



INFORMATION CIRCULAR: UBS AG

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

FROM: BX / PHLX Listing Qualifications Department

DATE: February 9, 2016

EXCHANGE-TRADED PRODUCT

	SYMBOL	CUSIP #
UBS AG ETRACS ETRACS 2xMonthly Leveraged S&P MLP Index ETN Series B due February 12, 2046	MLPZ	90274D242
UBS AG ETRACS 2xMonthly Leveraged Alerian MLP Infrastructure Index ETN Series B due February 12, 2046	MLPQ	90274D259

INFORMATION ON THE SECURITIES

UBS AG (“UBS” or the “Issuer”) has issued several Exchange Traded Access Securities (“ETNs” or “Notes” or “Securities”) that are each linked to the performance of various indices. The ETNs do not guarantee any return of principal. Investors should be willing to lose up to 100% of their investment if the Index declines.

UBS AG ETRACS ETRACS 2xMonthly Leveraged S&P MLP Index ETN

The UBS AG ETRACS 2xMonthly Leveraged S&P MLP Index ETN Series B due February 12, 2046 are senior unsecured debt securities issued by UBS that provide two times leveraged long exposure to the compounded monthly performance of the S&P MLP Index (the “Index”), reduced by (i) an Accrued Tracking Fee (as described below) based on an Annual Tracking Fee of 0.95% per annum and (ii) the Accrued Financing Charges (as described below). Investing in the Securities involves significant risks. The Securities are two times leveraged with respect to the Index and, as a result, will benefit from two times any beneficial, but will be exposed to two times any adverse, compounded monthly performance of the Index. The Securities may pay a quarterly coupon during their term. Investors will receive a cash payment at maturity, acceleration or upon exercise by UBS of its call right, based on the compounded leveraged monthly performance of the Index less the Accrued Tracking Fee and the Accrued Financing Charges, as described in the prospectus. Investors will receive a cash payment upon early redemption based on the compounded leveraged monthly performance of the Index less the Accrued Tracking Fee, the Accrued Financing Charges and the Redemption Fee Amount, as described in the prospectus.

The Securities do not guarantee any return of the initial investment and may not pay any coupon. Investors may lose all or a substantial portion of their principal if they invest in the Securities. If the compounded leveraged monthly return of the Index (calculated as described herein) is insufficient to

offset the combined negative effect of the Accrued Tracking Fee and the Accrued Financing Charges, and the Redemption Fee Amount, if applicable (less any Coupon Amounts, any Stub Reference Distribution Amount and/or Adjusted Coupon Amount, as applicable, investors may be entitled to receive), investors may lose all or a substantial portion of their investment. Any payment on the Securities at maturity, or upon acceleration, redemption or exercise by UBS of its Call Right, is subject to the creditworthiness of UBS and is not guaranteed by any third party. In addition, the actual and perceived creditworthiness of UBS will affect the market value, if any, of the Securities.

UBS AG ETRACS 2xMonthly Leveraged Alerian MLP Infrastructure Index ETN

The UBS AG ETRACS 2xMonthly Leveraged Alerian MLP Infrastructure Index ETN Series B due February 12, 2046 (the "Securities") are senior unsecured debt securities issued by UBS AG ("UBS") that provide two times leveraged long exposure to the compounded monthly performance of the Alerian MLP Infrastructure Index (the "Index"), reduced by (i) an Accrued Tracking Fee (as described below) based on an Annual Tracking Fee of 0.85% per annum and (ii) the Accrued Financing Charges (as described below). Investing in the Securities involves significant risks. The Securities are two times leveraged with respect to the Index and, as a result, will benefit from two times any beneficial, but will be exposed to two times any adverse, compounded monthly performance of the Index. The Securities may pay a quarterly coupon during their term. Investors will receive a cash payment at maturity, acceleration or upon exercise by UBS of its call right, based on the compounded leveraged monthly performance of the Index less the Accrued Tracking Fee and the Accrued Financing Charges, as described in the prospectus. Investors will receive a cash payment upon early redemption based on the compounded leveraged monthly performance of the Index less the Accrued Tracking Fee, the Accrued Financing Charges, and the Redemption Fee Amount, as described in the prospectus.

The Securities do not guarantee any return of the initial investment and may not pay any coupon. Investors may lose all or a substantial portion of their principal if they invest in the Securities. If the compounded leveraged monthly return of the Index (calculated as described herein) is insufficient to offset the combined negative effect of the Accrued Tracking Fee and the Accrued Financing Charges, and the Redemption Fee Amount, if applicable (less any Coupon Amounts, any Stub Reference Distribution Amount and/or Adjusted Coupon Amount, as applicable, investors may be entitled to receive), investors may lose all or a substantial portion of their investment. Any payment on the Securities at maturity, or upon acceleration, redemption or exercise by UBS of its Call Right, is subject to the creditworthiness of UBS and is not guaranteed by any third party. In addition, the actual and perceived creditworthiness of UBS will affect the market value, if any, of the Securities.

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.

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