

# Media release

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## **UBS ETRACS LAUNCHES 2X LEVERAGED US SMALL CAP HIGH DIVIDEND ETN OFFERING SIGNIFICANT MONTHLY INCOME POTENTIAL**

### **ETRACS Monthly Pay 2xLeveraged US Small Cap High Dividend ETN**

New York, February 4, 2015 – UBS Investment Bank announced that today is the first day of trading on the NYSE Arca® for the **ETRACS Monthly Pay 2xLeveraged US Small Cap High Dividend ETN (NYSE Arca®: SMHD)**. SMHD is linked to the monthly compounded 2x leveraged performance of the **Solactive US Small Cap High Dividend Index** (the "Index").

#### **SMHD Profile**

Underlying Index:	Solactive US Small Cap High Dividend Index
2x Index Yield:*	17.70%
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 February 3, 2015 by the sponsor of the Index, Solactive AG. **Investors are not guaranteed any coupon or distribution amount under the ETN.**

#### **SMHD 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 Small Cap High Dividend Index, less investor fees.
- 2x exposure to an index comprised of **small cap publicly traded stocks with relatively high dividend yields compared to other small cap publicly traded stocks in the US market.**

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

#### **About the Solactive US Small Cap High Dividend 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. **The Index was launched on January 26, 2015 and, therefore, has no performance history prior to that date.**

### Top 10 Index Constituents

Name	Ticker	% Weight
LINN CO LLC	LNCO	5.21%
PEABODY ENERGY CORP	BTU	5.02%
DENBURY RESOURCES INC	DNR	5.01%
PBF ENERGY INC	PBF	4.77%
ENERGY XXI LTD	EXXI	4.20%
CLIFFS NATURAL RESOURCES INC	CLF	4.00%
COLONY FINANCIAL INC	CLNY	3.35%
SEAWORLD ENTERTAINMENT INC	SEAS	2.26%
MEDICAL PROPERTIES TRUST INC	MPW	2.26%
DINEEQUITY INC	DIN	2.06%

Source: Solactive AG, as of 01/26/2015

### About ETRACS

For further information about ETRACS ETNs, go to [www.etracs.com](http://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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UBS is present in all major financial centers worldwide. 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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