

Media release

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UBS ETRACS LAUNCHES 2X LEVERAGED US HIGH DIVIDEND LOW VOLATILITY ETN OFFERING SIGNIFICANT MONTHLY INCOME POTENTIAL

ETRACS Monthly Pay 2xLeveraged US High Dividend Low Volatility ETN

New York, October 1st, 2014 – UBS Investment Bank announced that today is the first day of trading on the NYSE Arca® for the **ETRACS Monthly Pay 2xLeveraged US High Dividend Low Volatility ETN (NYSE Arca®: HDLV)**. HDLV is linked to the monthly compounded 2x leveraged performance of the **Solactive US High Dividend Low Volatility Index** (the "Index").

HDLV Profile

Underlying Index: Solactive US High Dividend Low Volatility Index

2x Index Yield:* 10.02%

Income Potential: Variable monthly coupon linked to 2 times the cash distributions, if any, of the Index constituents

*This figure is equal to two times the Index Yield calculated as of September 24, 2014 by the sponsor of the Index, Solactive AG.
Investors are not guaranteed any coupon or distribution amount under the ETN.

HDLV Offers Investors:

- **Significant income potential** in the form of a variable monthly coupon linked to 2x the cash distributions, if any, on the Index constituents.
- **Monthly compounded 2x leveraged exposure** to the Solactive US High Dividend Low Volatility Index, less investor fees.
- 2x exposure to an index comprised of **publicly traded stocks with relatively high dividend yields and low historical volatility compared to other publicly traded stocks in the US market.**

"We are pleased to add another innovative product to our suite of income products", said Christopher Yeagley, Head of ETRACS. "We expect HDLV to provide significant income potential."

About the Solactive US High Dividend Low Volatility Index

The Index is calculated and distributed by Solactive AG and is intended to track the price movements of stocks which are publicly traded on US stock exchanges and fulfill certain minimum requirements in terms of liquidity and market capitalization. From this universe, the stocks with high expected yields and low historical volatility are selected. **The Index was launched on September 18, 2014 and, therefore, has no performance history prior to that date.**

Top 10 Index Constituents

Name	Ticker	% Weight
VERIZON COMMUNICATIONS INC	VZ	9.95%
AT&T INC	T	9.90%
PHILIP MORRIS INTERNATIONAL	PM	9.58%
ALTRIA GROUP INC	MO	7.36%
THE SOUTHERN CO	SO	4.86%
KINDER MORGAN INC	KMI	4.85%
DUKE ENERGY CORP	DUK	4.81%
CENTURYLINK INC	CTL	4.27%
PPL CORP	PPL	3.91%
HEALTH CARE REIT INC	HCN	3.32%

Source: Solactive AG, as of 09/18/2014

About ETRACS

For further information about ETRACS ETNs, go to www.etracs.com or download the [ETRACS Full ETN List](#).

ETRACS ETNs are exchange-traded notes, an innovative class of investment products offering access to markets and strategies that may not be readily available to investors, and offer unique diversification opportunities in a number of different sectors. ETRACS ETNs may offer:

- Convenience of an exchange-traded security
- Transparent exposure to a published index

ETRACS ETNs are senior unsecured notes issued by UBS AG, are traded on NYSE Arca®, and can be bought and sold through a broker or financial advisor. An investment in ETRACS ETNs involves risks including the risk of loss of some or all of the investor's principal, and is subject to the creditworthiness of UBS AG. You are not guaranteed any coupon or distribution amount under the ETNs. We urge you to read the more detailed explanation of risks described under "Risk Factors" in the applicable prospectus supplement, or product supplement and pricing supplement, for the ETRACS ETNs in which you are interested.

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ETRACS ETNs are sold only in conjunction with the relevant offering materials. UBS has filed a registration statement (including a prospectus, as supplemented by a product supplement and pricing supplement for the offering of the ETRACS ETNs) with the Securities and Exchange Commission (the "SEC") for the offering to which this communication relates. Before you invest, you should read these documents and any other documents that UBS has filed with the SEC for more complete information about UBS and the offering to which this communication relates. You may get these documents for free by visiting EDGAR on the SEC website at www.sec.gov. Alternatively, you can request the prospectus and the applicable product supplement and pricing supplement by calling toll-free (+1-877-387 2275). In the US, securities underwriting, trading and brokerage activities and M&A advisor activities are provided by UBS Securities LLC, a registered broker/dealer that is a wholly owned subsidiary of UBS AG, a member of the New York Stock Exchange and other principal exchanges, and a member of SIPC.

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It has offices in more than 50 countries, with about 35% of its employees working in the Americas, 36% in Switzerland, 17% in the rest of Europe, the Middle East and Africa and 12% in Asia Pacific. UBS employs about 60,000 people around the world. Its shares are listed on the SIX Swiss Exchange and the New York Stock Exchange (NYSE).

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