



**BZX Information Circular 12-055**  
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**Date:** April 27, 2012

**Re:** ETRACS DJ-UBS Commodity Index 2-4-6 Blended Futures ETN

Pursuant to Rule 14.1(j)(2) of the Rules of BATS Exchange, Inc. and 14.1(c)(2) of the Rules of BATS Y-Exchange, Inc. (the "Exchange"), this Information Circular is being issued to advise you that the following securities have been approved for trading on the Exchange as UTP Derivative Securities pursuant to Chapter XIV of the Exchange's Rules.

**Security ("Notes")**

**Symbol**

ETRACS DJ-UBS Commodity Index 2-4-6 Blended Futures ETN

BLND

**Commencement of Trading on the Exchange:** April 30, 2012

**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**

UBS AG (the "Issuer") has issued Exchange Traded Notes ("ETNs" or "Notes") linked to the linked to the Dow Jones-UBS Commodity Index 2-4-6 Forward Blend Total Return Index (the "Index"). The maturity date is April 30, 2042.

The ETNs are designed to give exposure to the Index, which provides diversified exposure across multiple commodity futures maturities. The Index seeks to limit concentration at any one point on the commodity futures price curves. Historically, including exposure to longer dated maturities has helped to mitigate the costs associated with holding and rolling shorter dated commodity futures positions.

The Index is an equally-weighted basket of the Dow Jones-UBS Commodity Index 2 Month Forward (the "2-Month Sub-Index"), the Dow Jones-UBS Commodity Index 4 Month Forward (the "4-Month Sub-Index") and the Dow Jones-UBS Commodity Index 6 Month Forward (the "6-Month Sub-Index" and, together with the 2-Month Sub-Index and the 4-Month Sub-Index, the "Sub-Indices" and each a "Sub-Index"). The three Sub-Indices are calculated in the same manner as the Dow Jones-UBS Commodity Index (the "DJ-UBS Commodity Index"), except that, instead of calculations based on the front-month futures contracts, the Sub-Indices are calculated based on the futures contracts expirations that are included in the DJ-UBS Commodity Index in two months', four months' and six months' time, respectively, from the date of calculation. It is important to note that the 6-Month Sub-Indices for live cattle, lean hogs and unleaded gasoline measure the exposure of futures contracts in 5 months' time. The Index is a "total return" index. The overall return on the Index is generated by two components: (i) unleveraged returns on the three Sub-Indices and (ii) the returns that correspond to the weekly announced interest rate for specified 3-month U.S. Treasury Bills.

The DJ-UBS Commodity Index 2-4-6 Forward Blend Total Return is composed of the prices of twenty exchange-traded futures contracts on physical commodities. For 2012, the commodities included in the DJ-UBS Commodity Index are as follows: aluminum, Brent crude, coffee, copper, corn, cotton, WTI Crude Oil, gold, heating oil, lean hogs, live cattle, natural gas, nickel, silver, soybeans, soybean oil, sugar, unleaded gas (RBOB), wheat and zinc.

Investors should be aware that they could lose some or all of their principal investment.

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.

### **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.

Please note that trading in the Notes during the Exchange's Pre-Opening and After Hours Trading Sessions may result in additional trading risks which include: (1) that the current underlying indicative value may not be updated during the Pre-Opening and After Hours Trading Sessions, (2) lower liquidity in the Pre-Opening and After Hours Trading Sessions may impact pricing, (3) higher volatility in the Pre-Opening and After Hours Trading Sessions may impact pricing, (4) wider spreads may occur in the Pre-Opening and After Hours Trading Sessions, and (5) because the indicative value is not calculated or widely disseminated during the Pre-Opening or After Hours Trading 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 BATS 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**

BATS will halt trading in the shares of a security in accordance with BATS Rule 14.1(c)(4). The grounds for a halt under BATS Rule 14.1(c)(4) include a halt by the primary market because the intraday indicative value of the security and/or the value of its underlying index are not being disseminated as required, or a halt for other regulatory reasons. In addition, BATS will stop trading the shares of a security if the primary market de-lists the security.

**This Information Circular is not a statutory prospectus. BATS 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.