

ETRACS DJ-UBS Commodity Index Total Return



Profile

Underlying Index	DJ-UBS Commodity Index Total Return SM
Issuer	UBS AG
Issuer Credit Rating¹	Aa3 (Moody's); A (S&P); A (Fitch)
CUSIP	902641679
Primary Exchange	NYSE Arca
Initial Trade Date	October 28, 2009
Initial Settlement Date	October 30, 2009
Maturity Date	October 31, 2039
Fee Amount (%)[*]	0.50% accrued on a daily basis

^{*}As of December 31, 2011. See "Selected risk considerations" and the disclaimer for more information.

Ticker: DJCI

Key features

Exposure to a portfolio of commodity futures through a single investment
 Convenience of an exchange-traded security

About the ETN

Exchange Traded Access Securities (ETRACS) are innovative investment products offering easy access to markets and strategies that may not be readily available in the existing marketplace.

The ETRACS DJ-UBS Commodity Index Total Return

exchange-traded note is designed to track the performance of the DJ-UBS Commodity Index Total ReturnSM (the "Index"), less investor fees.

About the Index

The Index is designed to provide diversified commodity exposure with weightings based on each underlying commodity's liquidity and economic significance. The Index measures the collateralized returns from a basket of 19 commodity futures contracts representing the energy, precious metals, industrial metals, grains, softs and livestock sectors. In addition, the Index is rebalanced once a year to ensure that no commodity sector may constitute more than 33% of the Index as of the date of such rebalancing. **The Index was created in July 1998 and has no performance history prior to that date.**

Historical returns

	10 Year		3 Month*	6 Month*	1 Year*	2 Year*	3 Year*
	Total Return	Annualized Return					
DJ-UBS Total Return	88.43%	6.54%	0.35%	-11.03%	-13.32%	0.63%	6.39%
S&P GSCI[®] Total Return	69.75%	5.43%	8.96%	-3.78%	-1.18%	3.80%	-6.93%
Rogers Total Return	176.73%	10.71%	4.73%	-7.99%	-6.93%	5.25%	11.82%

Historical results for the period from December 31, 2001 through December 31, 2011.

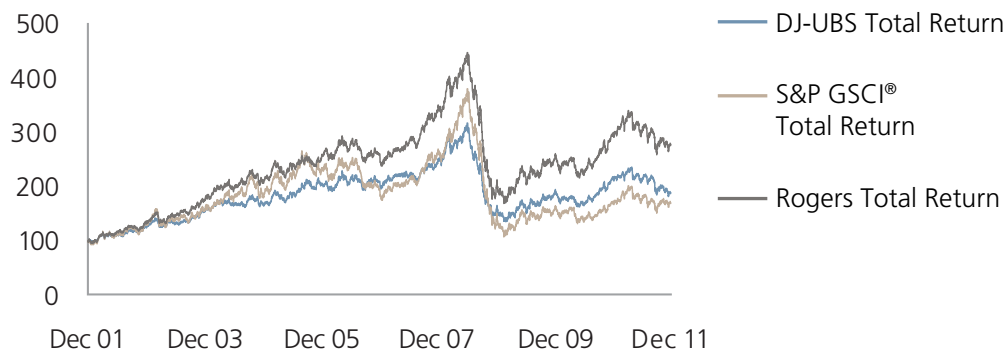
Source: UBS Investment Bank, publicly available data.

*Returns shown for periods less than one year are total returns during that period and returns for periods greater than one year are annualized returns.

Historical information presented is as of December 31, 2011 and is furnished as a matter of information only. Historical performance of the Index is not an indication of future performance. Future performance of the Index may differ significantly from historical performance, either positively or negatively.

The ETRACS ETNs are subject to investor fees. As a result, the return on the ETNs will always be lower than the total return on a direct investment in the Index or the Index constituents.

Index comparisons

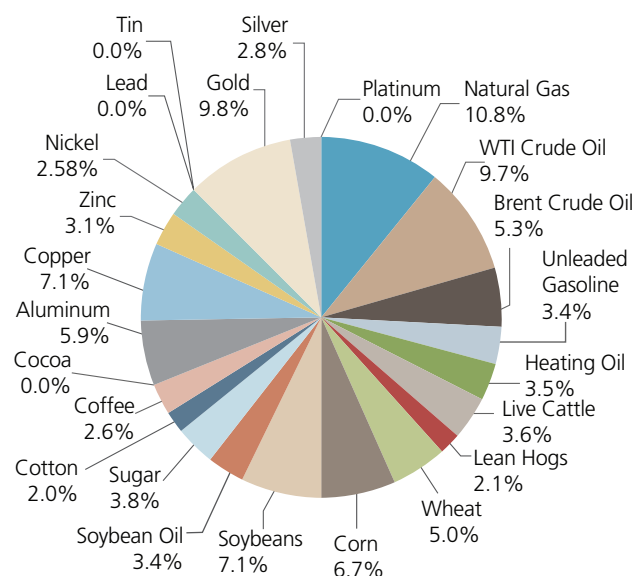


The graph illustrates the historical performance of the Index from December 31, 2001 through December 31, 2011 in comparison with other benchmark indices. Historical performance of the Index is not an indication of future performance. Future performance of the Index may differ significantly from historical performance, either positively or negatively. The ETRACS ETNs are subject to investor fees. As a result, the return on the ETNs will always be lower than the total return on a direct investment in the Index or the Index constituents.

Characteristics

Number of holdings: 19 commodity futures contracts

Commodity sector target weights



Source: UBS Investment Bank; as of December 31, 2011

Benefits of investing in the DJCI

Exposure to a portfolio of commodity futures through a single investment.

Selected risk considerations

An investment in the ETRACS ETNs involves risks. Selected risks are summarized here, but we urge you to read the more detailed explanation of risks described in the "Risk Factors" section of the prospectus supplement for the ETRACS ETNs (the "ETRACS Prospectus"). Capitalized terms used below (and elsewhere in this document) but not defined herein shall have the meanings attributed to them in the ETRACS Prospectus.

• **You may lose some or all of your principal** — The ETRACS ETNs are fully exposed to any decline in the level of the Index. You will lose some or all of your principal if the Index Ending Level is below the Index Starting Level or if the Index Ending Level is not sufficiently above the Index Starting Level to offset the cumulative effect of the Fee Amount applicable to your ETRACS ETNs. The Index is volatile and subject to a variety of market forces, some of which are described below. The Index Ending Level is therefore unpredictable. Commodity prices may change unpredictably, affecting the prices of the commodities underlying

the exchange-traded futures contracts comprising the Index and, consequently, the value of the ETRACS ETNs.

- **Market risk** — The return on the ETRACS ETNs, which may be positive or negative, is directly linked to the performance of the Index, which is based on a variety of market and economic factors, interest rates in the markets and economic, financial, political, regulatory, judicial or other events that affect the markets generally.
- **Credit of UBS** — The ETRACS ETNs are senior unsecured debt obligations of the issuer, UBS, and are not, either directly or indirectly, an obligation of any third party. Any payment to be made on the ETRACS ETNs depends on the ability of UBS to satisfy its obligations as they come due. As a result, the actual and perceived creditworthiness of UBS may affect the market value of the ETRACS ETNs and, in the event UBS were to default on its obligations, you may not receive any amounts owed to you under the terms of the ETRACS ETNs.
- **Limited performance history** — The payment at maturity or early redemption on the ETRACS ETNs is linked to the performance of the Index, which was introduced in July 1998. As a result, the Index has a limited performance history, and it is uncertain how the Index will perform.
- **Potential over-concentration in particular commodity sectors** — The commodities underlying the futures contracts included in the Index are concentrated in a limited number of sectors, particularly energy and agriculture, and may therefore carry risks similar to a concentrated securities investment in a limited number of industries or sectors.
- **A trading market for the ETRACS ETNs may not develop** — Although the ETRACS ETNs are listed on NYSE Arca, a trading market for the ETRACS ETNs may not develop. Certain affiliates of UBS may engage in limited purchase and resale transactions in the ETRACS ETNs, although they are not required to and may stop at any time. We are not required to maintain any listing of the ETRACS ETNs on NYSE Arca or any other exchange.
- **No interest payments from the ETRACS ETNs** — You will not receive any interest payments on the ETRACS ETNs.
- **Minimum Redemption Amount** — You must elect to redeem at least 50,000 ETRACS ETNs for UBS to repurchase your ETRACS ETNs, unless we determine otherwise or your broker or other financial intermediary bundles your ETRACS ETNs for redemption with those of other investors to reach this minimum requirement.
- **Uncertain tax treatment** — Significant aspects of the tax treatment of the ETRACS ETNs are uncertain. You should consult your own tax advisor about your own tax situation.
- **UBS's Call Right** — UBS may elect to redeem all outstanding ETRACS ETNs at any time as described under "Specific Terms of the Securities – UBS Call Right" in the ETRACS Prospectus.

For questions or additional information about ETRACS:

Contact us

ETRACS Investor Service Center: +1-877-ETRACS 5
Hours available: Monday to Friday 8:00 a.m. – 5:00 p.m. EST

Email: etracs@ubs.com
Website: etracs.com

¹The issuer credit rating as of January 10, 2012 pertains to the creditworthiness of UBS AG (that is, the ability of UBS AG to meet its obligations under the terms of the ETNs) and is not indicative of the market risk associated with the ETNs. The creditworthiness of UBS AG does not affect or enhance the likely performance of the ETNs other than with respect to the ability of UBS AG to meet its obligations thereunder. We have not obtained a rating from any rating organization with respect to the ETRACS ETNs.

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