



## Information Circular: UBS AG

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**To:** Head Traders, Technical Contacts, Compliance Officers, Heads of ETF Trading, Structured Products Traders

**From:** NASDAQ / BX / PHLX Listing Qualifications Department

**Date:** April 26, 2012

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### Exchange-Traded Notes

**Symbol CUSIP #**

ETRACS DJ-UBS Commodity Index 2-4-6 Blended Futures ETN      BLND      90267L201

### 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.

Trading in the Notes on NASDAQ is on a UTP basis and is subject to NASDAQ equity trading rules. Trading in the Notes on BX is on a UTP basis and is subject to BX equity trading rules. Trading in the Notes on PHLX's PSX system is on a UTP basis and is subject to PHLX rules. The Notes will trade on NASDAQ from 7:00 a.m. until 8:00 p.m. Eastern Time. The Notes will trade on BX from 8:00 a.m. until 7:00 p.m. Eastern Time. The Notes will trade on PSX from 9:00 a.m. until 5:00 p.m. Eastern Time. For trading during each market's pre-market and post-market sessions, market participants should note that additional risks may exist with respect to trading the Notes during these sessions, when the underlying index's value or similar value may not be disseminated.

NASDAQ will halt trading in the Notes in accordance with NASDAQ Rule 4120. BX will halt trading in the Notes in accordance with BX Equity Rule 4120. PHLX will halt trading in the Notes in accordance with PHLX Rule 3100. The grounds for a halt under each of these rules include a halt by the primary market because the value of the underlying index or a similar value is not being disseminated as required, or a halt for other regulatory reasons. In addition, NASDAQ, BX and PHLX will also stop trading the Notes if the primary market delists the Notes.

Trading of the Notes on NASDAQ is subject to the provisions of NASDAQ Rule 2310. Trading of the Notes on BX is subject to the provisions of BX Rule 2310. Members recommending transactions in the Notes to customers should make a determination that the securities are suitable for the customer. In addition, members must possess sufficient information to satisfy the "know your customer" obligation that is embedded in the NASDAQ Conduct Rules and BX Conduct Rules.

Members and member organizations recommending transactions in the Notes to customers should make a determination that the recommendation is suitable for the customer, as provided by PHLX Rule 763.

Nasdaq members, BX members and PHLX members and member organizations should also review NASD 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.

**This Information Circular is not a statutory prospectus. NASDAQ members, BX members and PHLX members and member organizations should consult the registration statement or prospectus for the Notes for additional information.**

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Inquiries regarding this Information Circular should be directed to:

- Will Slattery, Listing Qualifications, at 301.978.8088
- NASDAQ / BX/ PSX Market Sales at 800.846.0477