



## Information Circular: UBS AG

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

**From:** PHLX Listing Qualifications Department

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<b>Index-Linked Notes</b>	<b>Symbol</b>	<b>CUSIP Number</b>
UBS E-TRACS S&P 500 Gold Hedged Index ETNs	SPGH	902641661

### Information on the Notes

UBS AG (the "Issuer") has issued Exchange Traded Access Securities ("E-TRACS" or "Notes") linked to the S&P 500 Gold Hedged Index (the "Index"). The Notes were priced at \$25 each and mature on January 30, 2040. The Notes do not pay interest.

The Notes are senior unsecured debt securities and are not guaranteed or insured by the Federal Deposit Insurance Corporation or secured by collateral. The Notes will not pay interest during the term of the securities.

The Index seeks to simulate the combined returns of an investment of equal U.S. dollar amounts in the S&P 500 Total Return Index and long positions in near-term exchange-traded COMEX gold futures contracts. COMEX gold futures contracts are listed, bilateral agreements providing for the purchase and sale of a specified type and quantity of gold during a stated delivery month for a fixed price. On a monthly basis, the Index rebalances and equalizes its notional allocation to the S&P 500 Total Return Index and to the COMEX gold futures contracts. The COMEX gold futures contracts are rolled forward periodically. Because the Index represents an investment in both the S&P 500 Total Return Index and COMEX gold futures contracts, it provides exposure to U.S. large-cap equities, as represented by the S&P 500 Total Return Index, and may provide a hedge against periodic declines in the value of the U.S. dollar, as expressed in the corresponding increases in the price of gold.

At maturity, investors will receive:

$$(\$25 \times \text{Index Performance Ratio}) - \text{Fee Amount}$$

The Index Performance Ratio is:

$$\frac{\text{Index Ending Level}}{\text{Index Starting Level}}$$

The Index Starting Level will be the closing level of the Index on the initial trade date. The Index Ending Level will be the closing level of the Index on the applicable valuation date.

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 price of gold, and the credit ratings of the Issuer.

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 PSX from 9:00 a.m. until 5:00 p.m. Eastern Time. For trading during PSX'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.

PHLX will halt trading in the Notes in accordance with PHLX Rule 3100. The grounds for a halt under 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, PHLX will also stop trading the Shares Notes if the primary market delists the Notes.

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

PSX members and member organizations also should review NASD Notice to Members 03-71 for guidance on trading these products. The Notice reminds broker-dealers 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. 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, PHLX Listing Qualifications, at 301.978.8088
- PSX Market Sales at 800.846.0477