; risks of leverage strategies; risks of covered call writing strategies; risks of investing in senior loans; risks of investing in equity securities; risks of investing in small- and medium-capitalization companies; risks of investing in fixed income securities; risks of investing in high yield bonds; risks of investing in preferred stock; risks of investing in convertible securities; risks of investing in municipal bonds; risks of investing in illiquid securities; risk of investing in mortgage-backed and asset-backed securities; derivatives risk; risks associated with emerging market issuers; risks associated with foreign securities markets; risks of investing in commodities or in securities linked to commodity prices; currency exchange rate risk; sector and industry concentration risks associated with closed-end funds; risks associated with the energy and natural resources industries; risks of investing in the real estate industry; risks associated with the financial services sector; and issuer credit-worthiness risk.

Additional risks are described in the Pricing Supplement for the ETNs, available at http://etracs.ubs.com/.

Exchange Rules Applicable to Trading in the Notes

The Securities are considered equity securities, thus rendering trading in the Securities subject to the existing rules governing the trading of equity securities on the EDGA Exchange, Inc. and EDGX Exchange, Inc. (together, the "Exchanges").

Trading Hours

Trading in the Securities on the Exchanges is on a UTP basis and is subject to the Exchanges' equity trading rules. The Securities will trade from 8:00 a.m. until 8:00 p.m. Eastern Time. Members trading the Securities during the Extended Market Sessions (Preopening and Post-closing sessions) are exposed to the risk of the lack of the calculation or dissemination of underlying index value or IIV. For certain derivative securities products, an updated underlying index value or IIV may not be calculated or publicly disseminated in the Extended Market hours. Since the underlying index value and IIV are not calculated or widely disseminated during Extended Market hours, an investor who is unable to calculate implied values for certain derivative securities products during Extended Market hours may be at a disadvantage to market professionals.

Trading Halts

The Exchanges will halt trading in the Securities in accordance with the Exchanges' Rules 14.1(c)(4). The grounds for a halt under this Rule include a halt by the primary market because it stops trading the Securities and/or a halt because dissemination of the IIV or applicable currency spot price has ceased, or a halt for other regulatory reasons. In addition, the Exchanges will stop trading the Securities if the primary market de-lists the Securities.

Suitability

Trading in the Securities on the Exchanges will be subject to the provisions of the Exchanges' Rules 3.7. Members recommending transactions in the Securities to customers should make a determination that the recommendation is suitable for the customer. In addition, Members must possess sufficient information to satisfy the "know your customer" obligation that is embedded in the Exchanges' Rules 3.7.

Members also should review FINRA Notice to Members 03-71 for guidance on trading these products. The Notice reminds Members of their obligations to: (1) conduct adequate due diligence to understand the features of the product; (2) perform a reasonable-basis suitability analysis; (3) perform customer-specific suitability analysis in connection with any recommended transactions; (4) provide a balanced disclosure of both the risks and rewards associated with the particular product, especially when selling to retail investors; (5) implement appropriate internal controls; and (6) train registered persons regarding the features, risk and suitability of these products.

Delivery of a Prospectus

Pursuant to federal securities laws, investors purchasing Securities must receive a prospectus prior to or concurrently with the confirmation of a transaction. Investors purchasing

Securities directly from the Issuer (by delivery of the Deposit Amount) must also receive a prospectus. Prospectuses may be obtained through the Distributor or on the Issuer's website. The Prospectus does not contain all of the information set forth in the registration statement (including the exhibits to the registration statement), parts of which have been omitted in accordance with the rules and regulations of the SEC. For further information about the Securities, please refer to the Issuer's registration statement.

Exemptive, Interpretive and No-Action Relief Under Federal Securities Regulations

The Securities and Exchange Commission has issued no-action relief from certain provisions of and rules under the Securities Exchange Act of 1934 (the "Exchange Act"), regarding trading in Barclays Bank PLC Exchange-Traded Notes (SEC No-Action Letters dated May 30, 2006 for securities with structures similar to that of the securities described herein (the "Letter"). Members are referred to the No-Action Letters, available at www.sec.gov, for additional information.

Regulation M Exemptions

Generally, Rules 101 and 102 of Regulation M is an anti-manipulation regulation that, subject to certain exemptions, prohibits a "distribution participant" and the issuer or selling security holder, in connection with a distribution of securities, from bidding for, purchasing, or attempting to induce any person to bid for or purchase, any security which is the subject of a distribution until after the applicable restricted period, except as specifically permitted in Regulation M. The provisions of the Rules apply to underwriters, prospective underwriters, brokers, dealers, and other persons who have agreed to participate or are participating in a distribution of securities, and affiliated purchasers of such persons.

The Letters state that the SEC Division of Trading and Markets will not recommend enforcement action under Rule 101 of Regulation M against persons who may be deemed to be participating in a distribution of the notes to bid for or purchase the notes during their participation in such distribution.

Rule 102 of Regulation M prohibits issuers, selling security holders, or any affiliated purchaser of such person from bidding for, purchasing, or attempting to induce any person to bid for or purchase a covered security during the applicable restricted period in connection with a distribution of securities effected by or on behalf of an issuer or selling security holder. Rule 100 of Regulation M defines "distribution" to mean any offering of securities that is distinguished from ordinary trading transactions by the magnitude of the offering and the presence of special selling efforts and selling methods.

The Letters state that the SEC Division of Trading and Markets will not recommend enforcement action under Rule 102 of Regulation M against an issuer and its affiliated purchasers who bid for or purchase or redeem notes during the continuous offering of the notes.

Section 11(d)(1); SEC Rules 11d1-1 and 11d1-2

Section 11(d)(1) of the Exchange Act generally prohibits a person who is both a broker and a dealer from effecting any transaction in which the broker-dealer extends credit to a customer on any security which was part of a new issue in the distribution of which he or she participated as a member of a selling syndicate or group within thirty days prior to such transaction.

The Letters state that the SEC Division of Trading and Markets will not recommend enforcement action under Section 11(d)(1) of the Exchange Act against broker-dealers who treat the notes, for purposes of Rule 11d1-2, as "securities issued by a registered . . . open-end investment company as defined in the Investment Company Act" and thereby, extend credit or maintain or arrange for the extension or maintenance of credit on the notes that have been owned by the persons to whom credit is provided for more than 30 days, in reliance on the exemption contained in the rule.

This Regulatory Information Circular is not a statutory prospectus. Members should consult the Securities' Pricing Supplement and website for relevant information.