



Information Circular 10-311

Date: July 8, 2010

To: ETP Holders

From: James C. Yong
Chief Regulatory Officer

Re: UBS AG 2XLEVERAGED LONG EXCHANGE TRADED ACCESS SECURITIES (E-TRACS) LINKED TO THE ALERIAN MLP INFRASTRUCTURE INDEX DUE JULY 9, 2040 TO BEGIN TRADING ON NSX

Pursuant to Regulatory Circular 08-005, we are issuing this Information Circular to advise you that the following security (the "Notes") has been approved for trading on the National Stock Exchange, Inc. ("NSX" or the "Exchange") as a UTP Derivative Securities product pursuant to NSX Rule 15.9:

Security:

Symbol:

UBS AG 2xLeveraged Long Exchange Traded Access Securities (E-TRACS)
Linked to the Alerian MLP Infrastructure Index due July 9, 2040

MLPL

Commencement of Trading: July 9, 2010

Issuer: UBS AG

Issuer Website: www.alerian.com

Primary Listing Exchange: NYSE Arca

Primary Exchange Circular: RB-10-82 (July 7, 2010)

Issuer Registration Statement: No. 333-156695

The purpose of this information circular is to outline various rules and policies that will be applicable to trading in this new product pursuant to the Exchange's unlisted trading privileges, as well as to provide certain characteristics and features of the Notes. For a more complete description of the Issuer, the Notes and the underlying market instruments or indexes, visit the Issuer Website, consult the prospectus or prospectuses available on the Issuer Website (the "Prospectus"), examine the Issuer Registration Statement or review the most current information bulletin issued by the Primary Listing Exchange (which as of the date hereof is set forth above as the "Primary Exchange Circular"). The Issuer Website, the Prospectus, the Issuer Registration Statement and the Primary Exchange Circular are hereafter collectively referred to as the "Issuer Disclosure Materials."

The Primary Exchange Circular cited above contains the following information:

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, the Index, early repurchase provisions, early repurchase mechanics, valuation, fees and risk factors, consult the Registration Statement.

Description of the Security

The UBS AG 2xLeveraged Long Exchange Traded Access Securities (E-TRACS) linked to the Alerian MLP Infrastructure Index (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 based on an Annual Tracking Fee of 0.85% per annum and (ii) the Accrued Financing Charges. Investing in the Securities involves significant risks, including the loss of some or all of an investment in the Securities.

Description of Index

As described in the Prospectus Supplement, the Index is a price-only index that provides an enhanced liquid subset of master limited partnerships that includes only midstream energy transportation and storage assets, and selects those companies that are infrastructure hard-asset focused. The Index is calculated by Standard & Poor’s using a capped, float-adjusted, capitalization-weighted methodology. The Index is disseminated real-time on a price-return basis through ticker AMZI. Relevant data points such as dividend yield are also published daily. Index values, constituents, total market capitalization, and announcements regarding constituent changes can be found at www.alerian.com.

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. 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. Payment at maturity, upon early redemption, call or acceleration is 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.

Early Redemption

Investors may elect to require UBS to redeem their Securities, in whole or in part, once a week prior to the Maturity Date commencing on July 19, 2010 through and including the final Redemption Date, subject to a minimum redemption amount of at least 50,000 Securities. If an Investor redeems Securities, he or she will receive a cash payment equal to the Redemption Amount, as defined in the Prospectus.

Indicative Value

An intraday “indicative value” meant to approximate the intrinsic economic value of the Securities will be calculated by the NYSE and published to Bloomberg (based in part on information provided by S&P) or a successor via the facilities on the Consolidated Tape Association under the symbol “MLPL.IV”.

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 Index-Linked Securities (File No. TP 06-71) (SEC Letter dated May 30, 2006) for securities with structures similar to that of the securities described herein (the “No-Action Letter”). As what follows is only a summary of the relief outlined in the Letter, the Exchange also advises interested members to consult the No-Action Letter, for more complete information regarding the matters covered therein.

BECAUSE WHAT FOLLOWS IS ONLY A SUMMARY OF THE RELIEF OUTLINED IN THE NO-ACTION LETTER(S) REFERENCED ABOVE, THE EXCHANGE ADVISES INTERESTED PARTIES TO CONSULT THE NO-ACTION LETTER(S) FOR MORE COMPLETE INFORMATION REGARDING THE MATTERS COVERED THEREIN AND THE APPLICABILITY OF THE RELIEF GRANTED IN RESPECT OF TRADING IN THE NOTES. INTERESTED PARTIES SHOULD ALSO CONSULT THEIR PROFESSIONAL ADVISORS.

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 Letter states 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 Letter states 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 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 Letter states 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.

NSX Rules Applicable to Trading in the Notes

The Notes are considered equity securities, thus rendering trading in the Notes subject to the Exchange's existing rules governing the trading of equity securities. The Notes are also a UTP Derivative Securities product as specified in NSX Rule 15.9, and as such are subject to the additional provisions specific to that NSX Rule. In particular, ETP Holders are reminded of their obligations under the following NSX Rules:

1. Trading Hours: This product will trade during the regular trading hours of the Exchange (between 9:30 am to 4:00 pm ET), during pre-market hours (8:00 am to 9:29:59 am ET) and during post-market hours (4:00:01 pm to 6:30 pm ET). Please note that trading in the Notes during the Exchange's pre-market and post-market hours may result in additional trading risks which include: (1) lower liquidity in the Opening or Late Trading Sessions may impact pricing, (2) higher volatility in the Opening or Late Trading Sessions may impact pricing, (3) wider spreads may occur in the Opening or Late Trading Sessions. The minimum trading increment is \$.01.

2. Recommendations To Customers: NSX Rule 3.7 provides that the ETP Holder

shall use due diligence to learn the essential facts relative to every customer prior to trading the Notes or recommending a transaction in the Notes that an investment in the Notes is suitable for the customer.

3. Customer Requests for a Prospectus: NSX Rule 15.9B(3)(d) provides that, upon request of a customer, an ETP Holder shall provide a prospectus for the particular series of UTP Derivative Securities.

4. Trading Halts: NSX Rule 15.9B(4) provides that, in addition to the Exchange's authority to suspend or halt trading under NSX Rules 11.20 (Trading Halts Due To Extraordinary Market Volatility), 12.11 (Trading Suspensions) and 15.7 (Suspension and/or Delisting By Exchange), if a temporary interruption occurs in the calculation or wide dissemination of the intraday indicative value (or similar value) or the value of the underlying index or instrument and the listing market halts trading in the product, the Exchange, upon notification by the listing market of such halt due to such temporary interruption, also shall immediately halt trading in that product on the Exchange. The Notes will be traded following a trading halt in accordance with Interpretations and Policy .03 of NSX Rule 11.20.

In addition, for a UTP Derivative Securities product where a net asset value is disseminated, if the primary listing exchange notifies the Exchange that the net asset value is not being disseminated to all market participants at the same time, the Exchange will immediately halt trading in such security. The Exchange may resume trading in the UTP Derivative Security only when the net asset value is disseminated to all market participants at the same time or trading in the UTP Derivative Security resumes on the listing market.

THIS INFORMATION CIRCULAR IS NOT A STATUTORY PROSPECTUS. ETP HOLDERS SHOULD CONSULT THE ISSUER DISCLOSURE MATERIALS (AS DEFINED ABOVE) FOR ALL RELEVANT INFORMATION RESPECTING THE NOTES.

Inquiries regarding this Information Circular should be directed to James C. Yong, Chief Regulatory Officer, at (312) 786-8893.