



## REGULATORY INFORMATION BULLETIN

**RB-10-15**  
**January 28, 2010**

**TO: ETP Holders**

**SUBJECT: E-TRACS UBS AG Exchange Traded Access Exchange-Traded Notes**

Compliance and supervisory personnel should note that, among other things, this Information Bulletin discusses the need to deliver a prospectus to customers purchasing shares ("Shares") of this exchange traded note ("ETN") issued by the UBS AG. Please forward this Information Bulletin to other interested persons within your organization.

The following ETN has been approved for listing on NYSE Arca and will commence trading on January 28, 2010:

**Exchange-Traded Note**

**Symbol**

UBS AG E-TRACS linked to the Performance of the S&P 500 Gold Hedged Index due January 30, 2040

SPGH

**Background Information on the Security**

As more fully explained in the Registration Statement No. 333-156695 for UBS AG Exchange Traded Access Securities ("E-TRACS") ETNs, the Securities are linked to the performance of an index, as described below. The purpose of this Information Circular is to outline various rules and policies that will be applicable to trading the Securities. For a more complete description of the Securities and the payment at maturity, early repurchase provisions, early repurchase mechanics, valuation, fees and risk factors, consult the Registration Statement.

**Description of the Security**

UBS AG E-TRACS linked to the Performance of the S&P 500 Gold Hedged Index due January 30, 2040 provide exposure to potential price appreciation in the S&P 500 Gold Hedged Index, subject to a fee amount of 0.85% per annum. The Index seeks to simulate the combined returns of an investment of equal U.S. dollar amounts in the S&P 500<sup>®</sup> Total Return Index and long positions in near-term exchange-traded COMEX gold futures contracts

**Early Redemption**

Investors may elect to require UBS to redeem their Securities, in whole or in part, prior to the Maturity Date (as defined in the Prospectus) beginning on a date specified in the Prospectus,

subject to a minimum redemption amount of at least 50,000 Securities. A redeeming investor will receive a cash payment equal to the Redemption Amount, as defined in the Prospectus, which will be determined on the applicable valuation date. For a complete description of the redemption process, see the Prospectus.

### Indicative Value

An intraday “Indicative Value” meant to approximate the intrinsic economic value of the securities will be published for SPGH.S0.

### Exchange Rules Applicable to Trading in the Securities

The ETN is considered a equity security, thus rendering trading in the security subject to the exchange’s existing rules governing the trading of equity securities.

### Trading Hours

The Securities will trade on NYSE Arca in the Opening, Core and Late Trading Session or from 4:00 a.m. ET until 8:00 p.m. ET in accordance with NYSE Arca Equities Rule 7.34(a). The trading increment for the Securities will be \$0.01.

### Extended Hours Trading

ETP Holders are reminded of NYSE Arca Equities Rule 7.34(e) regarding Customer Disclosure and that trading in the ETN shares during the Exchange’s Opening and Late Trading Sessions may result in additional trading risks which include: (1) that the current underlying index value may not be updated during the Opening and Late Sessions, (2) the intraday indicative value may not be updated during the Opening and Late Trading Sessions, (3) lower liquidity in the Opening or Late Trading Sessions may impact pricing, (5) higher volatility in the Opening or Late Trading Sessions may impact pricing, (6) wider spreads may occur in the Opening or Late Trading Sessions, and (7), since the intraday indicative value is not calculated or widely disseminated during the Opening and Late Trading Sessions, an investor who is unable calculate an implied value for an ETF in those sessions may be at a disadvantage to market professionals.

### Suitability

ETP Holders are reminded of their obligations under NYSE Arca Equities Rule 9.2(a)-(b) whereby the ETP holder shall use due diligence to learn the essential facts relative to every customer prior to trading the Shares or recommending a transaction in the Shares that an investment in the Shares is suitable for the customer. ETP Holders 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.

### Prospectus Delivery

ETP Holders are advised to consult the “Supplemental Distribution Plan” in the Prospectus regarding prospectus delivery requirements.

#### 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 iPath Exchange Traded Notes (SEC Letter dated July 27, 2006) and Deutsche Bank AG Exchange-Traded Notes (SEC Letter dated October 17, 2007) for securities with structures similar to that of the securities described herein (the “Letters”). As what follows is only a summary of the relief outlined in the Letters, the Exchange also advises interested members to consult the Letters, for more complete information regarding the matters covered therein.

#### 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 Barclays and its affiliated purchasers who bid for or purchase or redeem notes during the continuous offering of the notes.

#### Section 11(d)(1) of the Exchange Act; Exchange Act Rule 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

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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 Information Bulletin is not a statutory Prospectus. ETP Holders should consult the Trust’s Registration Statement, SAI, Prospectus and the Fund’s website for relevant information.**