

# Your relationship with UBS

Understanding our approach, services, fees,  
compensation and conflicts of interest



You can obtain a paper copy of this booklet and any other disclosure referenced in this booklet free of charge by contacting your UBS Financial Advisor or by calling us toll free at 888-526-7454.

The information in this booklet is current as of the date on the cover and we reserve the right to change our programs, fees and payment structures at any time. We will notify you of any material changes we make. You should review this document carefully, retain it with your records and refer to it when you receive recommendations from us.

# Table of contents

<b>Introduction</b> .....	5	<b>Part two: Table of contents</b> .....	23
<b>Part one: Understanding our approach, services, fees, compensation and conflicts of interest</b> .....	6	<b>Introduction</b> .....	25
Our Financial Advisors .....	6	<b>Part two: Understanding fees, compensation and conflicts of interest—by product</b> .....	26
Our investment approach .....	6	Annuities and insurance .....	26
Investment recommendations .....	6	Banking products .....	32
Sustainable investments.....	7	Individual securities, options, precious metals and municipal securities .....	39
Brokerage and advisory services: Understanding the differences.....	7	Investment company products.....	49
Our advisory and brokerage services.....	9	Corporate Cash Management .....	57
Important limitations .....	10	Brokerage account and administrative fees .....	57
Services available through the UBS International Wealth Solutions Group .....	11	Advisory programs and financial planning services .....	60
Important information for retirement plan investors and retirement plan fiduciaries holding accounts at UBS .....	12	Retirement Plan Consulting Programs .....	64
Financial Advisor compensation .....	14	529 Plans and Donor-Advised Funds (DAFs).....	65
Conflicts disclosure .....	17		

## Material modifications since last publication of January 2024

On page 37, the compensation received by UBS from third parties in the UBS Insured Sweep Program and the UBS FDIC-Insured Deposit Program was updated.

On page 42, we corrected an error in the third sentence of the Secondary market section by updating 50% to .50%. The sentence was corrected to read as follows: The sales credit portion of the markup is never above 2.00% of the principal value, and the sales credit portion of the markdown is never above .50% of the principal value.

On page 46 under Taxable Fixed Income, the "Compensation UBS receives from third parties" and "Conflicts of interest" sections were updated to disclose that affiliates of UBS make a profit or loss when they act as hedge provider to the issuer of the relevant product.

On page 58, the range for the Transaction Fee was updated to reflect an increase in the Section 31 Fee rate made by the SEC.

Page 62 was updated to reflect a change in the minimum investment and minimum net worth for CAP-Select.

## Introduction

Transparency about our services and fees is an important part of our relationship with you. Understanding the services available to you and the fees involved allows you to make informed choices about how you will work with us.

This booklet is designed in two parts to serve as a reference guide when you consider different products and services. The first part of the booklet sets out key aspects of how we work with you, including:

- Our Financial Advisors and investment approach
- Understanding the differences between our advisory and brokerage services
- Limitations on our services
- How our Financial Advisors are compensated
- Conflicts of interest

The second part of the booklet describes the brokerage products and services available to you, the fees you pay and the compensation UBS and your Financial Advisor receive.

As in everything we do, our aim is to serve your financial needs with transparency and with your best interests foremost.

This booklet supplements our “Relationship summary for individual UBS Wealth Management clients” at [ubs.com/relationshipsummary](https://ubs.com/relationshipsummary). It also serves as a comprehensive description of our brokerage services. While we provide a brief description of our available advisory programs in this booklet, the comprehensive description of our advisory services is available in the applicable Form ADV, Part 2A disclosures at [ubs.com/advisorydisclosures](https://ubs.com/advisorydisclosures). In addition to the disclosures in this booklet and referenced disclosure documents, from time to time Financial Advisors will provide additional disclosures verbally.

UBS Financial Services Inc. is a broker-dealer and an investment adviser registered with the US Securities and Exchange Commission (“SEC”). We refer to the firm in this booklet as “us,” “we,” “our” or “UBS.”

## Part one: Understanding our approach, services, fees, compensation and conflicts of interest

### Our Financial Advisors

Our Financial Advisors are qualified and licensed to provide both brokerage and investment advisory services. Some of our Financial Advisors hold educational or professional credentials, such as the CERTIFIED FINANCIAL PLANNER™ (CFP®) designation. Holding a professional designation indicates that the Financial Advisor has completed certain courses or continuing education. However, a Financial Advisor's professional designation does not change the obligations UBS has as a firm in providing investment advisory or brokerage services to you.

A small number of our representatives (less than 13) are not registered as Investment Advisory Representatives in states that require a qualifying exam and are not permitted to engage in investment advisory services. Those employees will not use the title "Financial Advisor" and will disclose that limitation to you.

Our Financial Advisors have access to our global resources to help you pursue what matters most to you. These include analytic and modeling tools, the insights of our global research team and the views of our Chief Investment Office. They also have access to centers of specialized knowledge and experience, including philanthropy, art and global family office services.

### Our investment approach

UBS is a global wealth management firm with a broad range of capabilities designed to provide a holistic set of solutions to address your financial needs. The following sections outline the two components of our investment approach:

- Discovering and understanding client needs
- Developing wealth management recommendations

### Discovery: Understanding client needs

#### *Client profile*

Before making investment recommendations, we will ask you a series of questions to help us understand your financial situation and the return objectives and risk tolerance for your investment accounts.

In addition to our client profiling process, our Financial Advisors have access to a number of tools and resources to enable a deeper understanding of your goals and what matters most to you and your financial life. These tools include the UBS Wealth Way<sup>1</sup> framework, Financial Goal Analysis and Preferred Planning.

- **UBS Wealth Way**—This comprehensive wealth management approach is designed to give Financial Advisors the ability to align the overall wealth strategy of each client to what matters most to them. Your Financial Advisor can ask a series of questions aimed at uncovering your most important values, needs and goals, which can inform appropriate strategies that align with those specific goals and timeframes.<sup>2</sup>

The three UBS Wealth Way strategies include "**Liquidity. Longevity. Legacy.**"—representing different timeframes of a client's life and beyond. This approach to wealth management can help you and your Financial Advisor focus on both your short- and long-term goals, while taking into consideration the purpose of your wealth and the inherent variability in the markets.

- **Financial Goal Analysis and Preferred Planning Tools**—Your Financial Advisor has access to a comprehensive set of financial planning tools and resources to help you identify and articulate goals, financial priorities and concerns. These tools also provide the ability to assess the likelihood of meeting those goals and to map a plan to pursue them.

### Developing wealth management recommendations

UBS empowers your Financial Advisor with a broad set of available solutions, strategies, intellectual capital and investment expertise to help you meet your wealth management needs.

### Investment recommendations

When making recommendations, your Financial Advisor will review reasonably available (but not necessarily all) alternatives that you are eligible to purchase through the UBS platform, taking into consideration the potential risks, rewards and costs.

The UBS Chief Investment Office (CIO) provides multiple resources Financial Advisors can use in developing investment recommendations, including: thought leadership and market insights; fixed income, equity and economic research; globally integrated investment strategies; and thematic investment views.

UBS offers both brokerage and advisory services to help you meet your investment needs. Brokerage and advisory services and fees and costs differ, and it is important for you to understand the differences. The choice of services will depend on your needs and preferences, but UBS believes that the holistic and comprehensive approach of our advisory services are generally best in enabling clients to meet personal investment goals.

Research suggests that clients who use advisory services have better outcomes.<sup>3</sup> This is largely due to the characteristics

<sup>1</sup> UBS Wealth Way is an approach incorporating Liquidity. Longevity. Legacy. strategies that UBS Financial Services Inc. and our Financial Advisors can use to assist clients in exploring and pursuing their wealth management needs and goals over different time frames. This approach is not a promise or guarantee that wealth, or any financial results, can or will be achieved. All investments involve the risk of loss, including the risk of loss of the entire investment.

<sup>2</sup> Timeframes may vary. Strategies are subject to individual client goals, objectives and suitability.

<sup>3</sup> Russell Investments, *2021 Value of an Advisor Study: A sharper focus on the value of your advice*, as updated April 22, 2021.

inherent in the disciplined investment process of an advisory relationship, inclusive of the services and resources not available in brokerage relationships. For example, UBS advisory programs provide clients with access to the following capabilities that are not available in brokerage:

- Professional investment management with ongoing advice and the ability to delegate discretion to your Financial Advisor, UBS or a vetted third-party asset manager
- Ability to align with asset-based fee preferences
- Ongoing account monitoring and periodic rebalancing

Brokerage services may nevertheless be preferable for clients who do not want to pay an asset-based fee for investment recommendations, who do not seek professional investment management, ongoing account monitoring or for clients who:

- Wish to use a brokerage account primarily for cash management activities such as direct deposits, wire transfers, ACH, check writing and bill payment.
- Intend to hold concentrated positions or who do not require ongoing advice or monitoring
- Prefer to only pay for limited services, such as advice on an ad hoc basis through individual transaction fees (for example, commissions, loads, etc.)
- Need an investment not available in an advisory program such as an annuity, tax-advantaged college savings (529) accounts and alternative investments

### **Know your risks**

Recommendations and advice we provide about investments or investment strategies involve risks to you. While we will take reasonable care in developing our recommendations, there is no guarantee that you will meet your investment goals or make money, or that our recommendations and advice regarding investments and/or strategies will perform as anticipated.

Please consult the available offering and disclosure documents for any investment we recommend to you for a discussion of risks associated with the product. In the case of securities issued by reporting companies or registered investment companies, you can obtain information about the risks in the annual, semiannual, quarterly, current and other reports and documents filed by those companies with the SEC.

For detailed information about the risks associated with particular types of investments and investment objectives or strategies, see the applicable offering document and the applicable product section in this booklet. We encourage you to discuss with your Financial Advisor the risks associated with any recommendations provided to you.

### **Sustainable investments**

An increasing number of products and services are using terms or labels related to sustainable investments. However, industry standards and terminology related to sustainable investments will differ and are evolving. At UBS Financial Services Inc., we continue to maintain and evolve our own standards and framework for sustainable investing. We believe sustainable investment strategies should have an explicit focus on sustainability objectives or outcomes. Although we serve as a distributor of sustainable investment strategies, we do not review every product to determine consistency with our standards for sustainable investing, nor do all products that we make available align with our approach. Speak to your Financial Advisor for assistance identifying the specific products that we have reviewed and determined to be consistent with our standards for sustainable investing.

It is also important to know that sustainable investments across geographies and styles approach the integration of environmental, social and governance (ESG) factors and other sustainability considerations and incorporate the findings in a variety of ways. Therefore, you should carefully review the offering materials to understand how a particular product or strategy approaches sustainable investing and if the approach aligns with your goals and objectives.

### **Brokerage and advisory services: Understanding the differences**

At UBS, you can choose a brokerage account, an investment advisory account or accounts of both types, and many of the investments we offer are available in both types of accounts. However, the features and services provided in a brokerage account and an advisory account are distinct and governed by different laws and regulations, as well as different terms and conditions in our agreements with you. The chart on the next page highlights the key differences between brokerage and advisory services.

### **About our brokerage and advisory services**

Details about the investment products available for investment, the fees you pay, any additional compensation we receive and the conflicts associated with the investment are all provided in the section of this booklet called “Part two: Understanding fees, compensation and conflicts of interest—by product.”

A brief description of our investment advisory programs and their minimums is provided in the section called “Available advisory programs and services.” A full description of our investment advisory programs, costs and conflicts of interest are provided in the applicable Form ADV disclosure brochure at [ubs.com/advisorydisclosures](https://ubs.com/advisorydisclosures).

You should consider the costs and services associated with each option and investment carefully before you invest and speak with your Financial Advisor about which approach is most appropriate for you.

	<b>Brokerage</b>	<b>Advisory</b>
Recommendations and advice	Recommendations and education provided from time to time or upon your request	Ongoing advice, for as long as you are enrolled in an advisory program
Decision-making authority	You decide how to invest your assets; we do not make decisions on your behalf	You can select a nondiscretionary program where you keep the authority to make investment decisions, or you can select a discretionary program where investment decisions are made by your Financial Advisor, UBS or a separate investment manager
Ongoing monitoring of your account	None, unless we provide a written commitment to do so	Yes, subject to the terms of your advisory agreement
Primary costs and fees	Transaction-based—you pay fees for trades in your account	Asset-based—you pay a percentage of your advisory assets each quarter, or a flat annual fee
Trading	Agency or Principal  Agency—we trade your account with another broker-dealer  Principal—we trade with you out of our own (or an affiliate's) inventory	Generally, agency—we trade your account with another broker-dealer  We can only trade as principal if you give us advance permission to do so for each trade
Account minimums	None; some investments have minimums	Yes, account minimums vary from program to program

### **Comparing costs of brokerage and advisory services**

Comparing brokerage and investment advisory options solely on the basis of price is difficult because the services you receive are different. You may pay more or less in an investment advisory program than you would pay if you purchased the investments and services separately in a brokerage account. The costs of either type of account depend on a number of factors, including:

- Types of investment products and services you prefer
- Value of your account(s)
- Mix of investments you hold
- How much you trade
- Administrative or management fees for the products or services you buy

### **How we earn revenue**

We (and our affiliates) earn revenue from our clients, from our affiliates and, for some investments and services, from third parties, including investment product vendors, underwriters and investment managers whose products and services clients purchase.

We also receive compensation as a result of intercompany profit-sharing and servicing agreements. These revenue streams include:

- Commissions clients pay when they buy or sell investment products
- Gains (markups and markdowns) on principal trades whether from our inventory or from one of our affiliates
- Interest clients pay on margin and other loans
- Account maintenance and other administrative fees
- Compensation we or an affiliate earn (called selling concessions, underwriting fees or management fees) when you purchase securities we or an affiliate bring to market
- Management or other fees in conjunction with mutual funds or other investments purchased that are structured or managed by one of our affiliates
- Revenue generated from the use of deposits with our affiliate bank through the UBS Deposit Sweep Programs, the UBS FDIC-Insured Deposit Program and UBS Bank USA Core Savings
- Revenue from referrals and introductions

- Trading and hedging activities related to structured products and exchange-traded notes (ETNs)
- Licensing fees collected from mutual fund, ETF, ETN, structured product and other product providers for indexes or strategies owned by a UBS affiliate
- Revenue paid by mutual fund and insurance companies for offering and placing their products and/or marketing support
- Revenue from certain retirement plan providers for increased Financial Advisor access and business support.
- UBS earns “float” (revenue or other benefits) from deposits and credits to your account(s) before cash balances are invested or swept into the UBS Deposit Sweep Programs (usually the next business day); this benefit is generally in the form of income at the prevailing market rates on overnight investments. UBS does not receive this benefit for retirement accounts

Many of these revenue streams create conflicts of interest for us that are more fully described in the “Conflicts Disclosure” section below.

## Our advisory and brokerage services

### Our advisory services

#### *Our responsibilities to you*

When you participate in one of our investment advisory programs, we are considered to have a **fiduciary relationship** with you under the Investment Advisers Act of 1940. Our responsibilities include the obligation to:

- **Disclose:** Disclose all material facts to you, including conflicts between our interests and your interests. Please see our Form ADV disclosure brochure for our conflicts of interest disclosure at [ubs.com/formadv](https://ubs.com/formadv).
- **Inform:** To inform you if we or our affiliates receive additional compensation from you or a third party as a result of our relationship with you.
- **Seek best execution:** Where we direct trading, to seek best execution of your securities transactions.
- **Obtain consent for principal trades and agency cross-trades:** Obtain your informed consent after providing appropriate disclosure before engaging in transactions with you for our own account or that of an affiliate (principal trades) or transactions where we or our affiliates act as broker for parties on both sides of the transactions.
- **Treat you fairly:** To treat you and our other advisory clients fairly and equitably, without unfairly favoring one client to the disadvantage of another.
- **Act in your best interest:** To act in what we reasonably believe to be your best interest and, in the event of a conflict of interest, to place your interests before our own.
- **Make informed recommendations:** Provide investment advice and recommendations that we reasonably determine are suitable for you and in your best interest given your investment profile, including your individual financial situation, investment objectives and goals and, if applicable, consistent with any restrictions you have placed on us.

When we provide investment advisory services, our fiduciary status under the federal retirement laws depends on the nature of the specific services.

Please see your applicable agreement and related disclosures for more information.

#### *Ongoing advice and monitoring*

If specified in your client agreement:

- We will provide advice and management services (as applicable under the program you select) on an ongoing basis.
- We will also monitor your account investments (including cash and cash equivalents) and provide investment recommendations on an ongoing basis.

Termination of your advisory account or agreement will end our investment advisory fiduciary relationship with you as it pertains to the terminated account or services and, depending on the terms of your investment advisory agreement with us, will cause your account to be converted to, and designated as, a brokerage account only.

Please see our “Relationship summary for individual UBS Wealth Management clients” at [ubs.com/relationshipsummary](https://ubs.com/relationshipsummary), and our Form ADV disclosure brochure at [ubs.com/formadv](https://ubs.com/formadv). The Form ADV disclosures for all of our advisory programs are provided at [ubs.com/advisorydisclosures](https://ubs.com/advisorydisclosures).

If you have any questions or concerns, please talk to your Financial Advisor. If you do not want to pay for fee-based, ongoing investment advice and monitoring through an investment advisory program, then consider opening a brokerage account with us instead.

### Available advisory products and services

In our capacity as an investment adviser, we offer a number of investment advisory services and programs, including:

- Financial planning services for a fee
- Discretionary investment management and nondiscretionary investment advisory programs
- Advice on the selection of investment managers, mutual funds and exchange traded funds and other securities offered through our investment advisory programs

For more information about these programs, please refer to our Form ADV disclosure brochure at [ubs.com/formadv](https://ubs.com/formadv). The fees for these services and programs are calculated as a percentage of assets in the account or a flat or annual fee and are charged on an ongoing basis.

When we act as your investment adviser, we will enter into a written agreement with you expressly acknowledging our investment advisory relationship and describing our specific obligations to you. At the beginning of our advisory relationship, we will give you our Form ADV disclosure brochure, which provides detailed information about, among other things: the program(s) you select; the advisory services

we provide; our fees, personnel, other business activities and financial industry affiliations; and conflicts between our interests and your interests.

### **Our brokerage services**

We are subject to the Securities Exchange Act of 1934, the Securities Act of 1933, the rules of the SEC, the rules of self-regulatory organizations such as the Financial Industry Regulatory Authority (FINRA), the rules of the New York Stock Exchange and other exchanges and applicable state laws.

#### *Our responsibilities to you*

When you have a brokerage account with us, we have the following responsibilities:

- **Fairness obligation:** We have a duty to deal fairly with you. Consistent with our duty of fairness, we are obligated to make sure that the prices you receive when we execute transactions for you are reasonable and fair in light of prevailing market conditions and that the commissions and other fees we charge you are not excessive.
- **Seek best execution:** Where we direct trading, to seek best execution of your securities transactions.
- **Suitability:** We must have a reasonable basis for believing that any securities recommendations we make to you are suitable and appropriate for you, given your individual financial circumstances, needs and goals.
- **Best interest:** If you are an “individual wealth management client”<sup>4</sup> we must have a reasonable basis for believing that a recommendation of any securities transaction or investment strategy involving securities is in your best interest, without placing the financial or other interest of the firm or Financial Advisor ahead of your interests. As part of our best interest obligation we must provide written full and fair disclosure of all material facts relating to the scope and terms of our relationship with you. This booklet and the “Relationship summary for individual UBS Wealth Management clients” at [ubs.com/relationshipsummary](https://ubs.com/relationshipsummary) provide that information to you.
- **Principal trading:** As principal in brokerage accounts, we buy securities from you or sell securities to you from our (or our affiliate’s) inventory. We typically earn compensation by marking up the price of the securities we sell to you or by marking down the price of the securities we buy from you. Although considered principal trading for some purposes, trades we execute for you with our affiliates are reflected as agency trades on your confirmations based on securities laws.
- **No monitoring:** We have no duty to provide ongoing recommendations or monitor your investments. We are not obligated to provide recommendations to you, or to update recommendations made previously, and not doing so should not be viewed as a recommendation to hold an investment.
- **Your responsibility:** You are responsible for independently ensuring that the investments in your

accounts remain appropriate given your investment objective, risk tolerance, financial circumstances and investment needs. We provide you the details of your objectives and risk tolerance periodically and it is your responsibility to ensure they are up to date.

- **Transaction-based compensation:** We receive transaction-based compensation for trades you decide to enter into, which includes commissions, administrative fees and compensation from third parties that are disclosed to you.
- **No separate fee for advice:** Unlike how we charge for investment advisory services, we do not charge or receive a separate fee for our advice or recommendations, and our recommendations are provided solely incidental to our brokerage services.

### **Available brokerage products and services**

Through our brokerage services, UBS provides clients with access to a wide variety of investments and services, including financial planning (at no additional fee), stocks and bonds, public and privately issued investment companies and funds (including mutual funds, ETFs, hedge funds and alternatives), annuities and other types of insurance products, structured notes (including CDs and index-based products), options, futures and securities-based futures and banking offerings, including the sweep deposit program, savings program, securities-backed loans and mortgages.

Our offerings are generally “open architecture,” meaning that we strive to bring a broad range of offerings and issuers to our clients from inside and outside our firm. Our platform includes investments that we or an affiliate create or sponsor (“proprietary offerings”) as well as investments for which we receive compensation to support their sales (i.e., third-party compensation).

### **Important limitations**

#### **Recommendations from UBS Financial Advisors generally**

Financial Advisors may only recommend or refer you to investments that are offered for sale through the UBS platform. When you purchase an investment sold through UBS, you will receive a trade confirmation and generally the investments will be shown on your UBS account statements (limited exceptions include certain insurance products and referral arrangements).

If you do not receive a trade confirmation or have any questions or concerns about whether a recommended product or service is offered through UBS, please contact a member of your Financial Advisor’s management team at your UBS branch office.

<sup>4</sup> “Individual Wealth Management Client” is a natural person, or the legal representative of a natural person, who receives a recommendation from UBS and uses it primarily for personal, family or household purposes. This disclosure is provided to comply with the SEC’s Form CRS and Regulation Best Interest disclosure requirements. It does not create or modify any agreement, relationship or obligation between UBS (or your financial professional). Please consult your UBS agreements for all terms and conditions controlling your account and relationship with us.

### **Limitation on annuity and insurance recommendations**

Financial Advisors must have the appropriate insurance license to sell, solicit or recommend annuity and/or insurance products under applicable state laws. Not all UBS Financial Advisors have these licenses, which means that your Financial Advisor may not be able to recommend an annuity or insurance product, even if that product is in your best interest. You should talk to your Financial Advisor about whether this limitation applies to him or her.

### **Services available through the UBS Wealth Advice Center**

Not all of the brokerage and investment advisory products and services offered by UBS are available to UBS Wealth Advice Center clients.

- Brokerage offerings:
  - Recommendations in brokerage accounts are generally limited to pooled investment vehicles (e.g., mutual funds, exchange traded funds) to seek diversification with minimal investments. Financial Advisors are not permitted to initiate the recommendation of individual securities but will assist clients with those transactions upon request.
  - The Wealth Advice Center platform does not include commodities, foreign currencies, managed futures, certain options strategies, penny stocks, precious metals, private investments or most alternative investments.
- Advisory offerings:
  - Recommendations of investment advisory programs currently are limited to two different advisory programs: ACCESS and the Advice Portfolio program. However, clients already in the PACE Multi Advisor Program or the PACE Select Advisor Program are permitted to enroll additional accounts in those programs if appropriate.
  - For details regarding the referenced Investment Advisory Programs, including fees, client suitability and program features, see the firm’s Wrap Fee ADV disclosure brochure at [ubs.com/formadv](https://ubs.com/formadv).

If accounts are enrolled in any other UBS investment advisory program when they are transferred to the UBS Wealth Advice Center, we will end your participation in that program and the account will be converted to, and designated as, a brokerage account.

We can change the products and services available through the Wealth Advice Center at any time, at our discretion.

For more information about the UBS Wealth Advice Center, please consult the “Working with UBS Wealth Advice Center” booklet available at [ubs.com/wacdisclosure](https://ubs.com/wacdisclosure).

### **Services available through the UBS International Wealth Solutions Group**

Not all of the brokerage and investment advisory products and services offered by UBS are available to UBS International Wealth Solutions Group clients.

- Brokerage offerings:
  - Recommendations in brokerage accounts are generally limited to pooled investment vehicles (e.g., mutual funds, exchange traded funds) to seek diversification with minimal investments. Financial Advisors are not permitted to initiate the recommendation of individual securities but will assist clients with those transactions upon request.
  - The International Wealth Solutions Group does not offer managed futures, certain options strategies or penny stocks.
- Advisory offerings:
  - Recommendations of investment advisory programs do not include PMP or the Asset Allocation Program (“AAP”).
  - If accounts are enrolled in PMP or AAP, before an account can be transferred to the UBS International Wealth Solutions Group (ISWG), it will have to be converted to an appropriate alternative advisory program or converted into a brokerage account.
  - For details regarding the referenced Investment Advisory Programs, including fees, client suitability and program features, see the firm’s Wrap Fee ADV disclosure brochure at [ubs.com/formadv](https://ubs.com/formadv).

### **Limited investment options for UBS Puerto Rico IRAs**

By law, Puerto Rico IRAs can only invest, subject to specific percentage limitations, in certain investment alternatives approved by the Office of the Commissioner of Financial Institutions of the Commonwealth of Puerto Rico (“OCFI”). Of the two OCFI-approved investment options that are generally available for UBS Puerto Rico IRAs (two UBS-managed Puerto Rico open-end funds), and which were required to register under the Investment Company Act of 1940 due to changes in legislation, only one—the US Monthly Income Fund for Puerto Rico Residents, Inc.—is available for investment at this time. The other investment option—the Multi-Select Securities Fund for Puerto Rico Residents—will be made available for investment as soon as its registration process is completed. For more information about these options, please contact your Financial Advisor. UBS Trust Company of Puerto Rico charges fees as investment adviser, administrator, custodian, registrar and transfer agent for the UBS-managed Puerto Rico open-end funds, and therefore receives a financial benefit when UBS Puerto Rico IRAs are established. UBS Trust Company of Puerto Rico does not charge for trustee and other services it offers with respect to UBS Puerto Rico IRAs, except for any applicable early withdrawal charges (which may be waived at the discretion of UBS Trust Company of Puerto Rico).

## Important information for retirement plan investors and retirement plan fiduciaries holding accounts at UBS

This booklet, in conjunction with other documents and disclosures we provide to retirement plan fiduciaries, is intended to meet the disclosure requirements of the US Department of Labor's ("DOL") regulations under Section 408(b)(2) of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

For purposes of complying with the DOL's Prohibited Transaction Exemption 2020-02 ("PTE 2020-02"), where applicable, UBS provides the following acknowledgment to you:

The investment recommendations we make to you regarding your retirement plan or individual retirement account, assets that are based on our review of your particular needs or individual circumstances are made as fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money or are otherwise compensated creates some conflicts with your financial interests, so we will be operating under PTE 2020-02, where applicable, a special rule that requires us to act in your best interest and not put our interest ahead of yours.

Under PTE 2020-02, when providing individualized investment recommendations to retirement plan or individual retirement accounts, we must also:

- Meet a professional standard of care (give prudent advice);
- Not put our financial interests ahead of yours (give loyal advice);
- Avoid misleading statements about our conflicts of interest, fees and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about our conflicts of interest.

### Limitations

The retirement laws limit the types of products and services we can offer in your retirement account.

This fiduciary acknowledgment does not create an ongoing duty to monitor your accounts or create or modify a contractual obligation or fiduciary status under state law. Not all services we provide to your retirement account(s) or interactions with you are subject to the provisions above. For example, we are not fiduciaries, and you should not expect us to be acting as a fiduciary, with respect to:

- Communications consisting of general information and education about the financial markets, asset allocations,

financial planning illustrations and scenarios or the advantages and risks of particular investments.

- General information and educational materials we may provide regarding options and alternatives that should be considered when deciding whether to transfer retirement account assets to UBS;
- Recommendations we provide with respect to accounts that are not retirement accounts (this includes taxable accounts);
- Transactions you enter into that are unsolicited or self-directed (i.e., where UBS does not provide a recommendation);
- and
- Recommendations that you execute at another financial institution where we do not receive compensation.

If you participate in an investment advisory program with UBS, please refer to the applicable Form ADV disclosures at [ubs.com/advisorydisclosures](https://ubs.com/advisorydisclosures) and to our contract with you. Specifically:

- Review item 4 of the Form ADV "Services, Fees and Compensation" for a description of the services we provide under the particular program or service and the direct and indirect compensation we expect to receive in connection with that program or service.
- Review item 11 of the Form ADV "Investment Adviser Code of Ethics, Participation or Interest in Client Transactions and Personal Trading" for a description of additional indirect compensation we receive.
- Review item 14 "Client Referrals and Other Compensation" for a description of how we are compensated for referrals from affiliates and other third parties.
- If you have selected a program that includes management by an investment manager unaffiliated with us, you should review the manager's Form ADV and/or separate ERISA Section 408(b)(2) disclosure document for information regarding that manager's specific services and indirect compensation. We will provide you with the applicable Form ADV for each manager you select in the ACCESS, Strategic Wealth Portfolio and Advisor Allocation Programs. If you select the Managed Accounts Consulting Program or the Institutional Consulting Program, you will enter into a separate contract and each manager will provide their Form ADV to you directly.

When we talk about retirement accounts for purposes of the above discussion, we are talking about all types of employee benefit plans qualified under Section 401(a) or described under Section 403(b)(7) of the Internal Revenue Code or a governmental plan under the retirement laws.

### Funding UBS IRAs and employer-sponsored retirement plans ("retirement assets")

UBS and its Financial Advisors may provide: (1) general information and education to you about the factors to

consider when deciding whether to move retirement assets to UBS (to aid you in deciding whether to move such assets without a UBS recommendation); or (2) a recommendation that you move your retirement assets to UBS.

### **Rollover recommendations from employer-sponsored retirement plans**

Any recommendation to roll assets out of an employer-sponsored retirement plan to UBS will be effective only if made in writing after a comprehensive review of the costs and services of the plan based on the information you provide or make available to your UBS Financial Advisor. Our analysis of the costs and services to your retirement plan, as compared to the costs and services UBS provides, depends on the information you provide to us.

### **Recommendations to transfer retirement plan assets from another financial institution:**

If your UBS Financial Advisor makes a recommendation (rather than providing only information and education about the factors to consider) that you move retirement assets from another financial institution to UBS, the Financial Advisor will consider, based on the information you provide, whether you will be giving up certain economically significant features such as the effects of breakpoints, rights of accumulation, rights of exchange, share classes, surrender charges, index caps, participation rates or any other similar types of investment product level fees or features, and the costs associated with the UBS IRA, and determine that as of the date of the recommendation, based on your investment profile and other information you provide, that transferring your retirement assets is in your best interest for one of more of the reasons below:

- You would benefit from receiving UBS services and/or other features (including asset consolidation and holistic advice and planning) with the UBS account;
- You would benefit from a broader and/or more diversified array of investment options/programs curated by UBS than those offered at the existing financial institution to meet investment objectives; and/or
- You would benefit from UBS advice and from the fee structure (asset-based vs. transaction-based) of the account type selected.

Your Financial Advisor must also determine that as of the date of the recommendation, the costs associated with the UBS account are expected to be reasonable for these services and benefits.

### **Important factors to consider before initiating a rollover or transfer to UBS**

Before deciding whether to move your assets to UBS (whether or not a recommendation has been made) you must: (1) understand and consider your existing investment options; (2) evaluate the investment and non-investment

considerations important to you in making the decision; (3) review and understand the fees and costs associated with a UBS account; (4) recognize that higher net fees and transaction costs will reduce your investment returns and ultimate retirement assets; and (5) understand the conflicts of interest raised by the financial benefits to UBS and its employees resulting from your decision to roll over or transfer assets to a UBS account.

### **Important factors to consider before moving retirement assets into either a brokerage account or an advisory account.**

Before deciding whether to move retirement assets into a brokerage or advisory account (whether or not a recommendation has been made), you must: (1) consider the services that best meet your needs; (2) evaluate the investment and non-investment considerations important to you in making the decision; (3) review and understand the fees and costs associated with the brokerage or advisory account you would be moving assets into; (4) recognize that higher fees and transaction costs will reduce your investment returns and ultimate retirement assets; and (5) understand the conflicts of interest raised by the financial benefits to UBS and your Financial Advisor resulting from your decision to move the assets.

### **Recommendations to establish a new retirement account or to make annual contributions**

If your Financial Advisor makes a recommendation (rather than providing only information and education about the factors to consider) that you establish (or make contributions to) a new (or existing) retirement account, the Financial Advisor will have reasonably determined that as of the date of the recommendation and based on your investment profile and other information you provide, that it is in your best interest to take one or more of the following actions:

- Save for retirement with tax-deductible contributions to a traditional IRA.
- Save for retirement with after-tax contributions to a Roth IRA because you meet the income limitations and would benefit from tax-free distributions in the future.
- Save for retirement with after-tax contributions to a traditional IRA since you are not eligible to make tax-deductible traditional IRA contributions or after-tax Roth IRA contributions.
- Save for retirement through an employer-sponsored retirement plan because you may be able to save more than with an IRA.
- Save for retirement for yourself and your employees through an employer-sponsored retirement plan.

Please also review the “Conflicts disclosure” section of this booklet and the various “Conflicts of interest” disclosures in “Part two” of this booklet.

## Financial Advisor compensation

### Standard compensation

Our standard compensation plan for Financial Advisors consists of: (1) a guaranteed monthly minimum draw required by applicable law; (2) a monthly earned payout based on the Financial Advisor's production if it is greater than the monthly minimum draw; (3) a Year-End Award; (4) a Client Growth Award and (5) a Productivity Award.

Both monthly production payout and any Year-End Award are determined using an overall Incentive Grid Rate (a percentage) for each Financial Advisor. Incentive Grid Rates range from 30% to 60%, with 10% to 15% of the rate credited toward amounts that are considered in determining an annual Year-End award, which is generally paid on a deferred schedule described below.

### Monthly Earned Payout

The payout is a percentage (referred to as a production payout rate) of the production (generally transaction revenue and investment advisory program fees) that each Financial Advisor generates during that month, minus deferrals and adjustments specified in our Financial Advisor Compensation Plan. Account maintenance fees are not eligible for a payout as are certain transaction and advisory fees that are priced below a specific level. Financial Advisors working as part of a team that meets minimum production requirements can qualify for a higher production payout rate than they would receive working as an individual. Financial Advisors are not generally paid on households that fall under the thresholds below:

- Wealth Management US households: \$250,000
- International households: \$2,000,000
- Private Wealth Management households: \$2,000,000

Financial Advisors receive compensation for production generated in accounts they transfer or refer to the Wealth Advice Center or the International Wealth Solutions Group based on the value of the assets in the account household and the activity in those accounts going forward. Financial Advisors are credited with the incentive grid rate applicable to them if the household is above the aforementioned thresholds. Where the household is below the thresholds, Financial Advisors are generally credited with a reduced incentive grid rate of 30%.

Because Financial Advisors are generally not paid on households below the thresholds if they serve them directly, there is a conflict of interest and an incentive for the Financial Advisor to transfer/or refer households under the threshold to the Wealth Advice Center or to the International Wealth Solutions Group because it will generate compensation for the referring Financial Advisor that would not otherwise be received.

### Year-End Award

Depending on the Financial Advisor's overall Incentive Grid Rate (see above), the percentage used for consideration of a Year-End Award (bonus) will generally range from 3% to 9%.

Any granted Year-End Award generally consists of a deferred cash award paid annually over a specified time frame (provided the Financial Advisor is employed with UBS on the payment date) and restricted equity/notional shares, subject to vesting and forfeiture rules, or some combination thereof. A Year-End Award below a certain threshold is paid in cash (subject to continued employment through the payment date). The firm has discretion as to whether to grant any Year-End Award and the amount of any such granted Award.

### Client Growth Award

Financial Advisors qualify for a Client Growth Award by meeting criteria relating to Net New Business and new household generation. If the Financial Advisor meets the criteria, an Award of 1% of a Financial Advisor's T-12 production will be awarded and is included and paid as part of regularly scheduled FA payroll after year-end. The firm has discretion as to whether to grant any Award and the amount of any such granted Award.

### Productivity Award

Each month during the calendar year, UBS reviews each Financial Advisor's previous 12-month production ("T-12 production"). For those Financial Advisors who meet a specified T-12 production threshold each month, a "Productivity Award Credit" is determined by applying a rate of 1.5% to compensable production (i.e., production that is eligible for a production payout) generated in that month. Productivity Award Credits are determined each month in the calendar year and aggregated for consideration of a Productivity Award (bonus) after the calendar year is completed. Any Productivity Award granted to a Financial Advisor will be awarded and is included and paid as part of a regularly scheduled FA payroll. The firm reserves discretion as to whether to grant any Productivity Award and the amount of any such granted award. Individual Financial Advisors with T-12 production of at least \$10M, and Financial Advisors on teams with total T-12 production of at least \$20M with average T-12 production per member greater than \$5M, are eligible for a monthly Production Award Credit.

### Compensation for Financial Advisors recruited from other firms

Financial Advisors who move between financial institutions generally receive a significant amount of additional compensation as an incentive to move. As with other peer firms, at UBS this additional compensation has historically been based on a combination of the amount of the Financial Advisor's annual revenue production at their prior firm and the amount of assets or accounts that transfer to UBS. Typically, UBS has paid Financial Advisors financial incentives when they join and on an ongoing basis as described below.

Financial Advisors who were recruited to UBS prior to November 2016 were eligible to receive incentives at the time they joined (based on prior firm revenue) and are eligible to receive additional incentives while employed at UBS, based on reaching certain minimum asset and/or production levels or

other targets within a specified period of time after joining UBS. Financial Advisors hired after November 2016 are similarly eligible to receive substantial incentives at the time they join UBS based on prior firm revenue. In some cases, to maintain the incentives, the recruited Financial Advisors are required to achieve and maintain asset levels as determined at the time of joining UBS.

### **Additional Rewards**

**Recognition Councils:** At UBS, there are four Recognition Councils for top-performing Financial Advisors. They are Pinnacle, Chairman's Council, President's Council and Directors' Council. Membership is based on a combination of production and other eligibility factors set by the firm, including disciplinary history and compliance with firm rules, standards and policies. Pinnacle, Chairman's and President's Council members are given the opportunity to attend a conference, with a guest, that is paid for by the firm. The conference choices each have a training and education component and have a value of up to \$12,000 per person. In lieu of the conference, the Council member may select an alternative award valued for tax purpose at no more than \$7,000 (Pinnacle), \$6,000 (Chairman's), \$4,000 (President's) and \$3,000 (Directors').

– **The Expense Allowance Program:** Recognition Council members and other Financial Advisors meeting minimum production levels are generally eligible to participate in the Expense Allowance Program, which provides an expense allowance for the purpose of promoting business. The amount of the expense allowance awarded is based on production level and Recognition Council Membership.

### **Compensation for specific types of Financial Advisors**

– **Wealth Planning Associate compensation:** Wealth Planning Associates do not receive the production payouts described above and do not qualify for awards or recognition programs. Wealth Planning Associates receive base compensation and are eligible for discretionary incentive compensation, which is based on the performance of the firm in general, as well as their individual performance.

– **Financial Advisor Associate compensation:** Financial Advisor Associates in the Development Program are eligible for a 48 – 60-month compensation structure that combines base compensation, production payout and potential awards. Production payout is a percentage (minimum of 35% depending on hire date) of the production credited to the Financial Advisor.

– **Aspiring Legacy Financial Advisor and Premier Programs:** Financial Advisors (and Field Leaders who service client accounts) who meet production and length of service requirements and commit to transition their client relationship to other UBS Financial Advisors or Branch Managers on a specific date receive annual cash transition payments with an up-front cash loan option. Once the accounts are transitioned, they receive payments over a five-year period based on a pre-set schedule.

– **Compensation to Financial Advisors in the UBS Wealth Advice Center, the International Wealth Solutions Group and the Access Desk:** All UBS Wealth Advice Center, International Wealth Solutions Group and the Access Desk Financial Advisors receive an annual salary and are also eligible to earn an annual discretionary incentive compensation award. The annual award is a recognition of the employee's contribution throughout the year. It is based on many factors, including individual performance on goals and behaviors, group, business division and team performance, risk considerations, market environment, internal equity and external competitiveness.

In addition to the above, a subset of UBS Wealth Advice Center Financial Advisors whose primary responsibility is to provide recommendations to clients are also eligible to earn quarterly incentive awards. There is no cap on the incentive award, with the most common awards being approximately 45% of the average salary.

– **Quarterly Incentive Award:** The quarterly incentive award is based on production credits earned for transactions and enrollments, as described below, and Client Experience Evaluation (CXE) scores. These credits are applied to a predetermined formula that is used to determine the quarterly incentive award payout.

– **Production credits are variable, depending on the type of investment purchased, and for brokerage accounts are earned for:**

1. Mutual fund purchases
2. Exchange Traded Fund (ETF) purchases
3. Equity purchases
4. Fixed Income purchases

### **For investment advisory accounts, production credits are earned for:**

1. New enrollments into advisory programs (ACCESS and Advice Portfolio Program)
2. Additional investments into existing advisory accounts and
3. Account conversions from PACE Programs to ACCESS or Advice Portfolio Program

Financial Advisors receive more production credits for investment advisory enrollments and additional investments than for products or transactions in brokerage accounts. This creates a conflict of interest and an incentive for the Financial Advisors to recommend Advisory Accounts over other products, services and transactions. Production credits earned on Advisory products are based on the time required to execute, which includes FA effort, product complexity and time required to complete the transaction.

New clients to the UBS Wealth Advice Center are limited to two different advisory programs: ACCESS and the Advice Portfolio program. However, clients already in the PACE Multi Advisor Program or the PACE Select Advisor Program are permitted to enroll additional accounts in those programs if appropriate.

### **Compensation for Sales Managers in the UBS Wealth Advice Center**

UBS Wealth Advice Center Sales Managers receive an annual salary and are also eligible to earn an annual discretionary incentive compensation award. The annual award is a recognition of the employee's contribution throughout the year. It is based on many factors, including individual performance on goals and behaviors, group, business division and team performance, risk considerations, market environment, internal equity and external competitiveness.

### **Compensation for Field Leaders, including Market Executives, Market Directors and Associate Market Executives**

Our compensation plan for Field Leaders consists of: (1) a base salary; and (2) a discretionary incentive compensation award. The discretionary incentive award is determined in the firm's sole discretion after consideration of overall performance, risk and other factors, including:

- UBS Group AG Performance
- Cross Business Division Collaboration
- Risk Management and Conduct
- Legal and Regulatory Considerations
- UBS Behaviors—Accountability with Integrity, Collaboration and Innovation
- Contribution to Diversity, Equity and Inclusion
- Profit Before Tax Growth %
- Profit Margin Increase %
- Business Volumes
- Net New Fee Generating Assets
- Net New Loans
- Net New Deposits
- Transactional Revenue
- Net Recruited Production
- Total Direct Cost

In addition to the compensation above, Market Directors and Associate Market Executives eligible for payouts under the "Standard compensation" described above at the applicable Financial Advisor Compensation Plan Incentive Grid Rate except if the minimum Incentive Grid rate is 43%. Associate Market Executives can also qualify for additional rewards described in the "Additional Rewards" section above.

**Compensation for Referrals of Plans to be Serviced by the UBS WWS Branch:** A Financial Advisor may refer a participant-directed defined contribution plan to the Workplace Wealth Solutions Branch (WWS Branch). The WWS Branch is responsible for the sale and, once onboarded, a WWS Branch Plan Advisor will handle the ongoing servicing of the Plan. Both Sales personnel and Plan Advisors in the WWS Branch are paid on a salary and discretionary bonus basis. The Financial Advisor who refers a Plan participating in the Retirement Plan Manager or Retirement Plan Advisor Program would be compensated on up to 100% of fees paid by the Plan in year 1 and up to 50% of such amount in year 2 and thereafter paid at the Financial Advisor's Incentive Grid Rate. For referrals of Plans in the Retirement Plan Consulting

Services Program, the referring Financial Advisor would be compensated on up to 50% of fees paid by the Plan in year 1, 40% in year 2 and up to 30% of such amount in year 3 and thereafter paid at the Financial Advisor's Incentive Grid Rate. For existing plans referred to the WWS Branch for servicing, regardless of Program, the referring Advisor would be compensated on up to 50% of the fees paid by the Plan on an annual basis paid at the Financial Advisor's Incentive Grid Rate. In all of these cases, the Financial Advisor will also receive credit for purposes of calculating additional rewards.

### **Compensation for adding Financial Wellness services to Retirement Plan Consulting Services (RPCS) or Retirement Plan Guided Solutions (RPGS) Programs**

For RPCS or RPGS clients who add Financial Wellness services (Financial Wellness Program and Financial Wellness Essentials Program), Financial Advisors receive additional compensation. For Financial Wellness Essentials, the Financial Advisor would be compensated on 50% of the \$5,000 implementation fee paid at the Financial Advisor's Incentive Grid Rate. For Financial Wellness, the Financial Advisor would be compensated on 50% of the negotiated annual fee paid at the Financial Advisor's Incentive Grid Rate. This presents a conflict because Financial Advisors have an incentive to recommend adding these Financial Wellness services.

### **Compensation to Financial Advisors in connection with accounts opened at UBS for RPGS or RPCS retirement plan participants**

When participants in RPGS or RPCS retirement plans open wealth management accounts at UBS, the Financial Advisor referring and/or servicing the retirement plan receives additional compensation. When this new account is opened following a referral by a Financial Advisor to Financial Wellness Services and the account is opened at the UBS Wealth Advice Center, the amount of the Financial Advisor's additional compensation is 30% of the revenue generated and is paid at the Financial Advisor's grid rate.

Apart from Financial Wellness referrals, when an RPGS or RPCS retirement plan participant opens a wealth management account at the Wealth Advice Center, the Financial Advisor who referred and/or serviced the underlying plan will also receive additional compensation. In this case, the Financial Advisor receives compensation equal to 100% of the revenue generated, paid at the Financial Advisor's grid rate. Although subject to UBS's small household policy (accounts with less than \$250,000), because the account is opened at the Wealth Advice Center, the referring Financial Advisor is eligible for full production credit with a Production Payout rate limited to 30%.

If a retirement plan participant's new wealth management account is opened directly by a Financial Advisor at a branch and not at the Wealth Advice Center, UBS's general compensation rules apply. Specifically, if the new account is to be serviced by the Financial Advisor who referred or serviced the underlying retirement plan, that Financial Advisor

will receive 100% of the revenue generated paid at his or her grid rate. If, however, the account is referred to another advisor for servicing, the compensation split would be subject to the Financial Advisors' agreement.

### **Compensation for Financial Advisor Referrals of insured banks, thrifts and credit unions as new issuers to the Firm's Retail Certificate of Deposit (CD) Program**

A Financial Advisor may introduce a new CD or share certificate issuer to the firm's CD Desk to potentially participate in the firm's CD Program. If the issuer qualifies to participate, the Financial Advisor who referred the issuer will receive compensation for the referral for a period of two years in the event a new issue CD or share certificate of the referred issuer is sold by the firm to any of the firm's clients or selling group members of the firm's CD Desk. The referring Financial Advisor will receive up to 0.001% of sales made by the firm of the referring issuer's CDs or share certificates. Notwithstanding the foregoing, any sales of the referred issuer's CDs and share certificates by the referring Financial Advisor to the referring Financial Advisor's client(s) will be excluded from this calculation to mitigate any Financial Advisor conflict.

### **Conflicts disclosure**

#### **Conflicts of interest**

Conflicts of interest arise as a result of our compensation streams, our business interests and our relationships with other financial services firms, issuers of investment products and multiple clients. Conflicts arise when UBS (including its affiliates and Financial Advisors) benefits from a recommendation made to a client. Where the benefit would not directly benefit the Financial Advisor, it is considered a firm-level conflict. Where the Financial Advisor directly benefits (for example, by receiving compensation), the conflict would apply to your Financial Advisor at the time a recommendation is made.

Examples of firm-level conflicts include the incentive to:

- Offer investments and services that we or our affiliates create
- Offer investments and services from companies that share a portion of their revenue with us
- Offer investments and services from companies in which we or our affiliates have an ownership interest or from third parties that utilize such companies as service providers
- Maintain a sweep program for uninvested cash balances using our affiliate bank or money market funds of our affiliates
- Route trades to our affiliate for execution
- Offer securities that we have in inventory or where we are participating in an underwriting syndicate
- Execute your trade against our proprietary accounts
- Receive reimbursement from a product issuer or sponsor for technology-related costs of onboarding or maintaining an investment product or platform; while UBS does not generally require reimbursement, we reserve the right to do so.

Examples of Financial Advisor-level conflicts that apply when a recommendation is being made include the incentive to

recommend that you:

- Purchase investments that result in greater compensation than other investments (typical examples include annuities, structured products, alternative investments such as hedge funds and private equity funds, and securities where we are acting as an underwriter)
- Trade more frequently in your brokerage account to increase commissions
- Move accounts to us from other financial institutions and roll over your workplace retirement plan balances to an IRA at UBS
- Increase the assets you have in advisory accounts to increase fees
- Move an account (or assets) from brokerage to advisory or from advisory to brokerage when it would result in greater compensation to the Financial Advisor.

**We address our conflicts of interest by maintaining policies and procedures reasonably designed to ensure that Financial Advisors meet the required standard of conduct applicable to each client account type, supervising their activities and disclosing these conflicts so that you can make fully informed decisions.**

#### **Financial Advisor compensation**

The receipt of cash and non-cash compensation from sources other than clients, and the differences in the way we compensate Financial Advisors for the products we offer, create incentives for Financial Advisors to recommend certain products and account types over others. As noted above, Financial Advisors do not receive compensation on all production. For example, Financial Advisors are not compensated on equity transactions generating under \$100 in commission and would not be compensated on the full amount of advisory fees if charged below a specific percentage (depending on the strategy and account type). In addition, the commission schedules for various product types are different so that Financial Advisors are paid more for some products than others. This creates an incentive for Financial Advisors to recommend products that result in higher compensation.

Further discussion of conflicts with respect to specific products is set forth in this booklet under "Part two: Understanding fees, compensation and conflicts of interest—by product."

#### **Compensation for Financial Advisors recruited from other firms**

Financial Advisors recruited from another firm typically receive financial incentives for joining UBS and on an ongoing basis. These payments can be substantial and take various forms, including salary guarantees, loans, transition bonus payments and various forms of compensation to encourage Financial Advisors to join UBS, and are also contingent on your Financial Advisor's performance against targets and continued employment. Therefore, even if the fees you pay at UBS remain the same or are less, the transfer of your assets to UBS contribute to your Financial Advisor's ability to meet such targets and to receive additional compensation even if not

directly related to your account or the fees you pay to us.

These practices create an incentive and a conflict of interest for your Financial Advisor to recommend the transfer of your account assets to UBS since a significant part of the Financial Advisor's compensation is often contingent on the Financial Advisor achieving a pre-determined level of revenue and/or assets at UBS. You should carefully consider whether your Financial Advisor's advice is aligned with your investment strategy and goals.

### **Field Leader compensation**

Elements of our management compensation are based on revenues and sources of profit to the firm. This creates an incentive for our management team to encourage Financial Advisors to recommend products and services that result in more revenue and/or are more profitable to the firm and can create a conflict of interest. Regardless of these incentives, we maintain policies and procedures and supervisory processes designed to ensure that Financial Advisors meet the standard of conduct applicable to each client. UBS recognizes the top Field Leaders with an award valued for tax purposes at no more than \$5,000.

### **Revenue Sharing compensation**

Mutual fund and insurance companies pay us for offering and placing their products, and many of them also pay us for marketing support, known as revenue sharing, which is based on our total sales of and/or total client assets in their products. We expect to expand the revenue sharing program to include actively managed exchange traded funds on or about the fourth quarter of 2024. When we receive revenue share for the products we distribute, it creates an incentive for the firm to promote these products, and to the extent the levels paid to us are different, it creates an incentive for the firm to promote those products that pay a higher level of revenue sharing. However, Financial Advisors do not receive any portion of revenue sharing compensation. (For more information, refer to [ubs.com/mutualfundandretirevnuesharing](https://ubs.com/mutualfundandretirevnuesharing) and [ubs.com/annuity-revnuesharing](https://ubs.com/annuity-revnuesharing).)

### **Revenue received for Financial Advisor data analytics**

We receive compensation from investment product providers for analytics and data relating to our Financial Advisors. This information is used to increase the exposure Financial Advisors receive to the providers about their products and tends to result in increased sales of the providers' products.

### **Revenue received from Strategic Plan Providers**

We receive compensation from retirement plan providers that participate in a program with UBS that includes business support including strategic planning, enhanced Financial Advisor access and product support, such as prioritized review of their new products and services. This program will increase Financial Advisors' knowledge of the retirement plan market and participating plan providers' products and services, which will likely result in increased sales for such plan providers' services. All retirement plan providers are invited to

participate in this program and non-participating providers continue to be eligible for participation in all of the UBS retirement plan consulting programs.

### **Other revenue received from third parties**

- Issuers or underwriters of new issue securities pay us fees and/or offer underwriting discounts or share fees with us in certain cases.
- Mutual fund companies pay recordkeeping and account servicing fees for processing services we provide in accounts held at UBS.
- We receive a number of different fees from the alternative investment funds that we sell, including distribution fees, fees for solicitation services and fees for shareholder services or any combination of the three.
- Affiliate lenders pay us fees (which can be in the form of revenue splits between affiliates) for various loan servicing, collateral monitoring and marketing services.
- Unaffiliated third-party lenders pay us referral fees for certain client referrals for loan transactions.
- Unit investment trusts ("UITs") pay us volume-based compensation for the sale of their products to our clients.
- Sales loads, commissions or fees that clients do not pay directly but that are paid to us from the internal expenses of the investment product such as mutual funds, alternative investment funds, UITs, insurance and annuities.

### **Non-cash compensation**

We and our Financial Advisors receive non-cash compensation from mutual fund companies, investment managers, unit investment trust sponsors, annuity providers, insurance vendors and sponsors or issuers of investment products (including alternative investments, structured products, ETFs and ETNs) that we distribute. This compensation includes the following:

- Occasional gifts up to \$100 per vendor per year and occasional meals, tickets or other entertainment of reasonable and customary value. The receipt of occasional gifts, meals or entertainment can tend to result in recommendations of the products of the providers of such gifts, meals or entertainment.
- Sponsorship support of educational events the Financial Advisors arrange for clients and prospective clients.
- Contributions made at the firm level toward seminars and educational programs for Financial Advisors. These contributions are significant both per vendor and in the aggregate. While Financial Advisors do not receive any portion of these payments, the conflict presented is that a Financial Advisor's attendance and participation in educational or training forums, and the increased exposure to vendors who sponsor these events, tend to lead Financial Advisors to recommend the products and services of those vendors over the products of other vendors. These seminars and educational programs often include non-educational elements.
- Various forms of marketing support and, in certain limited circumstances, the development of tools used by the firm for training or recordkeeping purposes.

## **Introductions and referrals**

Our affiliates and third parties pay us when we refer or introduce clients to them who ultimately make investments. Likewise, we pay our affiliates and third parties for referring certain clients and business opportunities to our Financial Advisors. Referral payments can be based on a percentage of the revenue received or as we otherwise agree between the affiliates or with the third party. Depending on the type of referral, payments can be made over several years. UBS affiliates also have internal referral programs that incentivize employees to refer clients or potential clients to other UBS business divisions or legal entities.

## **Promotions**

From time to time we or our affiliates offer customers a promotional benefit (such as fee waivers, statement credits, interest rate discounts on loans and promotional rates on deposits) that, if accepted, we expect will result in increased revenue or reduced costs for us or our affiliates.

## **Payments to third parties for referrals to advisory business**

UBS offers a program where it pays professionals such as attorneys or accountants for referrals of clients to our advisory business. Clients receive detailed disclosures in advance and must acknowledge agreement to the referral fee payment.

## **Conflicts between our asset management and distribution business**

Your Financial Advisor may offer to sell you a nonproprietary hedge fund, managed futures fund or other investments that a UBS fund of funds or a UBS portfolio manager has redeemed in the portfolios they manage. The decisions by portfolio managers regarding the purchase and sale of funds or securities in the portfolios are made independently from our assessment of the products approved for our distribution platform. There is no obligation that any of the UBS funds of funds or UBS portfolio managers (or any other client or affiliate of the firm) either invest in or hold any investment vehicle that your Financial Advisor may offer to you.

## **Trading and execution practices**

When executing an order in certain types of securities, including fixed income securities, we are permitted to trade for our own account, with an affiliate or with a client, and to earn a profit on those trades. When we or an affiliate act as principal in buying a security from or selling a security to a client, we typically earn compensation by marking up the price of the securities we sell to you or by marking down the price of the securities we buy from you. As a result, we have an incentive to trade with you as principal and recommend securities from our inventory.

## **Treatment of error accounts**

We have procedures for resolving trading and other errors that occur from time to time. UBS maintains one or more

error accounts to handle these errors. Gains resulting from trading errors are offset by losses resulting from other errors each year. At the end of the calendar year, any net gains in the error account are donated to charity.

## **Conflicts presented in rollover and transfer recommendations**

When a UBS Financial Advisor recommends that you roll over assets of an employer-sponsored retirement plan (such as a 401(k), 403(b), 457(b), profit-sharing or defined benefit pension plan) to a UBS IRA, or that you move retirement or other assets from another financial institution to UBS, there is a conflict of interest presented because the firm and the Financial Advisor will receive a financial benefit if you roll over or transfer assets to UBS.

Before deciding whether to move your assets to UBS (whether or not a recommendation has been made), you must: (1) understand and consider your investment options; (2) evaluate the investment and non-investment considerations important to you in making the decision; (3) review and understand the fees and expenses associated with a UBS account; (4) recognize that higher fees and transaction costs will reduce your investment returns and ultimate retirement assets; and (5) understand the conflicts of interest raised by the financial benefits to UBS and its employees resulting from your decision to roll over or transfer assets to a UBS account.

## **Reimbursement for shareholder materials**

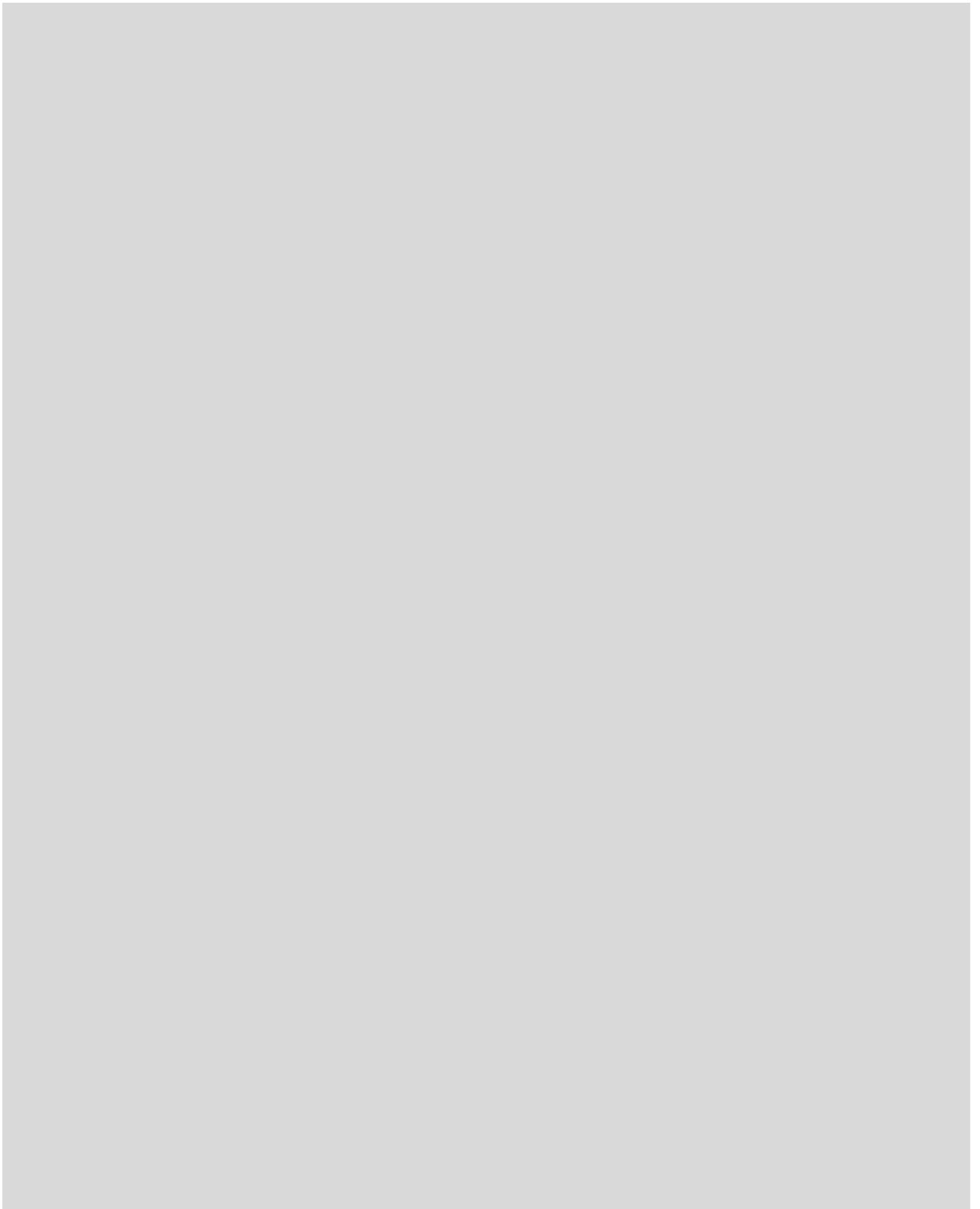
UBS receives a financial benefit when clients instruct us not to disclose their identity to issuers of the securities they own for the purpose of receiving proxies and interim mailings. This is because under New York Stock Exchange rules the amounts issuers must reimburse to broker-dealers like UBS for sending proxies and interim mailings are greater than the amounts they pay to obtain beneficial owner information so they can deliver the materials themselves. This is a firm-level conflict of interest because UBS has an incentive to recommend that clients object to the disclosure. Financial Advisors do not receive any compensation in connection with these proxy services.

## **Technology funding**

While UBS does not generally receive reimbursement for technology-related costs associated with the onboarding or maintenance of a platform, tool or service, we may do so from time to time. In the event that UBS receives reimbursements from product issuers or sponsors for such costs, it creates a conflict with our ability to use strictly objective factors when selecting product sponsors to make available on our platform.

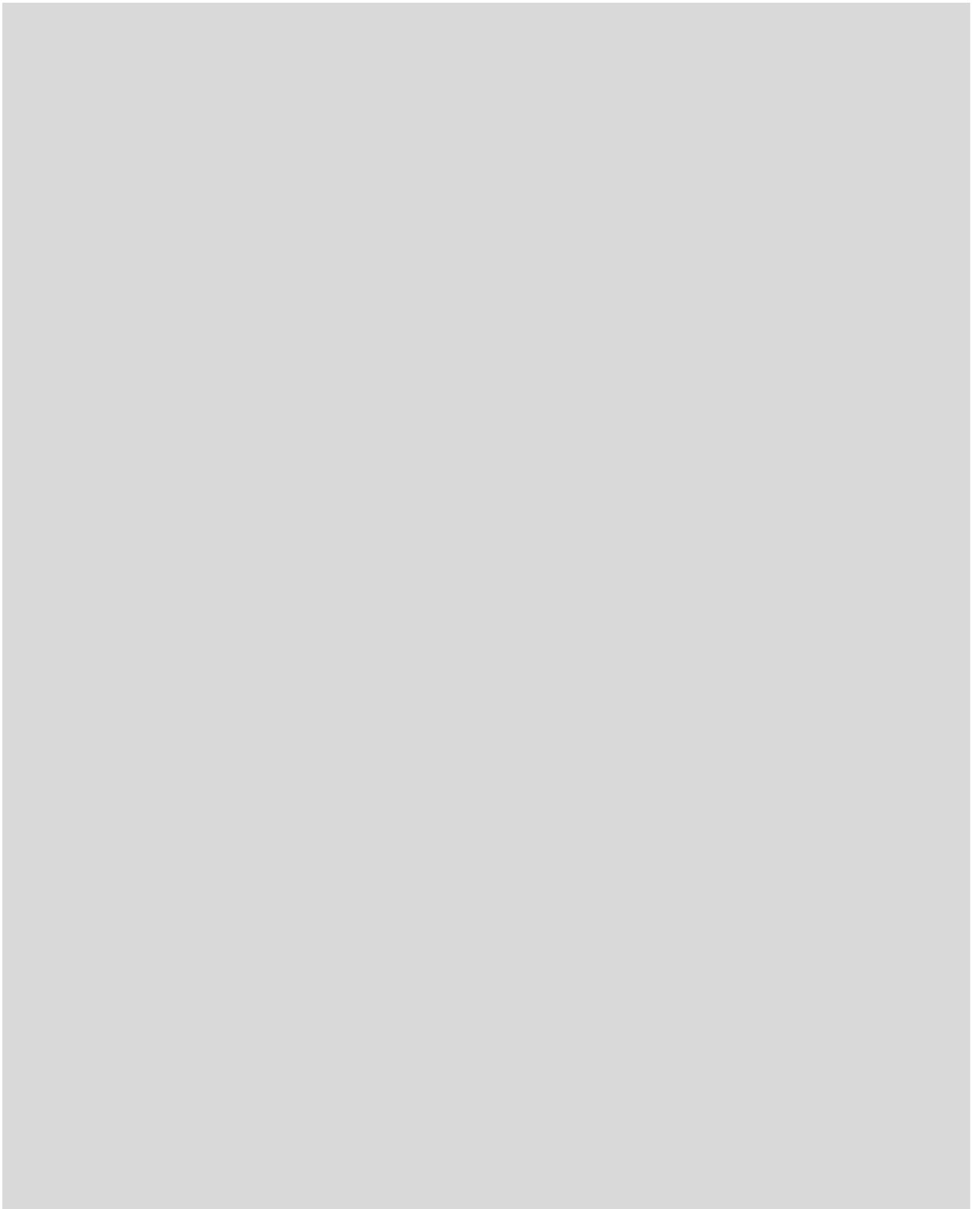
## Related disclosure documents

<b>Title</b>	<b>Web address</b>
Account information and disclosures	<a href="https://ubs.com/disclosedocuments">ubs.com/disclosedocuments</a>
Account Sweep Yields	<a href="https://ubs.com/sweeppyields">ubs.com/sweeppyields</a>
Agreements and Disclosures	<a href="https://ubs.com/agreementsanddisclosures">ubs.com/agreementsanddisclosures</a>
Annuity Revenue Sharing and Non-cash Compensation in Brokerage Accounts	<a href="https://ubs.com/annuity-revenuesharing">ubs.com/annuity-revenuesharing</a>
Best Execution of Equity Securities	<a href="https://ubs.com/bestexecution">ubs.com/bestexecution</a>
Client Relationship Agreement	<a href="https://ubs.com/clientrelationshipagreement">ubs.com/clientrelationshipagreement</a>
Commission schedules	<a href="https://ubs.com/commissions">ubs.com/commissions</a>
Important information about structured products	<a href="https://ubs.com/spkeyrisks">ubs.com/spkeyrisks</a>
Investment Advisory Brochures	<a href="https://ubs.com/advisorydisclosures">ubs.com/advisorydisclosures</a>
IRA Information	<a href="https://ubs.com/lirainformation">ubs.com/lirainformation</a>
529 college savings plans	<a href="https://ubs.com/529disclosure">ubs.com/529disclosure</a>
Mutual Funds—Commission Schedule	<a href="https://ubs.com/mutualfundcommissions">ubs.com/mutualfundcommissions</a>
Order Routing Disclosure	<a href="https://ubs.com/orderroutingdisclosure">ubs.com/orderroutingdisclosure</a>
Puerto Rico Funds	<a href="https://ubs.com/prfunds">ubs.com/prfunds</a>
Relationship Summary for Individual UBS Wealth Management Clients	<a href="https://ubs.com/relationshipsummary">ubs.com/relationshipsummary</a>
Revenue Sharing, Networking/Omnibus Fees and Non-Cash Compensation	<a href="https://ubs.com/mutualfundrevenuesharing">ubs.com/mutualfundrevenuesharing</a>
UBS Bank USA Core Savings Disclosure Statement	<a href="https://ubs.com/coresavingsdisclosure">ubs.com/coresavingsdisclosure</a>
UBS credit and debit cards	<a href="https://ubs.com/uscards">ubs.com/uscards</a>
UBS Form ADV	<a href="https://ubs.com/formadv">ubs.com/formadv</a>
Understanding Mutual Fund Share Classes, Fees and Certain Risk Considerations	<a href="https://ubs.com/mutualfunddisclosure">ubs.com/mutualfunddisclosure</a>
Understanding Your Fixed Indexed Annuity	<a href="https://ubs.com/fix-indexed-annuities">ubs.com/fix-indexed-annuities</a>
Understanding Your Variable Annuity	<a href="https://ubs.com/vadisclosure">ubs.com/vadisclosure</a>
Unit Investment Trusts	<a href="https://ubs.com/uitdisclosure">ubs.com/uitdisclosure</a>
Working with the UBS Wealth Advice Center	<a href="https://ubs.com/wacdisclosure">ubs.com/wacdisclosure</a>



## Part two: Table of contents

<b>Introduction</b> .....	25	Municipal securities .....	42
<b>Annuities and insurance</b> .....	26	Municipal variable rate demand obligations (VRDOs) ..	43
Fixed annuities .....	26	Options.....	43
Variable annuities .....	27	Futures .....	44
Disability, life and long-term care insurance .....	29	Precious metals.....	44
Referral arrangements for annuities and insurance businesses .....	31	Structured products .....	45
<b>Banking products</b> .....	32	Taxable fixed income .....	46
Credit lines.....	32	Foreign exchange .....	47
Margin loans.....	33	Global Time Deposits .....	48
Residential mortgage loans .....	33	Fully Paid Securities Lending .....	48
Commercial mortgage loans .....	34	<b>Investment company products</b> .....	49
Standby letters of credit .....	34	Mutual funds.....	49
Cash sweep programs.....	35	Puerto Rico open-end funds .....	52
UBS Bank USA Core Savings .....	38	Closed-end funds .....	52
UBS Visa credit cards .....	38	Puerto Rico closed-end funds .....	52
UBS Visa debit cards .....	39	Exchange-traded funds (ETFs) .....	53
<b>Individual securities, options, precious metals and municipal securities</b> .....	39	Unit investment trusts (UITs) .....	53
Auction rate securities.....	39	<b>Alternative investments</b> .....	54
Equity securities .....	39	<b>Corporate Cash Management</b> .....	57
10b5-1 trading plans .....	40	<b>Brokerage account and administrative fees</b> .....	57
Equity syndicate offering.....	41	<b>Advisory programs and financial planning services</b> .....	60
Exchange-traded notes (ETNs).....	41	<b>Retirement Plan Consulting Programs and Institutional Consulting</b> .....	64
		<b>529 Plans and Donor-Advised Funds (DAFs)</b> .....	65



## Introduction

The sections that follow offer an overview of the compensation UBS receives for the wide variety of products and services available for purchase at UBS. Some of these are available only in a brokerage account while others are available in either a brokerage account or an advisory account.

Some of this compensation is paid to UBS by clients and other compensation is paid to UBS by third parties or affiliates. We generally provide specific fees or ranges depending on the product. If you believe that a product or service we provide is not covered in this guide, please contact your Financial Advisor. Fees paid to UBS by third parties or by UBS affiliates are not negotiable or waivable by clients. Fees you pay directly to product providers are generally also not negotiable or waivable.

Financial Advisors (including Field Leaders who service client accounts) receive compensation in the form of direct payouts and credits toward increases in incentive rates, bonuses and/or club status in connection with the products described below except where otherwise noted. We specify in each product section below the types of compensation Financial Advisors receive with respect to that product.

The compensation for Financial Advisors in the Wealth Advice Center, International Wealth Solutions Group and Access Desk or operating as Wealth Planning Associates, Financial Advisor Associates and Field Leaders is described in the prior section of this booklet.

In addition to the disclosure in this section, in general, when an affiliate of UBS underwrites a security, the affiliate also receives compensation (as disclosed in the offering document for such offering). Where an affiliate of UBS is the issuer of such security, it receives the use of the proceeds of such offering.

## Part two: Understanding fees, compensation and conflicts of interest—by product

### Annuities and insurance

#### Fixed annuities

##### *Description*

The types of annuities described below are collectively referred to as “fixed annuities.”

- Fixed interest annuities: contracts issued by insurance companies that guarantee a fixed interest rate for a specified period of time
- Fixed indexed annuities: contracts issued by insurance companies where the returns are based upon the performance of a market index, such as the S&P 500; the principal investment is protected from losses in down markets, subject to the solvency of the issuer, while gains add to the annuity’s returns
- Single premium immediate annuities: contracts issued by insurance companies that you purchase with a single investment for which income payments begin within one year of the contract date
- Deferred income annuities: contracts issued by insurance companies that you purchase with a single investment or multiple investments for which income payments begin after one year of the contract date

##### *Fees and charges you pay*

- Typically, you do not pay up-front sales fees or ongoing expenses for fixed annuities. The fees reduce the interest rate you receive under the contract. However, you will pay additional annual fees, including premium taxes and fees for any optional riders selected. Annual fees are generally deducted by the insurance company from the annuity contract value. The specific amounts of all fees are disclosed in the annuity contract, which you receive directly from the issuing insurance company after purchase. Once you receive the contract, there is a limited period in which you may cancel the contract with no penalty. This is known as the free look period.

#### Fees for optional features

- Optional riders are provisions that may be added to an annuity contract to increase or limit benefits the contract otherwise provides.
- You will be charged additional fees if you select optional contract features, such as an enhanced death benefit or a living benefit.

#### Contingent deferred sales charge (“CDSC” or “surrender charge”)

- If you withdraw money from an annuity within a certain period after a purchase payment (typically three to 10 years), the insurance company usually will assess a “surrender charge,” which is a type of sales charge.

- Generally, the surrender charge is a percentage of the amount withdrawn, and declines gradually over a period of several years, known as the “surrender period.”
- The surrender period typically starts when you make an investment (this can be the initial investment or any additional payments you make to the contract).

#### Premium taxes

- Several states impose a premium tax on variable annuity purchases either at the time of purchase or at annuitization. Premium taxes are similar to a sales tax.
- The tax may be as high as 5% of either the purchase payments or the total value of the annuity contract depending upon the state.

None of these fees or charges are negotiable or waivable.

##### *Insurance companies pay UBS:*

- A commission in the first year, and:
- Trailing (ongoing) commissions, if any, for each year you own the contract.
- The amount of compensation that UBS receives depends upon, among other factors: (i) the duration of the annuity; (ii) your age; (iii) the amount invested in the annuity; (iv) the chosen share class; and/or (v) the commission option selected by the Financial Advisor. Insurance companies allow the Financial Advisor to choose among various commission structures, which generally provide that when there is a higher first-year commission, there will be a lower or no trail commission (and vice versa).
- For fixed interest annuities, the first-year commission is generally between 1.00% and 5.00% of your initial investment, sometimes lower, but never above 7.00%, with an annual trailing commission of up to 1.00% of the total value of the annuity assets. Certain fixed annuities with long-term care insurance benefits (sometimes known as “hybrid products”) pay a first-year commission between 1.00% and 7.00% of your initial investment, with an annual trailing commission of up to 1.00% of the total value of the annuity assets.
- For fixed indexed annuities, the first-year commission is generally between 1.00% and 5.00% of your initial investment, sometimes lower, but never above, with an annual trailing commission of 0.00% to 1.0% of the total value of the annuity assets.
- For immediate and deferred income annuities, the first-year commission is generally between 1.80% and 4.80% of your initial investment, sometimes lower, but never above, and there is no annual trailing commission.

These commissions are for the sale of the annuity and for UBS acting as the broker of record on the contract.

UBS receives revenue sharing on new annuity sales and existing annuity assets, in addition to the commissions described above. The amount of the revenue sharing is 0.20% of the initial premium amount on the sale of fixed annuities. Although not applicable to any annuities currently

sold on the UBS platform, we also receive quarterly persistency payments of up to 0.10% annually of the assets in certain annuity products previously sold prior to 2005 and that remain with the insurance company for an agreed period, generally five or more years. Revenue sharing compensation is not shared with Financial Advisors.

For more information on revenue sharing, please see “Annuity revenue sharing and non-cash compensation in brokerage accounts” at [ubs.com/annuity-revenuesharing](https://ubs.com/annuity-revenuesharing).

#### *Financial Advisor compensation*

Financial Advisors receive a portion of the commissions (but not the revenue sharing) paid to UBS by the insurance companies based on the grid rate applicable to them.

#### *Conflicts of interest*

##### **Transaction compensation**

The compensation we receive depends on the type of annuity purchased (for example, single premium immediate annuity, fixed indexed annuity and variable annuity; variable annuities are described in the next product section below), overall complexity and duration of the annuity. For example, your Financial Advisor will generally receive more compensation for the sale of a more complex variable annuity vs. a less complex fixed annuity. However, for fixed annuities of the same type, duration and complexity, the difference in compensation is not material.

##### **Revenue sharing**

Revenue sharing payments give us a financial incentive to recommend that our customers purchase annuities from those insurance companies that we maintain on our distribution platform and for which we receive revenue sharing payments. At present, UBS does not have any annuity providers on the UBS Platform (other than private placement variable annuities and group variable annuity contracts on ERISA-covered plans referred to below) that do not make revenue sharing payments to UBS. Moreover, UBS receives greater revenue share from the sale and maintenance of variable annuities than it receives in connection with fixed annuities.

To mitigate the conflict, for all fixed annuities currently sold on the UBS platform, insurance companies pay us the same amount of revenue share. Further, while revenue sharing is one factor that determines availability on the UBS platform, others include the financial stability of the insurance company and features of its products, understanding of business goals, quality of sales personnel and marketing material, range of products, level of service to UBS and UBS discretion. Although a wide variety of annuity products (offered by different insurance companies) are available through our Financial Advisors, they are only part of the universe of annuity products available in the marketplace. Financial Advisors are not permitted to recommend annuity products from insurance companies that have not been reviewed, evaluated and approved by UBS.

#### *Additional disclosures*

For more information, please refer to the applicable annuity contract. Also refer to our “Understanding your fixed indexed annuity” brochure at [ubs.com/fixed-indexed-annuities](https://ubs.com/fixed-indexed-annuities).

##### **Variable annuities**

###### *Description*

Variable annuities, including registered indexed linked annuities, are contracts issued by insurance companies for which you make a lump-sum payment or series of payments (premiums); in return, the insurer agrees to make periodic payments beginning immediately or at some future date. The premiums are paid to the issuing insurance company.

- At your direction, the insurer allocates your premiums to investment options, such as sub-accounts (which are similar to mutual funds) or directly into the general account of the insurance company that manages investment portfolios, or indexed linked investments that track to selected indexes, such as the S&P 500, as offered in registered indexed linked annuities. The value of the contract during the accumulation phase and the amount of payments you receive depend on the performance of the investments and duration of the payments.
- UBS offers three variable annuity share classes. The share class determines the length of the surrender period.
- Variable annuities can be issued individually or as group annuities.
- Group variable annuities are contracts issued by insurance companies to businesses or other eligible organizations, often as funding vehicles for qualified and nonqualified retirement plans.

###### *Fees and charges you pay*

Depending on the terms and share class of the annuity, you pay annual fees as described below. Annual fees are deducted from the annuity contract value by the insurance company. The specific amounts of all fees are disclosed in the annuity contract, which you receive directly from the issuing insurance company after purchase. Once you receive the contract, there is a limited period in which you may cancel the contract with no penalty. This is known as the free look period.

###### **– Mortality risk and expense charge (“M&E”)**

- This is a yearly charge that compensates the insurance company for insurance risks it assumes under the annuity contract.
- The charge generally ranges from 1.00% to 1.85%, sometimes lower, but never above, the annual total account value.
- **Administrative fee and annual maintenance fee**
  - These yearly charges cover recordkeeping and other administrative expenses.
  - The administrative fee is a percentage of the account value and generally ranges from 0% to 0.20% per year.
  - The annual maintenance fee is a flat fee, generally ranging from \$25 to \$50 per year.
  - Annual maintenance fees are not generally charged when the contract value reaches a specified level of value, such as \$50,000 or \$100,000.

- The annuity may charge both types of fees.
- **Investment management fees and expenses**
  - These fees and expenses are paid to the firms that manage the investment portfolios and may include affiliates of the insurance company.
  - These vary depending on which investment portfolios you choose.
- **Fees for optional features**
  - Optional riders are provisions that may be added to an annuity contract to increase or limit benefits the contract otherwise provides.
  - You will be charged additional fees if you select optional contract features, such as an enhanced death benefit or a living benefit.
- **Contingent deferred sales charge (“CDSC” or “surrender charge”)**
  - If you withdraw money from a variable annuity within a certain period after a purchase payment (typically within seven years), the insurance company usually will assess a “surrender charge,” which is a type of sales charge.
  - Generally, the surrender charge is a percentage of the amount withdrawn, and declines gradually over a period of several years, known as the “surrender period.”
  - The surrender period typically starts when you make an investment (this can be the initial investment or any additional payments you make to the contract).
- **Premium taxes**
  - Several states impose a premium tax on variable annuity purchases either at the time of purchase or at annuitization. Premium taxes are similar to a sales tax.
  - The tax may be as high as 5% of either the purchase payments or the total value of the annuity contract depending upon the state.
  - The insurance company is responsible for paying this tax and will usually pass this cost on to you.
- **Private placement variable annuities**
  - You are required to pay an up-front sales charge equal to 1.0% on all deposits up to \$5MM, 0.50% on all deposits between \$5MM and \$10MM and 0.0% on all deposits over \$10MM.
  - There is a separate account charge of 0.40% to 1.00% annually of the account value.

*Compensation UBS receives from third parties (insurance companies)*

UBS receives commissions for the sale of an annuity paid by the insurance company issuing the annuity. These commissions are reflected in the costs of the annuity that you pay.

Insurance companies pay UBS:

- A commission in the first year, and:
- Generally trailing (ongoing) commissions for each year you own the contract.
- The amount of compensation that UBS receives depends upon, among other factors: (i) the duration of the annuity; (ii) your age; (iii) the amount invested in the annuity; (iv) the chosen share class; and/or (v) the commission option selected by the Financial Advisor. Insurance companies

allow the Financial Advisor to choose among various commission structures, which generally provide that when there is a higher first-year commission, there will be a lower or \$0 trail commission (and vice versa).

- UBS offers three variable annuity share classes (B, L and C) on its platform, none of which require you to pay an up-front fee at the time the annuity is purchased:
  - For Class B shares and L shares, the first-year commission to UBS is generally between 1.00% and 5.00% of your initial investment, sometimes lower, but never above, with an annual trailing commission of 0% to 1.00% of the total value of the annuity assets.
  - For Class C shares, the first-year commission to UBS is generally between 1.00% and 2.00% of your initial investment, sometimes lower, but never above, with an annual trailing commission between 0.500% and 1.00% of the total value of the annuity assets.
- UBS also offers private placement variable annuities:
  - For private placement variable annuities purchased after June 2022 UBS receives an initial sales commission from the insurance company of 1.0% of all deposits up to \$5MM, 0.50% on all deposits between \$5MM and \$10MM and 0.0% on all deposits \$10MM+, with an annual trailing commission between 0.20%-0.70% annually of the account value.
  - For private placement variable annuities purchased before June 2022 UBS received an initial sales commission and receives an annual trail of 0.10% charged on account value, paid to UBS by the insurance company, in addition to annual compensation of 0.75% of the amount allocated to a non-registered insurance dedicated fund (IDF) paid to UBS by the underlying investment manager of the IDF.
- These commissions are for the sale of the annuity and for UBS acting as the broker of record on the contract.
- In addition, UBS receives revenue sharing on new annuity sales and existing annuity assets. At present, UBS does not have any annuity providers on the UBS platform (except as listed below) that do not make revenue sharing payments to UBS. UBS generally receives payments of 0.20%, sometimes lower, but never above, of the initial premium amount on the sale of variable annuities. UBS generally receives payments of 0.10% of the annuity assets of variable annuities, sometimes lower, but never above, excluding the fixed assets within the variable annuities. Although not applicable to any annuities currently sold on the UBS platform, we also receive quarterly persistency payments of up to 0.10% annually of the assets in certain annuity products previously sold and that remain with the insurance company for an agreed period, generally five or more years. This revenue sharing compensation is not paid to Financial Advisors.
- UBS does not receive revenue sharing on private placement variable annuities and group variable annuity contracts on ERISA-covered plans. The first-year commissions on group variable annuities are up to 2% of the group variable annuity investment plus annual trailing commissions from

0.25% to 1.00% of the total value of the group variable annuity assets.

For more information on revenue sharing, please see “Annuity revenue sharing and non-cash compensation in brokerage accounts” at [ubs.com/annuity-revenuesharing](https://ubs.com/annuity-revenuesharing).

#### *Financial Advisor compensation*

Financial Advisors receive a portion of the commissions (but not revenue sharing) paid to UBS by the insurance companies based on the grid rate applicable to them.

### **Conflicts of interest**

#### *Transaction compensation*

The compensation we receive depends on the type of annuity purchased (for example, single premium immediate annuity, fixed indexed annuity and variable annuity) and overall complexity and duration of the annuity. For example, your Financial Advisor will generally receive more compensation for the sale of a more complex variable annuity vs. a less complex fixed annuity. However, for variable annuities of the same type, duration and complexity, the difference in compensation is not material.

#### *Revenue sharing*

Revenue sharing payments give us a financial incentive to recommend that our customers purchase annuities from those insurance companies that we maintain on our distribution platform and for which we receive revenue sharing payments. Moreover, UBS receives greater revenue share from the sale and maintenance of variable annuities vs. fixed annuities.

To mitigate the conflict, for all variable annuities of the same type currently sold on the UBS platform (except private placement and group variable annuities, as discussed above), insurance companies pay us the same amount of revenue share. While revenue sharing is one factor that determines availability on the UBS platform, others include the financial stability of the insurance company and features of its products, understanding of business goals, quality of sales personnel and marketing material, range of products, level of service to UBS and UBS discretion. Although a wide variety of annuity products (offered by different insurance companies) are available through our Financial Advisors, they are only part of the universe of annuity products available in the marketplace. Financial Advisors are not permitted to recommend annuity products from insurance companies that have not been reviewed, evaluated and approved.

#### *Additional disclosures*

For more information, please refer to the applicable variable annuity contract and prospectus. Also refer to our “Understanding your variable annuities” brochure at [ubs.com/vadisclosure](https://ubs.com/vadisclosure).

### **Disability, life and long-term care insurance**

#### *Description*

Insurance companies issue disability income insurance and life and long-term care insurance policies to cover the risk of loss due to disability, death or the need for long-term care.

Life insurance contracts can be either fixed or variable:

- A fixed policy is straight insurance with no investment component. You buy insurance coverage that lasts for a period of time, provided you pay the premium.
- A variable policy provides death benefit protection and the potential to accumulate cash value through underlying investment options. Returns are not guaranteed.

#### *Fees and charges you pay*

The amount of the premium that you pay depends on a variety of factors, including the level of coverage, your age, health at time of policy issue and the optional riders selected, i.e., provisions that may be added to an insurance policy to increase or limit the benefits that the policy otherwise provides.

Depending on the type of life insurance policy, clients are subject to a surrender charge if the policy is surrendered (either partially or in full) during the surrender period or the policy lapses and is not reinstated within the allowable time frame. Surrender charges are based on a variety of factors, including the number of years a policy has been in force, its cash value and death benefits.

The specific amounts of all fees are disclosed in the insurance policy, which you will receive directly from the issuing insurance company after you purchase the insurance. Once you receive the policy, you will have a limited period in which you may cancel with no penalty. This is known as the free look period.

#### *Private placement variable universal life products*

- You are required to pay an up-front fee of 2.00% on all deposits. Total upfront sales charge will be capped at \$150,000 per insured.
- The separate account fee is 0.60% to 1.15% annually of the account value.

#### *Compensation UBS receives from third parties (insurance companies)*

- UBS receives commissions for the sale of an insurance product directly from the insurance company issuing the policy. You do not pay UBS directly.
- The amount of the initial sales commission, or first-year commission, paid to UBS varies, and is based upon the product, policy structure and the terms of the contract.
- UBS will also receive renewal commissions and/or asset-based cash accumulation trails or a combination of both.
- UBS does not receive revenue sharing on disability income, life and long-term care insurance policies.

<b>Policy type</b>	<b>First-year commission</b>
Disability income policies	Generally ranges from 38.50% to 55% of the premium (sometimes lower, but never above), depending on the insured's age, occupation and the state of issue
Traditional long-term care policies	Generally ranges from 37.25% to 62.5% of the premium (sometimes lower, but never above)
Hybrid long-term care policies	Generally ranges from 6.50% to 75% of commissionable target premium, depending on the funding duration, insured's age and the state of issue, and up to 6.50% of the premium in excess of the target premium (sometimes lower, but never above). Commissionable target premium is the minimum amount of premium, as determined by the insurance company, to keep the policy in force for one year. Any premium above this amount is referred to as excess of target premium.
Permanent life insurance policies (variable universal life and universal life)	Generally 75% of the target premium and from 1.00% to 3.00% of the premium in excess of the target premium (sometimes lower, but never above). Target premium is the minimum amount of premium, as determined by the insurance company, to keep the policy in force for one year. Any premium above this amount is referred to as excess of target premium.
Whole life insurance policies	Ranges from 15.40% to 77.00% of the premium, based on the payment duration elected. Whole life policies where premium payments are spread over a longer payment period pay higher first-year commissions on a lower premium base.
Term life insurance	Ranges from 75% to 85% of the premium depending on coverage duration (sometimes lower, but never above)
Corporate Owned Life Insurance Policies (life insurance that is purchased by a corporation for its own use)	Registered Variable Universal Life: Ranges from 16.00% to 24.50% of target premium, and from 1.00% to 3.00% of the premium in excess of target premium (sometimes lower, but never above). Target premium is the minimum amount of premium, as determined by the insurance company, to keep the policy in force for one year. Any premium above this amount is referred to as excess of target premium.  Private Placement Variable Universal Life: Ranges from 2.00% to 6.00% of the premium.

<b>Policy type</b>	<b>Renewal commissions</b>
Disability income policies	Generally between 2.00% and 5.00% of the premium (sometimes lower, but never above), starting in year two and generally lasting between two years and 10 years, depending on the product and its features
Traditional long-term care policies	Generally between 0.5% and 2.0% of the premium (sometimes lower, but never above), starting in year two and generally lasting between two and 10 years, depending on the product and its features
Hybrid long-term care policies	Generally 3.00% of the premium (sometimes lower, but never above), starting in year two and generally lasting between two years and 10 years, depending on the product and funding duration
Permanent life insurance policies (variable universal life and universal life)	Ranges from 0.38% – 8% of the target premium (sometimes lower but never above) and from 1.00% to 3.00% of the premium in excess of the target premium (sometimes lower, but never above). Target premium is the minimum amount of premium, as determined by the insurance company, to keep the policy in force for one year. Any premium above this amount is referred to as excess of target premium.
Whole life insurance policies	Generally between 1.00% and 15.40% of the premium (sometimes lower, but never above), starting in year two, depending on the whole life product
Term life insurance	Generally between 1% – 2% of the premium (sometimes lower, but never above), starting in year two and generally lasting between two and 10 years, depending on the product

Policy type	Renewal commissions
Corporate Owned Life Insurance Policies (life insurance that is purchased by a corporation for its own use)	<p>Registered Variable Universal Life: Ranges from 1.00% – 4.00% of the target premium, (sometimes lower, but never above), and from 1.00% to 5.25% of the premium in excess of the target premium (sometimes lower, but never above). Target premium is the minimum amount of premium, as determined by the insurance company, to keep the policy in force for one year. Any premium above this amount is referred to as excess of target premium.</p> <p>Private Placement Variable Universal Life: Asset-based trails range from 0.01% – 0.05% starting in year two and all years thereafter that the policy is in force</p>

- For private placement variable universal life insurance policies:
  - For private placement variable universal life policies sold after June 2022, UBS receives an initial sales commission equal to 1.25% on all deposits with a cap of \$93,750 per insured, paid to UBS by the insurance company with an annual trailing commission between 0.25% to 0.70% annually of the account value.
  - For private placement variable universal life policies sold before June 2022, UBS received an upfront sales charge and receives an annual trail of 0.10% charged on account value, paid to UBS by the insurance company, in addition to annual compensation of 0.75% of the amount allocated to a non-registered insurance dedicated fund (IDF) paid to UBS by the underlying investment manager of the IDF.

These commissions are for the sale of the insurance policy and for UBS acting as the broker of record on the contract.

#### *Financial Advisor compensation*

Financial Advisors receive a portion of the amount UBS receives based on the grid rate applicable to them.

#### *Conflicts of interest*

The compensation we receive depends on the type of insurance purchased (e.g., term life insurance, whole life insurance, universal and variable universal life insurance, disability insurance and long-term care insurance). For example, your Financial Advisor will be paid at a higher rate for universal and variable universal life insurance (and at an even higher rate in those policies if they exceed the target premium) vs. whole life insurance, which creates an incentive for your Financial Advisor to recommend the products that generate more compensation for them. However, within insurance type, payment duration and benefit duration, the rate of compensation to your Financial Advisor is level, regardless of the issuer selected.

#### *Additional disclosures*

For very important and detailed information regarding fees and expenses, please refer to the applicable insurance policy.

### **Referral arrangements for annuities and insurance businesses**

#### *Description*

UBS offers referral programs for: property and casualty insurance, high-limit disability insurance, certain life insurance products and products for certain international clients, pension risk transfer services and Medicare supplemental insurance plans.

Under these programs, a Financial Advisor refers a client to a third-party general agency (“General Agency”) or other third-party firm (“Third-Party Firm”) that sells the insurance or annuity policy directly to the client. The General Agency or Third-Party Firm then pays UBS a portion of the commission it receives from the insurance company that issues the policy or the fee that the Third-Party Firm receives from the client (the “Referral Fee”).

#### *Fees and charges you pay*

- For high-limit disability policies, the amount of the premium that you pay depends on a variety of factors, including your occupation, coverage sought and the benefits you elected.
- For property and casualty policies, the amount of the premium is dependent on the type of coverage (property or casualty), amount of coverage, deductible and the length of coverage.
- For referral life insurance products, the amount of the premium that you pay depends on a variety of factors, including the level of coverage, your age and the optional riders selected, i.e., provisions that may be added to an insurance policy to increase or limit the benefits that the policy otherwise provides.
- For pension risk transfer, depending on the size and complexity of the engagement and associated transaction, you may pay a fee directly to the Third-Party Firm and/or the Third-Party Firm will receive a commission directly from the insurance company.
- For Medicare supplemental insurance the amount of premium you pay depends on a variety of factors including but not limited to the coverage and features you select and the product you choose to purchase.

### *Compensation UBS receives from third parties*

- For high-limit disability policies, Referral Fees are paid to UBS from the Third-Party Firm. UBS receives from 15% to 25% of the premiums in year one. And 15% to 20% in subsequent years you pay these premiums—typically three to five years.
- For property and casualty policies, the Referral Fees are paid to UBS from the Third-Party Firm. The Referral Fees range from 10% to 20% of what the Third-Party Firm receives as commissions for each year you pay a premium.
- For referral life insurance products, the Referral Fees are paid to UBS from the General Agency. UBS receives 50% of what the General Agency receives for commissions on the first-year target premium, excess of target premiums and renewal premiums, which are paid in years two and thereafter.
- For pension risk transfer, the Referral Fees are paid to UBS from the Third-Party Firm. UBS receives 50% of what the Third-Party Firm receives for its services related to pension risk transfer and/or its involvement in the purchase of a Group Annuity Contract.
- For Medicare supplemental insurance, the Referral Fees are paid to UBS from the Third-Party Firm. The Referral Fee will be within a range of \$0 to \$80 depending on the amount of overall referrals provided to the Third-Party Firm during the calendar year.
- The fees are for the introduction of the client.

### *Financial Advisor compensation*

Financial Advisors receive a portion of the amount UBS receives based on the grid rate applicable to them, except for the Medicare supplemental insurance program where your Financial Advisor will not receive a portion of the Referral Fee received by UBS.

### *Conflicts of interest*

For referral life insurance products to domestic clients, the referral fees are paid to UBS from the General Agency. UBS receives 50% of what the General Agency receives for first-year target, excess of target and renewal premiums.

UBS also sells these products directly. If sold directly, UBS receives at least 75% of the first-year premium directly from the insurance company. This disparity creates a firm-level conflict to sell to you directly. However, to mitigate this conflict, your Financial Advisor receives the same compensation, regardless of whether the product is sold by UBS or through a referral arrangement.

### *Additional disclosures*

You will receive disclosures from your Financial Advisor when a referral is going to be made.

## **Banking products**

### **Credit lines**

#### *Description*

- Variable or fixed rate credit lines issued by UBS Bank USA or another UBS affiliate are either non-purpose or purpose loans.
- Non-purpose loans **may not** be used to purchase, trade or carry securities and may be used for other liquidity needs, such as personal expenses, real estate transactions or other needs. However, non-purpose proceeds may be used: (i) on an exception basis when requested by a client; to invest in select private equity funds or other non-purpose margin stock (for example, floating rate notes); and (ii) be used to purchase precious metals (for example, gold), which may result in Financial Advisor compensation on both the non-purpose loan and the use of loan proceeds.
  - Purpose loans may be used to purchase, trade or carry securities or may be used for other liquidity needs such as personal expenses, real estate transactions or other needs.

Please review your loan agreement to make sure you understand which type of loan you have and that you are in compliance with its terms. These loans are generally secured by securities you or a third party pledge as collateral.

#### *Fees and charges you pay*

- You pay interest on outstanding principal balances to UBS Bank USA, UBS or another UBS affiliate. Payment of interest may be on a monthly or quarterly basis as stated in the Credit Line Agreement between you and UBS Bank USA, UBS or another UBS affiliate.
- For variable-rate loans, you have the option to repay the principal at any time without prepayment fees.
- For fixed-rate loans, you may be subject to prepayment fees (as described in the loan documents) if the loan is repaid before the end of the fixed-rate contract.
- Interest rates are stated in the Credit Line Agreement between you and UBS Bank USA, UBS or another UBS affiliate.

### *Compensation UBS receives from third parties*

UBS receives an annual fee from UBS Bank USA in an amount equal to 0.18% of the average monthly credit line loan balances for various loan servicing, collateral monitoring and marketing services provided by UBS and its affiliates.

### *Financial Advisor compensation*

- Non-purpose loans: Financial Advisors receive compensation from UBS for non-purpose loans, which is determined by multiplying the outstanding balance of the credit line by the spread of your interest rate over a specified financial index, which is currently the UBS Variable Rate, equal to the 30-day SOFR Average rate +0.11% (but which UBS can change at any time). Financial Advisors then receive 0%, 4.5% or 11.25% of this amount annually, depending on whether the loan is considered deeply discounted and/or the size of your relationship with UBS.

For Subscription Loans the annualized compensation amount is generally 4.5%.

Subscription loans are revolving lines of credit issued to private equity funds, typically for the purposes of purchasing portfolio investments and working capital. They are collateralized by the fund investors' uncalled capital commitments.

This compensation is a direct payment and is not applied to the Financial Advisors' grid rate.

- Purpose loans: Financial Advisors do not receive any portion of the interest or fees paid to UBS Bank USA or UBS; however, Financial Advisors meeting a minimum length of service period (generally 24 months) receive credit for the amounts of the purpose loan drawn as of December 31 in determining bonuses, awards and club status, but not for determining increases in the grid rate.

#### *Conflicts of interest*

UBS and its Financial Advisors have a financial incentive to recommend the use of credit lines, rather than the sale of securities, to meet cash needs, because we receive compensation related to the loan as well as the investments used to secure the loan. We benefit if you draw down on the loan to meet liquidity needs rather than sell securities or other investments and have a financial incentive to recommend products or manage an account in order to maximize the amount of the loan.

Compensating Financial Advisors for purpose loans, which may be used to purchase, carry or trade securities, creates a conflict since UBS and the Financial Advisor would receive compensation on the loan and on the securities purchased with purpose loan proceeds. UBS compensates Financial Advisors only on non-purpose loans, including non-purpose loans used on an exception basis when requested by a client, to invest in select private equity funds or other non-purpose margin stock (for example, floating rate notes) and to purchase precious metals (for example, gold). Note, however, as described above, Financial Advisors do receive credit for the amounts of purpose loans drawn as of December 31 for purpose of bonuses, awards and club status, but not for purposes of increases in the grid.

#### *Additional disclosures*

For more information, please refer to the Credit Line Agreement with UBS Bank USA or another UBS affiliate (e.g., UBS Credit Corp. and/or UBS).

### **Margin loans**

#### *Description*

Margin loans use securities in your account as collateral and may be used to purchase, trade or carry securities, or may be used for other liquidity needs such as personal expenses, real estate transactions or other needs.

#### *Fees and charges you pay*

You pay interest on outstanding principal balances to UBS and have the option to repay the principal at any time without prepayment fees. Interest rates are stated in the Statement of Credit Practices in the "Account agreements and disclosures" document and "Agreements and Disclosures Addendum" at [ubs.com/disclosedocuments](https://ubs.com/disclosedocuments).

#### *Compensation UBS receives from third parties*

When you have a margin account with UBS, UBS uses certain securities in your account as permitted by law for, among other things, settling short sales and lending securities for short sales. UBS will generally be compensated in connection with these transactions.

#### *Financial Advisor compensation*

Financial Advisors do not receive any portion of the interest paid to UBS; however, they do receive credit for the drawn principal amount of the margin loan for purposes of bonuses, awards and club status, but not for purposes of increases in the grid rate. In addition, they will receive compensation in connection with investments you make with the proceeds of the loan.

#### *Conflicts of interest*

UBS and its Financial Advisors have a financial incentive to recommend the use of margin loans, rather than the sale of securities, to meet cash needs because we receive compensation related to the loan as well as the investments used to secure, or made with the proceeds of, the loan, and Financial Advisors do receive credit for certain purposes as described above in this section under "Financial Advisor compensation." We benefit if you draw down on the loan to meet liquidity needs rather than sell securities or other investments.

#### *Additional disclosures*

For more information, refer to the Client Relationship Agreement at [ubs.com/clientrelationshipagreement](https://ubs.com/clientrelationshipagreement) and the Statement of Credit Practices in our "Agreements and disclosures" and "Agreements and Disclosures Addendum" at [ubs.com/disclosedocuments](https://ubs.com/disclosedocuments).

### **Residential mortgage loans**

#### *Description*

Residential Mortgage loans are loans that are used to purchase a home, refinance an existing mortgage or to take cash out for other purposes. The home is the collateral for the loan. The maximum loan amount is 80% of the value of the home, but with a UBS MortgagePlus loan you may borrow up to 100% of the home's value by also pledging securities as additional collateral.

#### *Fees and charges you pay*

You pay interest to UBS Bank USA on the principal amount borrowed. These loans have origination fees (which are generally a percentage of the loan amount) payable to

UBS Bank USA. You will also pay closing costs to non-UBS third parties, which are disclosed when you apply for the loan.

#### *Compensation UBS receives from third parties*

UBS does not receive any compensation from UBS Bank USA for residential mortgage loans. Financial Advisors, however, are compensated as described below.

#### *Financial Advisor compensation*

Financial Advisors receive compensation from UBS, determined by multiplying the mortgage loan amount by a percentage and applying that amount to the Financial Advisor's grid rate.

The percentage is 0.50% for the first three closed mortgage loans, and then 0.75% for any subsequently closed mortgage loans in a calendar year.

#### *Conflicts of interest*

UBS Bank USA is an affiliate of UBS. Compensation paid to your Financial Advisor is based on the loan amount and increases with the loan amount. While we believe the rates offered to you are competitive, you may be able to obtain a lower interest rate from another lender.

In the case of a MortgagePlus loan, the amount you borrow will be higher than with a standard mortgage loan and your Financial Advisor will receive higher compensation. In addition, your origination fee and closing costs will be higher and you will pay more in interest than if you made a cash down payment.

There is a financial incentive to recommend the use of a mortgage loan rather than the sale of securities to meet your cash needs—such as for a down payment—because UBS Bank USA and your Financial Advisor receive compensation related to the loan. In addition, your Financial Advisor receives compensation related to the securities you continue to hold in your account. For MortgagePlus loans, your Financial Advisor also receives compensation related to the investments used as additional collateral to secure the loan.

#### *Additional disclosures*

For more information regarding additional risks involving 100% mortgage loans like the UBS MortgagePlus loan, please refer to the UBS Bank USA "MortgagePlus Disclosure Statement Important Risk and Other Disclosures" document, which will be provided to you at the time of application.

### **Commercial mortgage loans**

#### *Description*

Commercial Mortgage loans are loans used to purchase a commercial property or to refinance an existing mortgage loan. The commercial property is the collateral for the loan.

#### *Origination, Servicing and Asset Management fees and charges you pay*

You pay interest and/or a portion of the principal based on a certain amortization schedule on the amount borrowed from UBS Bank USA. Such loans contain origination fees, exit fees,

and/or other fees payable to UBS Bank USA. You will also pay related closing costs. Such fees and costs are set forth more particularly in the term sheet issued by UBS Bank USA. In connection with the servicing and asset management of your loan, there will be additional fees and costs, as set forth more particularly in your loan agreement.

#### *Compensation UBS receives from third parties*

UBS does not receive any compensation from UBS Bank USA for commercial mortgage loans. Financial Advisors, however, are compensated as described below.

#### *Financial Advisor compensation*

Financial Advisors receive compensation from UBS determined by multiplying the mortgage loan amount up to (and including) \$50,000,000 by 0.30% and applying that amount to the Financial Advisor's grid rate. The 30 basis points apply to the initially funded amount of the CRE loan.

#### *Conflicts of interest*

UBS Bank USA is an affiliate of UBS. Compensation paid to your Financial Advisor is based in part on the loan amount. While we believe the rates offered to you are competitive, you may be able to obtain a lower interest rate from another lender.

There is a financial incentive to recommend the use of a mortgage loan rather than the sale of securities to meet your cash needs because UBS Bank USA and your Financial Advisor receive compensation related to the loan.

#### *Additional disclosures*

n/a

### **Standby letters of credit**

#### *Description*

Standby Letters of Credit are documents that guarantee the payment of a client's obligations to a third party for a specified period and up to a specified amount. The letters of credit are secured by securities pledged by clients and/or a third party.

#### *Fees and charges you pay*

You pay an issuance fee and an annual credit fee based on the stated dollar amount of the Standby Letter of Credit. You may also pay additional charges during the life of the letter of credit, when required, such as draw and amendment fees.

You pay Letter of Credit fees based on the pricing indicated below:

- An annual fee that ranges from 1.55% to 2.00%, based upon the amount of the Letter of Credit, with a minimum annual fee of \$500. This fee is paid upon issuance of the Letter of Credit and annually on each anniversary date of the issuance of the Letter of Credit until its cancellation.
- An issuance fee of \$200 for each Letter of Credit
- An amendment fee of \$250 for each amendment
- A drawing fee of \$250 for each draw
- If the Letter of Credit is cancelled or reduced prior to its expiration date, fees will not be refunded

*Compensation UBS receives from third parties*  
n/a

#### *Financial Advisor compensation*

If the annual fee received by UBS exceeds \$500, UBS pays a portion of the excess to the Financial Advisor based upon the grid rate applicable to them.

#### *Conflicts of interest*

UBS and its Financial Advisors have a financial incentive to recommend the use of letters of credit, rather than the sale of securities, to meet cash needs, such as a security deposit for a lease, because we receive compensation related to the letter of credit as well as the investments used to secure the letter of credit.

#### *Additional disclosures*

For more information, please refer to the letter of credit application and agreement, which will be provided to you at the time of application.

### **Cash sweep programs for brokerage and advisory accounts**

#### *Description*

A cash sweep program is a feature of your UBS account that, upon your consent, automatically deposits uninvested cash balances—including deposits, interest and dividends—into interest-bearing deposit accounts insured by the Federal Deposit Insurance Corporation (FDIC), money market mutual funds or other sweep options based on the eligibility of your account type.

Deposits at UBS Bank USA are insured by the FDIC up to \$250,000 per insurable capacity (e.g., single, joint, corporate, etc.) in which you own the deposits, as established by the FDIC. For information on FDIC insurance, please visit [FDIC.gov](http://FDIC.gov).

UBS Bank USA offers two sweep programs: UBS Bank Sweep Programs and the UBS FDIC-insured Deposit Program.

#### *UBS Bank Sweep Programs*

There are three subprograms available within the UBS Bank Sweep Programs: the UBS Insured Sweep Program (the UBS-ISP), the UBS Deposit Account Sweep Program (the Deposit Program) and the UBS Business Account Sweep Program (the Business Program).

##### *1. UBS-ISP*

In the UBS-ISP, available cash balances in your UBS account are automatically swept daily into a deposit account at UBS Bank USA up to a "Deposit Limit," which is \$249,000 for individuals (\$498,000 for joint accounts). Additional available cash balances are swept into one or more deposit accounts at select FDIC-insured banks (up to the Deposit Limit) in the order in which the banks appear on the Bank Priority List for UBS-ISP, which is determined by the address of record on

your account. The Bank Priority Lists are included in the disclosure statement at [ubs.com/sweepyields](http://ubs.com/sweepyields). The Bank Priority Lists are also available at [ubs.com/bankprioritylists](http://ubs.com/bankprioritylists) or by contacting your Financial Advisor. Once deposit balances reach the Deposit Limit for all of the banks in the Bank Priority List, any additional available cash balances will be held in deposit accounts at UBS Bank USA without regard to the FDIC insurance limit that applies to your deposits. **Please note that FDIC insurance covers deposit balances at UBS Bank USA up to \$250,000 per depositor per ownership category.**

The UBS-ISP is available only to:

- Individuals
- Business entities, such as corporations, sole proprietorships, governmental entities, partnerships, limited liability companies, associations and business trusts
- Nonprofit organizations including organizations described in Sections 501(c)(3) through (13) and (19) of the Internal Revenue Code
- Estates
- Revocable Trusts owned by US residents (if one (1) or more beneficiaries is a business entity)
- Irrevocable Trusts owned by US residents (if one (1) or more beneficiaries is a business entity)
- All Trusts owned by non-US residents
- Custodial accounts (if none of the beneficiaries is a business entity)
- Legacy Accounts and Legacy Business Accounts as defined in section 2 "Deposit Program" and section 3 "Business Program," respectively (clients must contact their Financial Advisor to enroll in the UBS-ISP)
- Individual Retirement Accounts, including traditional, Roth, SEP and SIMPLE IRAs\*
- Employee benefit plans qualified under Section 401(a) of the Internal Revenue Code, or governmental plans under Section 457 of the Internal Revenue Code or any other employee retirement or welfare plan subject to the Employee Retirement Income Security Act of 1974, as amended (ERISA) (Plans), including individual participant accounts under a defined contribution plan

\* Accounts/plans that are in Discretionary Programs, SWP, CAP, Institutional Consulting or Separately Managed Account Programs (ACCESS or MAC) managed by a UBS affiliate are not eligible for UBS-ISP. They sweep into the UBS Deposit Program. Individual participant accounts under a defined contribution plan that are managed by UBS or a UBS affiliate on a discretionary basis are not eligible.

##### *2. Deposit Program*

In the Deposit Program, available cash balances are swept to deposit accounts at UBS Bank USA without limit, except for Legacy Accounts as explained below.

The Deposit Program is available only to:

- Individuals' retail accounts that were enrolled in the Deposit Program prior to November 18, 2019 and elected to have

available cash balances swept to UBS Bank USA up to a maximum of \$250,000 per account owner, with excess funds deposited without limit at UBS AG Stamford Branch (Legacy Accounts)

- Retirement advisory accounts, including Individual Retirement Accounts and Qualified Plans in Discretionary Programs, SWP, CAP, Institutional Consulting and Separately Managed Account Programs (ACCESS or MAC) managed by a UBS affiliate or individual participant accounts under a defined contribution plan that are managed on a discretionary basis

### 3. Business Program

In the Business Program, available cash balances are swept to deposit accounts at UBS Bank USA without limit, except for Legacy Business Accounts as explained below.

The Business Program is available only to:

- The following types of accounts if they were enrolled in the Business Program prior to November 18, 2019 and elected to have available cash balances swept to UBS Bank USA up to a maximum of \$250,000 per account owner, with excess funds deposited without limit at UBS AG Stamford Branch: business entities; nonprofit organizations; estates; custodial accounts (if none of the beneficiaries is a business entity); trusts owned by US residents (where not all beneficiaries are individuals and/or nonprofit entities) and all trusts owned by non-US residents (Legacy Business Accounts)
- Individual participant accounts under a defined contribution plan that are managed on a discretionary basis.

For a complete description of these programs and eligibility requirements, please refer to the *UBS Bank Sweep Programs Disclosure Statement* at [ubs.com/sweepyields](https://ubs.com/sweepyields). Clients who are not eligible for these cash sweep programs will have cash balances swept through the UBS FDIC-Insured Deposit Program or to an available money market mutual fund as described below.

#### *UBS FDIC-Insured Deposit Program*

In the UBS FDIC-Insured Deposit Program, available cash balances in your eligible UBS account are automatically swept daily into deposit accounts at FDIC-insured institutions.

Each of the institutions appear on the Bank Priority List, which sets forth the order in which the deposit accounts are opened for you and your funds deposited. The Bank Priority List is included in the *UBS FDIC-Insured Deposit Program Disclosure Statement* available at [ubs.com/sweepyields](https://ubs.com/sweepyields). It is also available at [ubs.com/bankprioritylists](https://ubs.com/bankprioritylists) or by contacting your Financial Advisor. UBS Bank USA will be the first bank on each Priority List. UBS will establish one or more deposit accounts at UBS Bank USA and each participating bank, as applicable. The deposit accounts available to you at each bank, except UBS Bank USA, are a money market deposit account (MMDA) and/or a linked transaction account as those terms are defined in the Federal Reserve Board's Regulation D.

Your deposit account at UBS Bank USA will be an MMDA only.

Available cash deposits in eligible UBS accounts are swept daily to deposit accounts at the first program bank in the Bank Priority List up to a deposit limit of \$249,000 per bank or \$498,000 for joint accounts ("Deposit Limit"). Any additional cash balances in the account are then swept to deposit accounts at the next program bank on the Bank Priority List, continuing through the remaining program banks until all available cash balances are deposited up to the Deposit Limit for all the banks in the Bank Priority List. There are exceptions when a bank on the Bank Priority List is unable to accept deposits up to the Deposit Limit. For more information, please refer to the *UBS FDIC-Insured Deposit Program Disclosure Statement* available at [ubs.com/sweepyields](https://ubs.com/sweepyields). If the account has any available cash balances after the Deposit Limit has been deposited at all the program banks, those cash balances will sweep to UBS Bank USA without regard to the FDIC insurance limit applicable to your deposits. **Please note that FDIC insurance covers deposit balances at UBS Bank USA up to \$250,000 per depositor per ownership category.**

Trust Accounts, in which all beneficiaries are individuals and/or nonprofit organizations, are eligible for the UBS FDIC-Insured Deposit Program.

Please see [FDIC.gov](https://www.fdic.gov) for more information. The *UBS FDIC-Insured Deposit Program Disclosure Statement* is available [ubs.com/sweepyields](https://ubs.com/sweepyields). Please review it carefully.

#### *Money market mutual fund sweep programs*

For the following types of clients, available cash balances are invested in shares of a money market mutual fund:

- Financial institutions (such as banks and credit unions) and corporate cash management accounts will have available cash balances swept to the UBS RMA Government Money Market Fund.
- 403(b) accounts and qualified plans with pooled structures (including participant accounts) will have available cash balances swept to the UBS Liquid Assets Government Fund. Shares in the money market mutual funds are not insured by the FDIC and may lose value.

#### *Fees and charges you pay*

n/a

#### *Compensation UBS receives from third parties*

##### **UBS Deposit Sweep Programs**

UBS receives a service fee that will not exceed \$50 annually from UBS Bank USA and UBS AG (Stamford Branch) for each UBS account participating in the programs. The service fee is paid pro rata monthly.

In the UBS FDIC-Insured Deposit Sweep Program, UBS receives a service fee from each participating non-UBS bank.

On an annualized basis, the fee varies from bank to bank and ranged between 4.87% and 5.56% from March 2023 to March 2024. The rate for March 2024 averaged 5.56% on an annualized basis. The service fee is paid monthly.

In the UBS Insured Sweep Program, UBS receives a service fee from each participating non-UBS bank. On an annualized basis, the fee varies from bank to bank and ranged between 4.95% and 5.48% from March 2023 to March 2024. The rate for March 2024 averaged 5.52% on an annualized basis. The service fee is paid monthly.

#### *Money market mutual fund sweep programs*

For the UBS RMA Government Money Market Fund, UBS Financial Services Inc. receives: (1) revenue sharing payments in an amount up to 0.12% of the fund's average daily net assets; (2) service fees in an amount up to 0.25% of the fund's average daily net assets; and (3) transfer agent-related service fees in an amount up to \$1.08 per month per account. The compensation is paid quarterly. Affiliates of UBS Financial Services Inc. receive fees for providing investment management, administrative, shareholder and other services to the funds.

For the UBS Liquid Assets Government Fund, UBS does not receive any compensation or service fees. An affiliate that manages the fund is reimbursed by the fund for its direct costs and expenses in administering the fund.

#### *Puerto Rico Sweep Program Discontinued*

The Puerto Rico Sweep Program was discontinued. Accounts for Puerto Rico residents are eligible for the UBS cash sweep programs but will not be assigned a default sweep option due to income and estate tax considerations. Clients may enroll in a UBS cash sweep program by contacting their Financial Advisor.

#### *Financial Advisor compensation*

Financial Advisors receive monthly production credits of 10 bps on all eligible average daily cash balances in sweep programs, UBS Bank USA Core Savings and money market funds, if the client relationship meets the monthly qualification criteria described below. These production credits are taken into account in the calculation of the applicable Financial Advisors' grid rate schedule.

For the relationship to qualify, one of two criteria must be met: either (i) at least \$5,000 in inflows using qualifying cash management services per month or (ii) at least five qualifying cash management transactions per month.

Only activity and balances in eligible accounts, such as RMA and BSA within the relationship, will be aggregated toward determining such qualifications and determine the cash balances. All advisory accounts, retirement accounts and qualified plans are ineligible.

#### *Conflicts of interest*

UBS Bank USA and the UBS AG (Stamford Branch) are affiliates of UBS (the "banks") and use the cash balances in the deposit accounts to fund new lending and investment activity. The banks profit by the difference between the interest paid to clients and the costs associated with their deposits, and the interest and other income earned by the banks on their loans, investments and other assets. The banks improve profits when they pay lower interest rates on deposits.

In the UBS FDIC-Insured Deposit Sweep Program, the amount of the service fees received by UBS from non-UBS participating banks (as described above) will reduce the amount of interest paid by the banks on your deposit accounts, and the service fees currently exceed the amount paid to clients as interest.

Financial Advisors have an incentive to recommend eligible cash management services because average daily cash balances in eligible accounts where those qualifying services are used are included in the calculation of the Financial Advisor's compensation.

You should be aware that alternative cash equivalent investments that are managed by UBS affiliates or by third parties, or that are otherwise available on the UBS platform (such as US Treasury securities), are also available for investment by clients. At times, these alternatives pay a higher yield than is paid to clients under the sweep programs described above. Such alternative investments may not be insured by the FDIC or protected by the Securities Investor Protection Corporation (SIPC) but may have comparable protections.

#### *Additional disclosures*

Deposits are insured up to applicable FDIC limits (\$250,000) and are aggregated with other deposits held at UBS Bank USA and at each other FDIC-insured bank (such as CDs and the UBS Core Savings program described below) held in the same ownership capacity. You are responsible for monitoring the amount of deposits at each bank in the deposit sweep programs in order to determine the extent of FDIC insurance available to you. Deposits at UBS AG (Stamford Branch) are not insured by the FDIC or any other government agency. Shares of money market mutual funds are not FDIC insured and may lose value. As with other securities, such shares are protected by SIPC up to \$500,000 per customer. Additional information regarding the sweep programs, including current yields and prospectuses for the money market funds, is provided online at [ubs.com/sweeppyields](https://ubs.com/sweeppyields). For more information on FDIC insurance, please see [FDIC.gov](https://FDIC.gov).

Please read each money market fund's prospectus for a more detailed discussion of its investment objectives, risks (including risks associated with leverage and non-diversification), conflicts of interest, fees, expenses and other material information. These materials can be found at [usmoneymarketfunds.com/all-funds.html](https://usmoneymarketfunds.com/all-funds.html) (for the UBS RMA Government Money Market Fund and the UBS Liquid Assets Government Fund).

## **UBS Bank USA Core Savings (UBS Core Savings)**

### *Description*

UBS Core Savings is a non-sweep, FDIC-insured (up to applicable FDIC limits) deposit account at UBS Bank USA. You make deposits in UBS Core Savings through your UBS accounts, and deposit balances will be shown on your UBS account statement.

### *Fees and charges you pay*

*Accounts excluding Portfolio Management Program (PMP), Strategic Advisor (SA) and Institutional Consulting (IC) advisory accounts:*

You do not pay a commission or other fee for purchasing UBS Core Savings. You will pay a withdrawal fee of \$25 per withdrawal for each withdrawal in excess of five per month.

### *PMP, SA and IC advisory accounts:*

If you make more than five (5) withdrawals from UBS Core Savings in any calendar month, at the sixth withdrawal, your entire UBS Core Savings position will be liquidated in full (principal plus accrued interest) and deposited into your advisory accounts. Your position will not automatically be deposited back into UBS Core Savings the following month; rather you will need to initiate a deposit back into UBS Core Savings.

The fee of \$25 or liquidation of your UBS Core Savings position will apply, as appropriate, even if the withdrawal is involuntary, such as if a withdrawal is made by UBS to meet a margin call.

### *Compensation UBS receives from third parties*

UBS receives a service fee of up to \$50.00 annually from UBS Bank USA for each UBS account that has funds in UBS Core Savings. The service fee is paid monthly.

### *Financial Advisor compensation*

Financial Advisors receive monthly production credits of 10 bps on all eligible average daily cash balances in sweep programs, UBS Bank USA Core Savings and money market funds, if the client relationship meets certain monthly qualification criteria. These production credits are taken into account in the calculation of the applicable Financial Advisors' grid rate schedule.

For the relationship to qualify, one of two criteria must be met: either (i) at least \$5,000 in inflows using qualifying cash management services per month or (ii) at least five qualifying cash management transactions per month.

Only activity and balances in eligible accounts, such as RMA and BSA within the relationship, will be aggregated toward determining such qualifications and determine the cash balances. All advisory accounts, retirement accounts and qualified plans are ineligible.

### *Conflicts of interest*

UBS Bank USA is an affiliate of UBS and uses the cash balances in the deposit accounts to fund new lending and investment

activity. The bank profits by the difference between the interest paid to clients and the costs associated with deposits, and the interest and other income earned by the bank on its loans, investments and other assets. The bank improves profits when it pays lower interest rates on deposits. You should be aware that alternative cash equivalent investments that are managed by UBS affiliates or by third parties, or that are otherwise available on the UBS platform (such as US Treasury securities), are also available for investment by clients. At times, these alternatives pay a higher yield than is paid to clients under the sweep programs described above. Such alternative investments may not be insured by the FDIC or protected by SIPC but may have comparable protections.

Financial Advisors have an incentive to recommend eligible cash management services because average daily cash balances in eligible accounts where those qualifying services are used are included in the calculation of the Financial Advisor's compensation.

### *Additional disclosures*

UBS Core Savings is available only to individuals, for-profit entities, nonprofit entities and US governmental entities. For a complete description and eligibility requirements, please refer to the *UBS Bank USA Core Savings Disclosure Statement* at [ubs.com/coresavingsdisclosure](http://ubs.com/coresavingsdisclosure). It is not intended for clients who need to make frequent withdrawals. Deposits and withdrawals can be initiated through your Financial Advisor, UBS Online Services, the UBS Mobile App or the UBS iPad App. Please see "Fees and charges you pay" for more information about what happens if you make withdrawals in excess of five per month from UBS Core Savings.

Deposits are insured up to applicable FDIC limits and are aggregated with other deposits held at UBS Bank USA (such as CDs and sweep deposits) held in the same ownership capacity. You are responsible for monitoring the amount of deposits at UBS Bank USA in order to determine the extent of FDIC insurance available to you. For more information, please refer to the *UBS Bank USA Core Savings Disclosure Statement* at [ubs.com/coresavingsdisclosure](http://ubs.com/coresavingsdisclosure). For more information on FDIC insurance, please see *FDIC.gov*.

## **UBS Visa credit cards**

### *Description*

UBS Visa Signature, UBS Visa Infinite, UBS Visa Signature Business, UBS Visa Infinite Business and UBS Cash Rewards Visa Business credit cards issued by UBS Bank USA, a UBS affiliate, provide a rewards program or, in the case of the UBS Cash Rewards Visa Business card, a cash rewards program, and exclusive benefits as well as access to cash at ATMs and banks worldwide without cash advance fees as long as there are sufficient funds in the associated RMA or Business Services Account BSA.

### *Fees and charges you pay*

You pay interest on outstanding principal balances to UBS Bank USA, and you may repay the principal at any time

without prepayment fees. You pay UBS Bank USA additional fees as provided in your cardmember agreement.

#### *Compensation UBS receives from third parties*

UBS receives fees from UBS Bank USA for certain costs of providing card administration services for credit card accounts at the net amount actually paid by UBS, plus an additional amount equal to ten percent (10%) of the costs attributable to credit card administration services involving credit card accounts.

#### *Financial Advisor compensation*

UBS Bank USA does not pay a portion of the interest or fees to Financial Advisors; however, such interest and fees are taken into account in the calculation of the applicable Financial Advisors' grid rate schedule.

#### *Conflicts of interest*

UBS has an incentive to offer UBS Visa credit cards because it (and its affiliate) receive fees in connection with these cards as described above. Financial Advisors have an incentive to recommend UBS Visa credit cards because the interest and fees on credit cards are taken into account in the calculation of the Financial Advisor's grid rate.

#### *Additional disclosures*

For more information, refer to the Cardmember Agreements at [ubs.com/uscards](https://ubs.com/uscards).

### **UBS Visa debit cards**

#### *Description*

UBS debit cards, issued by UBS Bank USA, a UBS affiliate, provide a convenient and secure way to pay for purchases, as well as to access cash at ATMs and banks worldwide.

#### *Fees and charges you pay*

You pay UBS Bank USA foreign transaction fees. You pay UBS Bank USA a Foreign Country Transaction Fee of 3% of the US dollar amount of the transaction if you use your debit card or account to effect a transaction with a party located outside of the United States and a separate Foreign Country Transaction Fee of 2% of the US dollar amount if you use your debit card to obtain foreign currency from an ATM or an office of a financial institution located outside the United States.

#### *Compensation UBS receives from third parties*

UBS receives fees from UBS Bank USA for certain costs of providing card administration services for debit card accounts, at the net amount actually paid by UBS.

#### *Financial Advisor compensation*

UBS Bank USA does not pay a portion of the fees to Financial Advisors.

#### *Conflicts of interest*

UBS has an incentive to offer UBS Visa debit cards because its affiliate receives fees in connection with these cards as

described above. Financial Advisors do not receive any compensation in connection with these cards.

#### *Additional disclosures*

For more information, refer to the UBS Visa Debit Card Cardholder Agreement in our "Account information and disclosures" document at [ubs.com/disclosuredocuments](https://ubs.com/disclosuredocuments).

### **Individual securities, options, precious metals and municipal securities**

#### **Auction rate securities**

##### *Description*

Auction Rate Securities (ARS) are debt securities that are sold through a Dutch auction. A Dutch auction is a public offering auction structure in which the price of the offering is set after taking in all bids and determining the highest price at which the total offering can be sold. In a Dutch auction, investors place a bid for the amount they are willing to buy in terms of quantity and price. In this type of auction, an ARS is sold at an interest rate that will clear the market at the lowest yield possible. This ensures that all bidders on an ARS receive the same yield on the debt issue. The interest rate is reset periodically. UBS does not offer new-issue ARS.

#### *Fees and charges you pay*

The firm will typically only engage in sales transactions in auction rate securities and you will pay a commission of up to 0.50% on sales transactions on the settlement date. However, the commission on such transactions is typically discounted and, in most cases, no commission charge is applied. The commission is firm compensation, and to the extent a commission is charged, the amount will be reflected on your trade confirmation. More information on commissions is available at [ubs.com/commissions](https://ubs.com/commissions).

#### *Compensation UBS receives from third parties* n/a

#### *Financial Advisor compensation*

Financial Advisors receive a portion of the commission UBS receives based on the grid rate applicable to them.

#### *Conflicts of interest* n/a

#### *Additional disclosures* n/a

### **Equity securities**

#### *Description*

Equity securities include common stock and American Depositary Receipts (ADRs).

#### *Fees and charges you pay*

You pay a commission based on the quantity of shares purchased or sold and their corresponding stock prices. The maximum commission (which Financial Advisors are

permitted to discount) is the greater of 5% of the principal value or \$0.10/share and will be reflected on your trade confirmation. The UBS commission schedule is provided at [ubs.com/commissions](https://ubs.com/commissions).

#### *Compensation UBS receives from third parties*

We route most of our equity order flow to our affiliate, UBS Securities LLC, which, based on its best execution processes, may: (i) execute our orders as principal, where permitted by law; or (ii) route our orders to another venue for execution.

We also route a portion of our order flow directly to securities exchanges. When we do, we receive rebates from and pay fees to certain exchanges, in accordance with those exchanges' published fee schedules. The rebates received are usually applied against any charges we incur from those exchanges, and Financial Advisors are not paid any portion of such rebates. Additional information regarding such payments can be found in the "Conflicts of interest" section below and in our SEC Rule 606 Report provided at [ubs.com/orderroutingdisclosure](https://ubs.com/orderroutingdisclosure).

#### *Financial Advisor compensation*

Financial Advisors receive a portion of the commission UBS receives based on the grid rate applicable to them.

#### *Conflicts of interest*

When our affiliate executes our orders as principal (buys or sells from its own inventory), it receives the profit or loss generated by this activity, depending on movements in the equity market. Accordingly, if there is a profit to be made, our affiliate will have an incentive to purchase or sell the security out of its inventory when consistent with its best execution obligation.

We do not accept payment for order flow from our affiliate or any other broker-dealers for routing our equity orders to them. We may receive payment in the form of rebates from certain exchanges. These payments generally offset fees for accessing orders or for other services provided by exchanges. From time to time, the amount of rebates we receive from an exchange may exceed the amount of fees that we are charged by such exchange. In these limited circumstances, the receipt of net payments from an exchange would be considered payment for order flow. We do not base equities or options order routing decisions on the receipt of payment for order flow or any other order routing inducements. To the extent that any exchange provides us with a rebate or similar payment, such payments: (i) are provided according to exchange fee schedules and rules approved by the SEC; (ii) are not actively solicited or sought after by us; (iii) if received, are *de minimis*; and (iv) do not influence our order routing practices, which are determined by our duty of best execution. We effectively manage this potential conflict of interest by: (i) providing customer disclosures regarding its payment for order flow practices; (ii) not seeking out or negotiating payments for order flow; and (iii) making order routing determinations wholly independently from any rebates or similar payments that we may receive.

We may affect agency cross-transactions for customers. Agency cross-transactions are transactions in which we or our affiliates act as broker for the party or parties on both sides of the transactions. In these circumstances, we will receive compensation from parties on both sides of these transactions (the amount of which may vary). As a result, we have an incentive to execute agency cross-transactions because they generate greater compensation for the firm. Further, where we act as broker on both sides of a transaction, we must balance the interests of and our obligations to one client against the interests of and our obligations to the other client, and we may favor the interests of one client over another.

#### *Additional disclosures*

Additional information relating to best execution of equity securities and order routing disclosures is available at [ubs.com/bestexecution](https://ubs.com/bestexecution) and [ubs.com/orderroutingdisclosure](https://ubs.com/orderroutingdisclosure), respectively.

### **10b5-1 trading plans**

#### *Description*

Rule 10b5-1 trading plans ("Trading Plans"), when structured in accordance with SEC Rule 10b5-1(c)(1), are designed to give corporate insiders an opportunity to trade company stock while providing an affirmative defense against potential insider trading liability.

#### *Fees and charges you pay*

You pay a commission based on the quantity of shares purchased or sold under your Trading Plan. The commission covers compensation to UBS for the administration of your Trading Plan as well as the execution of orders under your Trading Plan. The specific commission for a particular transaction is agreed upon by you and your Financial Advisor in advance and documented in your Trading Plan. The commission will also be reflected on your trade confirmation.

#### *Financial Advisor compensation*

Financial Advisors receive a portion of the commission UBS receives based on the grid rate applicable to them.

#### *Conflicts of interest*

We do not accept payment for order flow from our affiliate or any other broker-dealers for routing our equity orders to them. We receive payment in the form of rebates from certain exchanges. These payments generally offset fees for accessing orders or for other services provided by exchanges. From time to time, the amount of rebates we receive from an exchange exceeds the amount of fees that we are charged by such exchange. In these limited circumstances, the receipt of net payments from an exchange would be considered payment for order flow. We do not base equities or options order routing decisions on the receipt of payment for order flow or any other order routing inducements. To the extent that any exchange provides us with a rebate or similar payment, such payments: (i) are provided according to exchange fee schedules and rules approved by the SEC; (ii) are not actively solicited or sought after by us; (iii) if received,

are *de minimus*; and (iv) do not influence our order routing practices, which are determined by our duty of best execution. We effectively manage this potential conflict of interest by: (i) providing customer disclosures regarding our payment for order flow practices; (ii) not seeking out or negotiating payments for order flow; and (iii) making order routing determinations wholly independently from any rebates or similar payments that we receive.

#### *Additional disclosures*

For more information, please refer to the Rule 10b5-1 Trading Plan Agreement with UBS. Additional information relating to best execution of equity securities and order routing disclosures is available at [ubs.com/bestexecution](http://ubs.com/bestexecution) and [ubs.com/orderroutingdisclosure](http://ubs.com/orderroutingdisclosure), respectively.

### **Equity syndicate offering**

#### *Description*

Equity syndicate offerings generally are offerings of newly issued equity securities, which include offerings of common stock, closed-end funds and preferred stock. UBS offers only those equity syndicate offerings underwritten by its affiliate, UBS Securities LLC.

#### *Fees and charges you pay*

You pay the initial offering price as disclosed in the prospectus. The offering price includes compensation paid to our affiliate in connection with the underwriting of the securities. This is referred to as the underwriting spread, which is the difference between the price our affiliate pays for the securities and the price at which we or our affiliate sell the securities to the public. We receive a portion of the underwriting spread when we sell the securities. The amount we receive is referred to as the selling concession, which varies depending on the product sold and sales volume and, generally: (i) for common stock is 60% of the underwriting spread; (ii) for closed-end funds is \$0.40 for every share we sell; and (iii) for preferred is \$0.50 for every share we sell.

#### *Compensation UBS receives from third parties*

UBS receives a portion of the underwriting spread, which is referred to as a selling concession, from its investment bank affiliate, UBS Securities LLC, as the underwriter involved in the offering, based on sales volume. This compensation is built into the initial offering price clients pay for the security. The amount of the selling concession is negotiated between the issuer and the underwriter(s) and is disclosed in the prospectus. See "Fees and charges you pay" above for more information.

#### *Financial Advisor compensation*

Financial Advisors receive a portion of the selling concession received by UBS based on the grid rate applicable to them.

#### *Conflicts of interest*

UBS sells only those equity syndicate offerings underwritten by its affiliate. UBS does not sell any equity syndicate offerings underwritten by a third party.

Certain equity syndicate offerings, including initial public offerings (IPOs), may be significantly oversubscribed. This means that demand for shares outweighs supply. In such cases, not all clients will receive an allocation of shares and each client's opportunity for receiving an allocation is greatly reduced. In these instances, UBS allocates shares to Financial Advisors based on the total revenue generated for the firm by the Financial Advisor. In turn, those Financial Advisors will typically allocate shares to their clients with significant, long-term relationships with the firm and/or that generate more revenue for the firm.

#### *Additional disclosures*

For more information, please refer to the applicable offering document, which is available from your Financial Advisor or on the SEC's EDGAR website.

### **Exchange-traded notes (ETNs)**

#### *Description*

ETNs are debt securities that are designed to track the return of a specific market index or asset. We sell ETNs issued by our affiliate and third parties.

#### *Fees and charges you pay*

You typically pay a commission in connection with the purchase or sale of an ETN in the secondary market. The maximum commission (which Financial Advisors are permitted to discount) is the greater of: (i) 5% of the principal value; or (ii) \$0.10/share and will be reflected on your trade confirmation. More information on commissions is provided at [ubs.com/commissions](http://ubs.com/commissions).

#### *Compensation UBS receives from third parties*

UBS's affiliates receive compensation from issuing and underwriting ETNs and from trading and hedging activities related to ETNs. Compensation from issuing ETNs is disclosed in the prospectus and typically includes ongoing tracking fees that accrue on a daily basis, as well as creation and/or redemption fees that are charged by the issuer or an affiliate for creations and early redemptions by investors, as applicable. In addition, issuers of leveraged or inverse ETNs, including affiliates of UBS, typically charge financing fees that accrue on a daily basis. Any financing fees are disclosed in the applicable prospectus.

#### *Financial Advisor compensation*

Financial Advisors receive a portion of the commission UBS receives paid based on the grid rate applicable to them.

#### *Conflicts of interest*

Because our affiliate receives compensation in connection with underwriting ETNs, UBS has an incentive to sell ETNs underwritten by our affiliate over ETNs underwritten by a third party.

### *Additional disclosures*

For more information, please refer to the applicable offering document, which is available from your Financial Advisor or on the SEC's EDGAR website.

## **Municipal securities (please note that VRDOs are discussed separately below)**

### *Description*

Municipal securities are bonds issued by states, cities, counties and other governmental entities to raise money, typically for general governmental needs or special projects. UBS underwrites new issue municipal securities and purchases and sells municipal securities in the secondary market.

Certain new issues of municipal securities may be oversubscribed. This means that the underwriters have received orders in excess of the amount of the securities (or a particular maturity) being offered. If an issue or maturity is oversubscribed, UBS (as an underwriter) will allocate securities to clients in accordance with MSRB Rule G-17, Fair Dealing.

### *Fees and charges you pay*

#### **New issue**

You pay the initial offering price disclosed in the applicable offering document. The offering price includes compensation paid to UBS in connection with the underwriting of the securities. This is referred to as the underwriter spread and is the difference between the purchase price UBS (as an underwriter) pays to the issuer for the securities and the price at which UBS sells the securities to the public.

The underwriter spread typically consists of three components: the "takedown" (which is the compensation to the underwriters for selling the securities); the "management fee" (which is the fee paid to the lead manager of a syndicate for investment banking and syndicate management services); and "underwriter expenses" (which are the reimbursable expenses incurred by the underwriters). In the context of competitive underwriting, which is the business UBS is engaged in, the "management fee" is not applicable and thus not included in any spread. Also, "underwriter expenses" are passed along to the issuer. The amount of the takedown generally increases as the maturity of the bonds increases. The underwriter spread is disclosed in the applicable offering document, which is available on the Municipal Securities Rulemaking Board ("MSRB") website or can be obtained from your Financial Advisor.

#### **Secondary market**

You pay a markup (in the case of a purchase) or a markdown (in the case of a sale). This is firm compensation and generally consists of: (1) the Financial Advisor's sales credit (effectively a commission) that varies depending on the bond type and duration and/or; (2) the markup or markdown (if any) that the UBS trading desk has included as part of the transaction. The sales credit portion of the markup is never above 2.00% of the principal value, and the sales credit portion of the markdown is never above .50% of the principal value. Your Financial Advisor

can discount the sales credit portion of the markup or markdown. Where required by applicable rules, the amount of the markup or markdown will be reflected on your trade confirmation. More information on commissions/sales credits is provided at [ubs.com/commissions](http://ubs.com/commissions).

### *Compensation UBS receives from third parties*

- For new issues underwritten by UBS, UBS's compensation is usually generated by an "underwriter spread," which is the difference between the price paid by UBS to the municipal issuer for the new issue and the price at which the bonds are initially offered to clients. See "Fees and charges you pay" above. If no underwriter spread is provided, UBS is paid an underwriting fee by the issuer from any available issuer funds. The amount of the underwriting discount or fee, as applicable, is set forth in the final offering document.
- For secondary market transactions, other than the fees/charges paid by clients as described above, the firm does not receive compensation from third parties.

### *Financial Advisor compensation*

For new issues, Financial Advisors receive a portion of the takedown component of the underwriting spread that is received by UBS based on the grid rate applicable to them.

For secondary market transactions, Financial Advisors receive a portion of the sales credit component of the markup/markdown paid by clients (see discussion above under "Fees and charges") based on the Financial Advisor's grid rate.

### *Conflicts of interest*

When underwriting a new issue of municipal securities:

We have a duty to sell the securities to investors at prices that are fair and reasonable.

For secondary market transactions:

- The longer the maturity of the corresponding securities, and the higher the corresponding principal amount of the securities, the more compensation we will, generally, receive. Therefore, we have an incentive to encourage you to trade more frequently and in greater amounts, and to recommend municipal securities that result in greater compensation.
- Financial Advisors may receive greater compensation when you purchase or sell a municipal security in the secondary market compared to a new issue of the same security. Therefore, Financial Advisors have an incentive to recommend secondary market transactions in municipal securities over new issues.
- UBS has an incentive to recommend securities from our inventory that are otherwise difficult to sell.

### *Additional disclosures*

For more information, please refer to the applicable offering document.

## **Municipal variable rate demand obligations (VRDOs)**

### *Description*

A variable rate demand obligation (“VRDO”) is a municipal security with a stated long-term maturity (i.e., 20 to 30 years), where the interest rate resets on a periodic basis and holders are able to liquidate their security through a “put” or “tender” feature at par plus accrued interest, if any.

A municipal securities dealer (such as UBS) is hired by the issuer to set the interest rate for the VRDOs and, typically, to resell to investors any “put” or “tendered” VRDOs. Such a dealer is referred to as the “remarketing agent.” The issuer also typically secures a contractual source of liquidity from a bank (referred to as a “liquidity provider”). This bank-provided liquidity will be utilized (subject to the terms of the liquidity agreement) if the remarketing agent cannot find a buyer for a VRDO that has been put or tendered. A bank’s obligation to provide liquidity may or may not be unconditional. In addition, a municipal securities dealer, such as UBS, may purchase and sell VRDOs in the secondary market. For more information, please refer to the applicable offering document, which is available on the MSRB’s website.

### *Fees and charges you pay*

For new issues, you pay the initial offering price disclosed in the applicable offering document and not a commission. The offering price may include an underwriter spread, which reflects the difference between the price paid by the underwriters and distributors for the new issue and the price at which the securities are initially offered to the investing public.

UBS currently receives no compensation from clients for facilitating secondary market transactions.

### *Compensation UBS receives from third parties*

For new issues underwritten by UBS, UBS’s compensation is usually generated by either: (i) an “underwriter spread” (which is the difference between the price paid by UBS to the municipal issuer for the new issue and the price at which the bonds are initially offered to clients); or (ii) an underwriting fee paid by the issuer.

UBS may also act as remarketing agent and is paid a remarketing fee by the issuer. Our affiliate, UBS AG, Stamford Branch, may act as liquidity provider and is paid a liquidity fee by the issuer. For certain secondary market VRDO transactions, an unaffiliated third-party provider may act as remarketing agent and is subsequently paid a remarketing fee. This provider may, but is not required to, share a portion of that fee with UBS.

### *Financial Advisor compensation*

Financial Advisors do not receive compensation in connection with VRDO transactions.

### *Conflicts of interest*

When underwriting a new issue of VRDOs:

- We have a duty to sell the securities to investors at rates that are fair and reasonable but must balance that duty

with our duty to purchase the securities from the municipal issuer at a fair and reasonable price.

- Since the amount of UBS’s underwriting spread or fee may be based, in whole or in part, on a percentage of the principal amount of the securities, UBS may be incentivized to recommend that the size of such transaction be larger than necessary.
- Since the amount of UBS’s underwriting spread or fee is generally larger when UBS is serving as the sole or lead underwriter, UBS may be incentivized to prioritize the offering and sale of new VRDOs for which it is serving as the sole or lead underwriter over other comparable new issue securities.
- Further, UBS and its affiliates may act as underwriter, remarketing agent and liquidity provider for the same VRDO transaction, and would be separately compensated for serving in each distinct capacity.

### *Additional disclosures*

For more information, please refer to the applicable offering document.

## **Options**

### *Description*

Options, which include puts and calls, are securities transactions tied to the stocks, commodities, currencies or indexes that give the holder the right to buy or sell the same within a specified time frame for a defined price.

### *Fees and charges you pay*

You pay a commission to buy or sell an option based on the number of contracts and the principal amount of the trade. The commission amount (which Financial Advisors are permitted to discount) will be reflected on your trade confirmation. More information on commissions is available at [ubs.com/commissions](https://ubs.com/commissions).

### *Compensation UBS receives from third parties*

We route a portion of our order flow directly to securities exchanges. When we do, we receive rebates from and pay fees to certain exchanges, in accordance with those exchanges’ published fee schedules. The rebates received are usually applied against any charges we incur from those exchanges, and Financial Advisors are not paid any portion of such rebates. Additional information regarding such payments can be found in the “Conflicts of interest” section below and in our SEC Rule 606 Report provided at [ubs.com/orderroutingdisclosure](https://ubs.com/orderroutingdisclosure).

### *Financial Advisor compensation*

Financial Advisors receive a portion of the commission received by UBS based on the grid rate applicable to them.

### *Conflicts of interest*

We do not receive payment from any third-party market maker for routing our options orders to them, and we do not base our order routing decisions on the receipt of order routing inducements. However, we do receive rebates from and pay

fees to certain securities exchanges to which our orders are routed. To the extent any exchange provides us with a rebate or similar payment on their own volition, such payments: (i) are not actively sought after by us; (ii) if received, are de minimis; and (iii) are not taken into consideration in, nor do they influence, our order routing practices, which remain solely guided by our duty of best execution. We effectively manage any potential conflict of interest by: (i) not seeking out or negotiating payments for order flow; and (ii) making order routing determinations independent from any de minimis or incidental rebates or similar payments that we may receive.

We may effect agency cross-transactions for customers. Agency cross-transactions are transactions in which we or our affiliates act as broker for the party or parties on both sides of the transactions. In these circumstances, we will receive compensation from parties on both sides of these transactions (the amount of which may vary). As a result, we have an incentive to execute agency cross-transactions because they generate greater compensation for the firm. Further, where we act as broker on both sides of a transaction, we must balance the interests of and our obligations to one client against the interests of and our obligations to the other client, and we may favor the interests of one client over another.

#### *Additional disclosures*

For more information, please review the booklet entitled "Characteristics and Risks of Standardized Options," which is available upon request from your Financial Advisor.

### **Futures**

#### *Description*

Futures (which include commodity futures and options on futures) are contracts to buy or sell a particular commodity or option at a future date, where the price and amount of the commodity or option are fixed at the time of the agreement.

#### *Fees and charges you pay*

You pay a commission based on the quantity of the contracts purchased or sold. In general, this commission is paid when either: (i) the futures contract is closed out by offset (i.e., when you sell a long position or buy to cover a short position); or (ii) the futures contract expires. However, in some instances, half of the commission is paid when you purchase or sell the futures contract and the other half is paid when either: (i) the futures contract is closed out by offset; or (ii) the futures contract expires. The commission is typically between \$25 and \$50 for the round-turn transaction (i.e., which includes the purchase and sale of the futures contract, or the sale and purchase of the futures contract) and can be discounted by your Financial Advisor. The commission amount will be reflected on your trade confirmation. Any fees charged for your futures transaction by the listing exchange are passed on to you. More information on commissions is available at [ubs.com/commissions](http://ubs.com/commissions).

#### *Compensation UBS receives from third parties*

n/a

#### *Financial Advisor compensation*

Financial Advisors receive a portion of the commission UBS receives based on the grid rate applicable to them.

#### *Conflicts of interest*

n/a

#### *Additional disclosures*

n/a

### **Precious metals**

#### *Description*

Precious metals, such as gold, silver, platinum and palladium, are commodities and, with the exception of certain coins, are not legal tender.

#### *Fees and charges you pay*

You pay a commission to buy or sell based on the quantity and type of precious metal purchased and the corresponding price of the metal. The commission (which your Financial Advisor is permitted to discount) is generally 0.50% of the transaction size, sometimes lower, but never above 1%. The commission amount will be reflected on your trade confirmation. More information on commissions is available at [ubs.com/commissions](http://ubs.com/commissions).

For metals held in storage at a depository designated by UBS, clients are charged storage fees and facility management fees, which are generally between 0.50% and 0.60% of the principal value annually, sometimes lower, but never above. Please contact your Financial Advisor for more information regarding these storage and facility management fee charges.

#### *Compensation UBS receives from third parties*

UBS receives from certain depositories a portion of the storage fees and facility management fees paid by clients to those depositories. Such portion is generally between 0.14% and 0.465% of the principal value annually.

#### *Financial Advisor compensation*

Financial Advisors receive a portion of the commission UBS receives based on the grid rate applicable to them, but not any compensation with respect to associated storage and facility management fees.

#### *Conflicts of interest*

We have an incentive to recommend that you store your precious metals with a depository vendor designated by us because we receive a portion of the storage and facility management fees you pay to those vendors.

#### *Additional disclosures*

Unallocated metals held in storage in Switzerland are custodied with an affiliate, UBS AG. When purchasing or selling precious metals on behalf of its clients, UBS may route such precious metals orders to its affiliate, UBS Securities LLC, for execution. Except where prohibited by law, UBS Securities LLC may act as principal when executing precious metals trades and

consequently may make a profit or loss on the trade depending on movements in the precious metals market.

For more information, please refer to the Precious Metals Account Addendum and Risk Disclosure Statement, which is available upon request from your Financial Advisor.

## **Structured products**

### *Description*

Structured products are unsecured obligations with a return at maturity that is linked to the performance of an underlying asset. Structured products include debt securities and certificates of deposit, with returns linked to underlying assets (or indexes thereon) such as equities, commodities, foreign exchange, interest rates, credit or hedge funds. Structured products are issued either by our affiliates or non-affiliated third parties.

### *Fees and charges you pay*

#### **New issue**

For new issues, you pay the initial offering price disclosed in the applicable offering document. The offering price includes compensation paid to UBS in connection with the distribution of the structured products. This is referred to as the selling concession and is the difference between the purchase price UBS pays for the structured product and the price at which UBS sells the structured product to the public. The offering price also includes costs and fees of the issuer associated with the structured product and includes structuring and hedging costs and profits of the issuer and its affiliates, which could be an affiliate of UBS.

The offering price, the selling concession and a description of the costs and fees associated with a structured product can be found in the offering document, which you will receive from UBS and is also available on the SEC's EDGAR website if the new issue is SEC-registered.

#### **Secondary market**

For structured products purchased or sold in the secondary market, you pay a markup (in the case of a purchase) or a markdown (in the case of a sale). This markup or markdown is firm compensation and generally consists of: (1) the sales credit (effectively a commission) that varies based on the time to maturity of the Note and; (2) the markup or markdown of 0.25% of the principal amount that the UBS trading desk has included as part of the transaction. The markup is never above 2.25% of the principal value and the markdown is never above 0.75% of the principal value.

Your Financial Advisor can discount the sales credit portion of the markup or markdown. Where required by applicable rules, the markup or markdown will be reflected on your trade confirmation.

More information on commissions/sales credits is available at [ubs.com/commissions](http://ubs.com/commissions).

### *Compensation UBS receives from third parties*

- For new issues, UBS's compensation is the "selling concession" described in "Fees and charges you pay" above.
- When an affiliate of UBS issues a structured product, UBS or its affiliates also receive compensation from issuing that structured product and may make a profit or loss depending on movements in the markets from trading and hedging activities related to that structured product. If UBS's affiliate issues the structured product, this is detailed in the offering document.
- When a third party issues a structured product where UBS's affiliate acts as hedge provider, UBS or its affiliates make a profit or loss depending on movements in the markets from trading and hedging activities related to that structured product; if UBS's affiliate acts as hedge provider, this is detailed in the offering document.
- Some structured products also include ongoing embedded fees charged by the issuer that are shared with UBS. If the embedded fees are shared by the issuer, the amount is detailed in the offering document.
- For certain structured products linked to hedge funds and funds of funds, UBS or its affiliates receive a portion of the management fees charged by those funds as compensation. The amount is stated in the offering document.
- For investments linked to the performance of a proprietary index created, owned or sponsored by UBS or its affiliates, UBS or its affiliates may receive licensing and marketing fees for use of the index.
- For certain new issues, the issuer of the product pays a fee to an entity in which an affiliate of UBS has an ownership interest for providing certain electronic platform services with respect to that product. If applicable, this will be disclosed in the offering document.
- For certain new issues, UBS receives a structuring fee payable by the product issuer in addition to, but separate from, the selling concession. If applicable, this will be disclosed in the offering document.
- For secondary market transactions, other than the fees/charges paid by clients as described in "Fees and charges you pay" above, the firm does not receive compensation from third parties.

### *Financial Advisor compensation*

- For new issues, Financial Advisors receive a portion of the selling concession that is received by UBS based on the grid rate applicable to them.
- For secondary market transactions, Financial Advisors receive a portion of the sales credit component of the markup/markdown paid by clients (see discussion above under "Fees and charges you pay") based on the Financial Advisor's grid rate.
- Other than the foregoing, Financial Advisors do not receive any other portion of the compensation described in "Compensation UBS receives from third parties" above.

### *Conflicts of interest*

UBS and its affiliates earn higher fees, compensation and other benefits when you choose a structured product:

- Issued by one of our affiliates and therefore we have an incentive to recommend such products over products from a third party.
- Issued by a third party where one of our affiliates acts as hedge provider and therefore we have an incentive to recommend such products over products from a third party where one of our affiliates does not act as hedge provider. If UBS's affiliate acts as hedge provider for a particular offering, this is detailed in the offering document. For certain offerings, UBS requires that third-party issuers hedge all or a portion of the offering with UBS's affiliate.
- Where UBS receives an ongoing embedded fee or structuring fee from the issuer or a portion of a management fee from a fund or the product is linked to the performance of a proprietary index created, owned or sponsored by UBS or its affiliates, and therefore we have an incentive to recommend such products over products without such a fee or products not linked to the performance of a proprietary index created, owned or sponsored by UBS or its affiliates.

UBS allocates structured products based on the order in which client orders are received. Additionally, some structured product offerings may be subject to limited capacity or limits on investment size, in which case not all clients may receive an allocation and/or the amount of clients' allocations may be limited.

#### *Additional disclosures*

For additional information, please refer to the applicable offering document. Important information about key risks related to structured products is available at [ubs.com/spkeyrisks](http://ubs.com/spkeyrisks).

### **Taxable fixed income**

#### *Description*

Taxable fixed income products include:

- Corporate bonds
- US Treasuries
- Federal agency bonds
- Mortgage-backed securities
- Zero-coupon bonds
- High-yield and emerging market securities
- Convertible Securities
- Brokered certificates of deposits (CDs)
- Brokered credit union share certificates
- Preferred securities
- Commercial paper

#### *Fees and charges you pay*

##### **New issue**

For new issues, you pay the initial offering price, which will be disclosed or described in the applicable offering document or the trade confirmation. For new issues underwritten by UBS or our affiliate, the offering price includes compensation paid to UBS or our affiliate in connection with the underwriting of the securities. This is referred to as the underwriting spread, which is the difference between the price UBS or our affiliate

pays for the securities and the price at which UBS or our affiliate sells the securities to the public, and which varies by offering. Where UBS is the underwriter, UBS receives the underwriting spread (a portion of which is the selling concession, which varies by offering) when we sell the securities. Where an affiliate of UBS is the underwriter, the amount UBS receives is referred to as the selling concession, which varies by offering. For new issues that are not underwritten by UBS or an affiliate, the offering price includes compensation paid to UBS in connection with the distribution of the product. This is also referred to as a selling concession, and also varies by offering. The offering document for an offering can be obtained from your Financial Advisor. Your Financial Advisor cannot discount the underwriting spread or selling concession.

### **Secondary market**

For taxable fixed income products purchased or sold in the secondary market, you pay a markup (in the case of a purchase) or a markdown (in the case of a sale). This markup or markdown is firm compensation and generally consists of: (1) the sales credit (effectively a commission) that varies depending on the product type and time to maturity; and (2) the markup or markdown (if any) that the UBS trading desk or an affiliate's trading desk has included as part of the transaction. The sales credit portion of the markup is never above 2.50% of the principal value. The sales credit portion of the markdown is never above 1.50% of the principal value. Your Financial Advisor can discount the sales credit portion of the markup or markdown. Where required by applicable rules, the markup or markdown will be reflected on your trade confirmation.

- For exchange-traded \$25 par value preferred securities, the maximum sales credit charge is 1.50% of the price for purchases and 1.00% for sales. There is no separate markup or markdown taken by the UBS trading desk.
- For US Treasury bills, notes and bonds, and government agency securities, as well as Treasury auction transactions, an additional \$35 fee is generally charged for transactions under \$100,000 in face value.

More information on commissions/sales credits is available at [ubs.com/commissions](http://ubs.com/commissions).

#### *Compensation UBS receives from third parties*

- For new issues, where UBS is the underwriter, UBS receives the underwriting spread. For new issues where an affiliate of UBS is the underwriter, or where neither UBS nor an affiliate is an underwriter, UBS's compensation is the "selling concession" described in "Fees and charges you pay" above.
- For new issues of brokered CDs and credit union share certificates, the selling concession is generally between 0.10% and 0.15% of the offering price per annum based on the maturity, sometimes lower, but never above 0.30% of the offering price per annum. For example, a brokered CD with a maturity of five years could have a selling concession of up to 1.5% of the offering price.
- When an affiliate of UBS underwrites a taxable fixed income product, the affiliate also receives compensation from

underwriting that product and if they also act as hedge provider for that product, the affiliate makes a profit or loss depending on movements in the markets from trading and hedging activities related to that product. Where an affiliate of UBS is the issuer of a taxable fixed income product, the affiliate receives the proceeds of such offering.

For secondary market transactions, other than the fees/charges paid by clients as described in “Fees and charges you pay” above, the firm does not receive compensation from third parties.

#### *Financial Advisor compensation*

For new issues, Financial Advisors receive a portion of the selling concession that is received by UBS based on the grid rate applicable to them.

For secondary market transactions, Financial Advisors receive a portion of the sales credit component of the markup/markdown paid by clients (see discussion above under “Fees and charges you pay”) based on the Financial Advisor’s grid rate.

#### *Conflicts of interest*

- UBS may act as principal when executing taxable fixed income trades (buying or selling from its own inventory or an affiliate’s inventory) and consequently may make a profit or loss on the trade depending on movements in the fixed income markets and can receive other benefits in principal transactions. We therefore have an incentive to trade with you on a principal basis and to recommend securities from our or our affiliate’s inventory.
- UBS and its affiliates earn higher compensation when you choose a taxable fixed income product issued by one of our affiliates (such as UBS AG for notes and UBS Bank USA for CDs), or underwritten by one of our affiliates (such as UBS Securities LLC) or where one of our affiliates (such as UBS AG or UBS Securities LLC) acts as hedge provider to the issuer of the product and therefore we have an incentive to recommend such products over products from a third party.
- We earn higher compensation when you purchase brokered CDs and credit union share certificates underwritten by us and, therefore, we have an incentive to recommend such products over products underwritten by a third party.

#### *Additional disclosures*

More information on commissions/sales credits is available at [ubs.com/commissions](http://ubs.com/commissions). For additional information, please refer to the applicable offering document.

### **Foreign exchange**

#### *Description*

Purchases and sales of foreign currency (including foreign exchange spot and limited forward transactions) are done through an affiliate that earns compensation on the

transaction. For more information, please contact your Financial Advisor.

#### *Fees and charges you pay*

- On foreign exchange spot and limited forward transactions (except for foreign exchange spot transactions in connection with a foreign currency wire), you generally pay UBS a sales charge equal to 0.50% of the US dollar equivalent of the transaction amount, sometimes lower, but never above 1.00% of the US dollar equivalent of the transaction amount, depending on the size of the transaction. This sales charge may be discounted by your Financial Advisor and will be reflected on your trade confirmation.
- For all outgoing foreign currency wire transfers, you also pay a \$45 foreign currency wire transfer fee. This fee is not included in the three free Federal Fund Wire transfers per year described in the “Brokerage account and administration fees” section below in this booklet. Financial Advisors do not receive any portion of this fee.
- If a foreign currency held in your foreign currency account is associated with a negative interest rate environment, UBS will charge a monthly negative interest rate fee, which will be calculated based upon a flat rate percentage for the month and applied against the foreign currency account’s daily balance for the impacted currency. The total of each day’s negative interest rate fee for the month will be charged at the beginning of the following month in the respective currency and deducted from the client’s foreign currency account. The negative interest rate fee may vary each month based on charges incurred by UBS from its currency custodian.

#### *Compensation UBS receives from third parties*

Our affiliate who effects foreign exchange transactions at our request for your benefit is compensated by adding or subtracting amounts to the prevailing market bid or offer price (whether you are buying or selling a foreign currency). How much is added or subtracted is dependent upon the type of transaction and currency pair, as well as certain other factors, including costs incurred and the nature and extent of services provided.

#### *Financial Advisor compensation*

Financial Advisors receive a portion of the sales charge paid by clients based on the grid rate applicable to them. They do not receive any portion of the foreign currency wire transfer fees.

#### *Conflicts of interest*

UBS purchases the foreign currency or US dollars from our affiliate, UBS Securities LLC, for our own proprietary account and then sells the currency directly to you as principal. Any market or quote that we make for you is based solely on markets or quotes (including applicable markups) that are made or quoted to UBS by our affiliate, which earns compensation on the transaction. Such quotes or markets may not represent the best quotes or markets available to you or UBS from other sources.

### *Additional disclosures*

n/a

## **Global Time Deposits**

### *Description*

Global Time Deposits are non-negotiable time deposits issued by a UBS affiliate denominated in either USD or select foreign currencies with maturities of less than one year. These deposits are not insured by the Federal Deposit Insurance Corporation (FDIC); rather, they are obligations of the UBS AG Stamford Branch or the UBS AG Cayman Branch, depending on the currency selected. A minimum deposit of USD 250,000 or its equivalent is required and deposits above this minimum may be made in increments of USD 10,000 or its equivalent.

### *Fees and charges you pay*

The yield you receive is reduced by and is reflective of the compensation UBS receives from the issuer in connection with your Global Time Deposit transaction. This compensation is the difference between the interest rate the issuer pays UBS and the interest rate you receive.

In addition, you will pay a fee to break the deposit. Break fees are determined by the size of the deposit, length to maturity and current interest rates.

### *Compensation UBS receives from third parties*

UBS receives compensation from the issuer (i.e., our affiliate) in connection with your Global Time Deposit transaction. This compensation is the difference between the interest rate the issuer pays UBS and the interest rate you receive. The compensation on each Global Time Deposit may be different and will be affected by various factors, including the amount, interest rate, currency pair and maturity of your Global Time Deposit. The maximum aggregate amount received by UBS is 0.36% of the amount deposited per annum (calculated on an annualized basis), which amount can be discounted.

### *Financial Advisor compensation*

Financial Advisors receive a portion of the compensation UBS receives based on the grid rate applicable to them.

### *Conflicts of interest*

Our affiliate earns compensation when you choose a Global Time Deposit that is issued by that affiliate and, therefore, we have an incentive to recommend such products over products issued by a third party.

UBS and its affiliates are active participants in the interbank spot and option market as dealers, proprietary traders and agents for their customers, and therefore at any given time UBS or its affiliates may be engaging in currency or currency derivative transactions that could affect the currency exchange rate applicable to your Global Time Deposit at the time you seek to exchange your currency. Each issuer may hedge the Global Time Deposits by purchasing and selling a currency in spot transactions, purchasing and selling currency futures contracts, entering into currency forward contracts

and cross-currency contracts, and purchasing or writing currency options with respect to one or more currencies in which the Global Time Deposits are denominated, singly or in combination.

### *Additional disclosures*

For more information, please refer to the Global Time Deposit Information Statement, which is available upon request from your Financial Advisor.

## **Fully Paid Securities Lending**

### *Description*

The UBS Wealth Management Fully Paid Securities Lending ("FPSL") program provides the opportunity to earn income on "hard to borrow" securities held in your brokerage account. The FPSL program is an arrangement whereby UBS seeks to borrow hard-to-borrow securities from your UBS brokerage account. UBS will use the borrowed securities as permitted by law for, among other things, settling short sales and lending securities for short sales, including lending securities to UBS Securities LLC, an affiliate of UBS. UBS will be compensated in connection with these transactions. If you are willing and eligible to participate in the program and have executed a Customer Securities Loan Agreement with UBS, then UBS may borrow the selected securities from your brokerage account, with your agreement, and pay you a lending fee as discussed below under "*Compensation UBS receives from third parties.*"

### *Fees and charges you pay*

There is no fee or charge for you to enroll or participate in the FPSL program. Instead, as discussed below under "*Compensation UBS receives from third parties,*" to the extent that UBS borrows any of your securities, UBS will pay you a lending fee.

### *Compensation UBS receives from third parties*

UBS will receive compensation in connection with its use of your loaned securities, including in connection with facilitating settlement of short sales by UBS, its affiliates and/or its customers. The compensation earned by UBS generally is the difference (i.e., spread) between: (1) the lending fee paid to UBS by the party borrowing the securities; and (2) the lending fee we pay to you. Generally, the lending fee you receive will equal 65% of the lending fee received by UBS from the party borrowing the securities, and UBS will retain the remaining 35% as compensation. Given that the lending fee rate varies in connection with each loaned position based on the unique and constantly changing market conditions for each position, the lending fees that UBS and you ultimately receive will vary.

### *Financial Advisor compensation*

Financial Advisors receive a portion of the amount UBS receives based on the grid rate applicable to them.

### *Conflicts of interest*

A Financial Advisor would receive compensation both on a transaction where you purchase a hard-to-borrow security as

well as in connection with the use of such security if you loan it to UBS under the FPSL program.

#### *Additional disclosures*

For more information, please refer to the Customer Securities Loan Agreement with UBS.

### **Investment company products**

#### **Mutual funds**

##### *Description*

Mutual Funds are open-end investments in which pools of investors' money are continually invested in a group of securities in accordance with a stated objective by a professional investment adviser. Mutual funds generally offer several classes of shares that represent an interest in the same portfolio of securities. The principal differences among the classes are the fees and expenses charged by the mutual fund, and when these are charged. Fees and expenses in a mutual fund reduce the net asset value of the fund and will reduce your investment return.

Sales loads are the most common fees you pay on a mutual fund. It is a fee that is deducted from your investment for the purpose of compensating the firm or financial advisor that you are transacting with, and is typically calculated as a percentage of the amount you purchase or own. When a fund has a front-end sales load, it means that you pay a fee at the time you purchase the shares. A back-end sales load, on the other hand, means that you pay a fee when you sell shares of the mutual fund you hold.

Since January 2020, UBS has eliminated mutual funds that carry a sales load from its domestic mutual funds' selection. This means that you are only able to purchase a single share class of a domestic mutual fund in your UBS accounts. The single share class has no front-end loads, back-end loads or 12b-1 fees. The single share class is not available for offshore funds, interval funds and money market funds (nor are A and C share class domestic funds purchased prior to January 2020 or which you transferred into your UBS account, referred to below as "Legacy Shares").

- You should always review the fund prospectus prior to purchasing a mutual fund for important information about the mutual fund, its cost structure and investment costs.
- You can also find more information in the "Understanding mutual fund fees, share classes and certain risk considerations" document at [ubs.com/mutualfunddisclosure](https://ubs.com/mutualfunddisclosure).

#### *Fees and charges you pay*

#### **Commissions on single share class**

For mutual fund transactions in the single share class, you will pay UBS a commission on buys, sells or exchanges (except for transactions in 529 plan accounts where you will pay a commission on buys only). The commission schedule is the same as those of equity securities as described in "Equity securities" above, and will be shown on the trade

confirmation. Your Financial Advisor has the ability to discount commissions. We do not charge commissions on transactions in money market funds. Single share class is not available for interval funds or offshore funds and therefore front end sales loads, 12b-1 fees, finders fees (if applicable), and CDSC for certain sales will apply, in accordance with the fund prospectus. More information is available at [ubs.com/mutualfundcommissions](https://ubs.com/mutualfundcommissions).

#### **Up-front sales charges on Legacy Shares**

Since we only offer domestic mutual funds with the single share class, you will not pay an upfront sales charge when you purchase a domestic mutual fund or a 529 at UBS. However, such front-end sales exist on interval funds and offshore mutual funds.

#### **Interval Funds**

We also offer interval funds, which are pooled investment instruments that do not offer daily redemption liquidity, but instead allow the shareholder to redeem during a "repurchase" or "tender" period defined by the fund's investment adviser in its prospectus. You will pay an up-front sales charge described in the fund prospectus when you purchase an interval fund. Interval funds allow for a reduction or waiver of the up-front sales charge based upon, among other things, the amount of your total investments in the particular mutual fund family. These up-front sales charges range from 0.00% to 2.50%, but typically are:

- 2.5%, sometimes lower, but never above, for holdings up to \$100,000
- 2.0%, sometimes lower, but never above, for holdings between \$100,000 and \$250,000
- 0.00% for holdings of \$250,000 or more

Specific requirements for a reduction or waiver of up-front sales charges are detailed in the specific fund's prospectus.

#### **Back-end sales charge for Legacy Shares**

You will only be assessed a back-end sales charge on mutual funds that have a back-end sales charge if it was purchased in your UBS account prior to January 2020, or the mutual fund transferred into your UBS brokerage account from another institution.

Back-end sales charges are also referred to as a Contingent Deferred Sales Charge, or "CDSC." These charges generally range from 1% to 5.5%, but typically are 4% for B shares and 1% for C shares. Certain mutual funds choose to eliminate CDSC charges based on how long the shares are held and if it does, it is described in the prospectus.

Interval funds or an A-share mutual fund that was bought at NAV without a sales load are usually also required to pay a CDSC up to 18 months after the date purchased.

### **Short-term redemption fee**

Mutual funds may charge you a fee on shares redeemed shortly after purchase in order to discourage short-term trading, generally between 1.00% and 2.00%, sometimes lower but never above, the value of the shares sold. The fee is stated in the fund's prospectus. UBS does not receive this compensation.

### **Proprietary UBS Mutual Funds**

Proprietary funds charge investment management fees and other fund expenses detailed in the fund prospectus for services provided to the fund by UBS affiliates. These charges will reduce investment returns.

### **Offshore funds**

For our clients who are non residents of the United States, we offer offshore mutual funds from over 70 mutual fund providers. Offshore mutual funds are pooled investments, just as their domestic counterparts, but are not registered in the United States. Sales charges you pay to UBS for offshore fund purchases are negotiated between you and your Financial Advisor subject to a maximum amount of the lesser of 4% or the amount set by the mutual fund company.

### **Trail payments for offshore funds**

- For many offshore funds, the fund companies pay a trail payment to UBS directly from the fund's assets on a monthly (but sometimes quarterly) basis. The payment of these trails reduces your investment returns. The amount of the trail paid varies but is disclosed in the applicable fund prospectus. The current ranges of trail payments for purchases made after June 30, 2020 are as follows:
  - For equity offshore funds, the maximum trail will not exceed 0.75% per annum
  - For fixed income offshore funds, the maximum trail will not exceed 0.50% per annum
  - For ultra short offshore funds, the maximum trail will not exceed 0.25% per annum

### **Offshore funds Trail Payments for Legacy Shares**

- For Legacy Shares of Offshore Funds, some mutual funds pay a trail fee to UBS directly from the fund's assets on a monthly (but sometimes quarterly) basis. Like other fees and expenses in a mutual fund, the payment of trail fees reduces investment returns. The amount of the trail fees paid varies among funds, asset classes and share classes but is disclosed in the applicable fund prospectus. The typical ranges of trail fees in mutual funds held by clients are as follows:
  - A shares: generally, 0.15% to 0.90%, sometimes lower, never above (most frequently 0.50%)
  - B shares: generally, 0.50% to 1.00%, sometimes lower, never above (most frequently 1.00%)
  - C shares: generally, 0.75% to 1.00%, sometimes lower, never above (most frequently 1.00%)

### **12b-1 fees for Legacy Shares**

- 12b-1 fees are marketing and distribution expenses certain mutual funds pay to financial intermediaries to cover marketing and distribution costs. 12b-1 fees are part of the mutual fund operational expenses and vary among mutual funds and are described in the prospectus. Although you do not pay UBS directly, this expense reduces the amount of the mutual fund assets available for investing, and therefore reduces your investment returns. For Legacy Shares, many mutual funds pay a 12b-1 fee to UBS directly from the fund's assets on a monthly (but sometimes quarterly) basis. The typical ranges of 12b-1 fees in mutual funds held by clients are as follows:
  - A shares: generally, 0.15% to 0.50%, sometimes lower, never higher (most frequently 0.25%)
  - B shares: generally, 0.85% to 1.00%, sometimes lower, never higher (most frequently 1.00%)
  - C shares: generally, 0.50% to 1.00%, sometimes lower, never higher (most frequently 1.00%)Retirement shares: generally, 0.25% to 1.00%, sometimes lower, never higher (most frequently 0.50%). If you are participating in the American Funds SIMPLE IRA Plus offering, the Retirement shares pay UBS 0.50% annually.

### **Networking/Omnibus fees**

- We request that all mutual fund companies on the UBS platform pay us networking or omnibus fees. These are fees that UBS receives for recordkeeping services performed by UBS on behalf of the mutual fund family, though these payments are not always received. These fees are individually negotiated with each mutual fund company. While these fees are generally calculated on a per-position basis, as described below, some mutual fund companies calculate these rates expressed as basis points on assets ranging from two to 25 basis points (0.02% to 0.25%), sometimes lower, but never above, with the most common rate being 10 basis points. Depending on asset levels, a basis point fee may result in a higher or lower fee than a per-position fee.
- Omnibus fees are collected on a monthly basis and networking fees are collected on a quarterly basis. These networking and omnibus fees generally are paid from investor assets in mutual funds, but in some cases are subsidized in part by affiliates or the distributors of the mutual funds.
- Networking fees are generally calculated by applying our standard networking rate of \$12 to \$13, sometimes lower, but never above, for each mutual fund position that exceeds \$500 and is held at UBS. Exclusions apply to positions below \$500, and Retirement Accounts enrolled in a UBS discretionary advisory program.
- Omnibus fees generally range from \$15 to \$26 per position, sometimes lower, but never above, and can vary by share class. Exclusions apply to positions below an asset level mutually agreed upon by UBS and the mutual fund company, to Retirement Accounts in discretionary advisory

programs, and funds and/or share classes as agreed upon by UBS and the mutual fund company. A portion of the fees UBS receives is paid to a sub-account vendor contracted by UBS.

- Neither networking nor omnibus fees are paid to Financial Advisors.

### Revenue sharing

- Some, but not all, mutual fund companies on the UBS platform pay UBS revenue based on overall sales and/or assets, known as revenue sharing. This compensation is not paid to Financial Advisors.
- Revenue sharing payments are individually negotiated with each mutual fund company, are collected quarterly and generally range from:
  - 0.05% to 0.15%, sometimes lower, but never higher, one-time payment in the quarter of purchase, on all purchases of mutual fund shares (excluding purchases through fee-based programs).
  - 0.075% to 0.20% per year payment, sometimes lower, but never higher, of the asset value of all equity and fixed income mutual fund shares held at UBS (other than money market or offshore funds). The most common rates are 0.15% on equity mutual fund shares and 0.10% on fixed income mutual fund shares.
- Some mutual fund families pay a flat fee annually that can result in payments that exceed the percentages described above.
- For money market funds that are not sweep funds, UBS receives revenue sharing of up to 0.11% for assets held across all UBS accounts with the exception of retirement assets held in discretionary advisory programs.

This revenue sharing information is current as of the date of this brochure and can be changed at any time. For updates, visit [ubs.com/mutualfundrevenuesharing](https://ubs.com/mutualfundrevenuesharing).

### Offshore funds

#### (available for Non-Resident Alien clients only)

UBS generally receives fees for offshore mutual funds, which are calculated as a percentage of the management fee charged by the applicable fund.

These fees range from 55% to 65% of the fund's management fee, sometimes lower, but never higher, with 65% being the most commonly paid rate. The fee UBS receives is for the services UBS provides to the fund, and a portion is paid to the Financial Advisor based on the grid rate applicable to them. Revenue sharing is individually negotiated with each mutual fund company.

### Finder's fees

Interval funds will sometimes pay UBS a finder's fee for certain purchases of the mutual fund. This fee is generally determined based on the total dollar value of a client's holdings with the fund company (other than transactions in qualified plans and some nonprofit/charity accounts) and is described in the fund's prospectus or the fund's Statement of Additional Information.

Where UBS receives these amounts, Financial Advisors will receive a portion of these fees based on the grid rate applicable to them. These are one-time payments made by the fund's asset manager. Such fees generally are 1.50% of the purchase amount, sometimes lower but never higher. Redemptions within certain time frames may result in a CDSC fee to be charged to you by the fund company to offset the one-time payment previously made to UBS.

### Financial Advisor compensation

For single share class mutual funds, Financial Advisors receive a portion of the commission UBS receives based on the grid rate applicable to them. For interval funds and offshore mutual funds, Financial Advisors receive a portion of compensation paid to UBS by mutual fund companies based on the grid rate applicable to them, other than networking/omnibus and revenue sharing payments.

### Conflicts of interest

#### Financial Advisor conflicts

UBS currently offers only a single mutual fund class for purchase in our brokerage platform. The single share class has no front-end loads, back-end loads or 12b-1 fees (with limited exceptions including offshore funds, interval funds and money market funds). In most instances, this is the same share class available in our advisory programs. Purchases of the single share class are subject to a commission pursuant to the mutual fund commission schedule. Since clients may continue to hold Legacy Share classes in their brokerage accounts, Financial Advisors will continue to receive 12b-1, finder's fees (for interval funds only), or other fees associated with Legacy Share classes as long as clients continue to hold them. The difference in compensation structure between the single share class and Legacy Share classes creates a conflict of interest as Financial Advisors have an incentive to recommend that clients continue to hold the Legacy Share classes.

For offshore funds, the compensation we receive varies based on asset category of the fund purchased. This raises a conflict of interest because your Financial Advisor will receive more compensation for the sale of one fund than another (for example, Financial Advisors receive higher compensation for offshore equity funds than offshore fixed income funds).

Additionally, Financial Advisors have an incentive to recommend funds that provide non-cash compensation, such as training and entertainment, pursuant to UBS policies and procedures.

UBS has a firm-level conflict because it is incentivized to offer funds from mutual fund companies that pay us revenue sharing and networking/omnibus fees.

### Additional disclosures

For more information, please refer to the applicable mutual fund prospectus. Also, refer to our "Understanding mutual fund fees, share classes and certain risk considerations" brochure at [ubs.com/mutualfunddisclosure](https://ubs.com/mutualfunddisclosure) and "Revenue

Sharing, Networking/Omnibus Fees, and Non-Cash Compensation” document at [ubs.com/mutualfundrevenuesharing](https://ubs.com/mutualfundrevenuesharing).

## **Puerto Rico open-end funds**

### *Description*

UBS maintains proprietary open-end funds that are:

(i) organized under Puerto Rico law as well as applicable Federal securities laws; and (ii) designed to meet the investment objectives of, and provide certain tax benefits to, Puerto Rico residents.

- Due to changes in legislation, the open-end funds were required to register under the Investment Company Act of 1940 and, as a result of the ongoing registration process and certain operational requirements, only the US Monthly Income Fund for Puerto Rico Residents, Inc. is available for investment at this time; please contact your Financial Advisor to discuss available options.
- The Puerto Rico open-end funds, when available, are registered under the Investment Company Act of 1940, as amended.

### *Additional information*

Information about each open-end fund, including a description of its investment objectives, risks (including risks associated with leverage and non-diversification), conflicts of interest, fees, expenses and other material information can be found in the fund’s disclosure materials that are available on the SEC’s EDGAR website. Additional materials can also be found at [ubs.com/prfunds](https://ubs.com/prfunds).

## **Closed-end funds**

### *Description*

Closed-end funds are a type of investment company with a fixed number of shares that is listed on an exchange.

### *Fees and charges you pay*

- For initial offerings, you pay the initial offering price and are not charged a commission. Please see the “Equity syndicate offering” section above for additional details.
- For secondary market transactions, you pay a commission based on the quantity of shares purchased or sold and their corresponding fund prices. The maximum commission (which Financial Advisors are permitted to discount) is the greater of: (i) 5% of the principal value; or (ii) \$0.10/share. The commission amount will be reflected on your trade confirmation.
- More information on commissions is available at [ubs.com/commissions](https://ubs.com/commissions).

### *Compensation UBS receives from third parties*

For an initial offering UBS receives a selling concession from the underwriter(s) involved in the offering of the fund, which is built into the offering price you pay. The selling concession is determined after negotiation between the issuer and the underwriter(s) and is disclosed in the prospectus. Please see the “equity syndicate offering” section above for additional details.

### *Financial Advisor compensation*

For initial offerings, Financial Advisors receive a portion of the new issue selling concession received by UBS based on the grid rate applicable to them. For secondary market transactions, Financial Advisors receive a portion of the commission UBS receives based on the grid rate applicable to them.

### *Conflicts of interest*

Because UBS and its affiliate receive higher compensation when you purchase a new issue closed-end fund underwritten by our affiliate, we have an incentive to recommend new issue closed-end funds underwritten by our affiliate over closed-end funds underwritten by a third party.

For secondary market transactions, except where prohibited by law, UBS’s affiliate, UBS Securities LLC, may act as principal when executing such transactions (buying or selling from its own inventory) and consequently makes a profit or loss on the trade depending on movements in the market. Accordingly, if there is a potential for profit to be made, our affiliate will have an incentive to purchase or sell the security out of its inventory when consistent with its best execution obligation.

### *Additional disclosures*

For more information on initial offering closed-end funds, please refer to the applicable offering document.

## **Puerto Rico closed-end funds**

### *Description*

UBS maintains proprietary open-end funds that are:

(i) organized under Puerto Rico law as well as applicable Federal securities laws; and (ii) designed to meet the investment objectives of, and provide certain tax benefits to, Puerto Rico residents.

- Due to changes in legislation, the open-end funds were required to register under the Investment Company Act of 1940 and, as a result of the ongoing registration process and certain operational requirements, only the US Monthly Income Fund for Puerto Rico Residents, Inc. is available for investment at this time; please contact your Financial Advisor to discuss available options.
- The Puerto Rico open-end funds, when available, are registered under the Investment Company Act of 1940, as amended.

### *Fees and charges you pay*

### **Sales charges**

On secondary market transactions, clients pay to UBS a commission based on the quantity of shares sold or purchased and the corresponding share prices. On sales, clients generally pay a commission of between 0% and 0.5% of the corresponding fund’s share price. On purchases, clients generally pay a commission of 1.00% of the corresponding fund’s share price, sometimes lower but never above 1.00%.

### **Investment advisory fees**

UBS Asset Managers of Puerto Rico, a division of UBS Trust Company of Puerto Rico, a UBS affiliate, receives investment advisory fees at an annual rate of, generally, between 0.30% and 0.75% of each closed-end fund's average weekly gross assets, payable monthly. These fees may be waived at the discretion of UBS Trust Company of Puerto Rico.

### **Other fees**

UBS Trust Company of Puerto Rico also receives fees as administrator, custodian, registrar and transfer agent at an aggregate annual rate of up to 0.25% of each closed-end fund's average weekly gross assets, payable monthly. All or some of these fees may be waived at the discretion of UBS Trust Company of Puerto Rico.

The foregoing sales charges, investment advisory and other fees reduce investment returns.

*Compensation UBS receives from third parties (affiliates)*  
n/a

### *Financial Advisor compensation*

Financial Advisors receive a portion of the commissions received by UBS described above, based on the grid rate applicable to them. Financial Advisors do not receive any portion of the fees received by UBS Trust Company of Puerto Rico, including the UBS Asset Managers of Puerto Rico division.

### *Conflicts of interest*

Financial Advisors have an incentive to recommend that clients purchase shares of the Puerto Rico closed-end funds because of the compensation they will receive as described above. When you invest in a UBS proprietary Puerto Rico closed-end fund, UBS Trust Company of Puerto Rico, a UBS affiliate, receives a financial benefit. Therefore, we have an incentive to recommend Puerto Rico closed-end funds managed by our affiliate, UBS Trust Company of Puerto Rico, even though third-party funds may be available in Puerto Rico. UBS does not currently offer any Puerto Rico closed-end funds that are not managed by UBS.

### *Additional information*

Information about each closed-end fund, including a discussion of its investment objectives, risks (including risks associated with leverage and non-diversification), conflicts of interest, fees, expenses and other material information can be found in the fund's disclosure materials that are available on the SEC's EDGAR site. Additional materials can also be found at [ubs.com/prfunds](http://ubs.com/prfunds).

### **Exchange-traded funds (ETFs)**

#### *Description*

An ETF is an interest in a pooled investment fund that can be bought and sold in the open market. These funds typically hold portfolios of securities that correspond to the price and yield performance of a particular broad market index or

basket of securities for a particular industry, sector or geographic region, minus annual fees and expenses. For more information, please refer to the fund prospectus.

### *Fees and charges you pay*

You typically pay a commission in connection with the purchase or sale of an ETF. The maximum commission (which Financial Advisors are permitted to discount) is the greater of: (i) 5% of the principal value; or (ii) \$0.10/share. The commission amount will be reflected on your trade confirmation.

More information on commissions is available at [ubs.com/commissions](http://ubs.com/commissions).

### *Financial Advisor compensation*

Financial Advisors receive a portion of the commission UBS receives based on the grid rate applicable to them.

### *Conflicts of interest*

A similar investment strategy may be offered in both a mutual fund and ETF format. Mutual fund expenses may be higher compared to those on ETFs. Mutual funds may also be subject to revenue sharing arrangements while ETFs are not. As a result, we may have an incentive to offer funds from mutual fund companies that pay us revenue sharing or that result in the firm's receipt of greater compensation over ETFs.

Except where prohibited by law, UBS's affiliate, UBS Securities LLC, may act as principal when executing ETF trades (buying or selling from its own inventory) and consequently makes a profit or loss on the trade depending on movements in the market. Accordingly, if there is a potential profit to be made, our affiliate will have an incentive to purchase or sell the security out of its inventory when consistent with its best execution obligation.

### *Additional disclosures*

For more information, please refer to the applicable offering document.

### **Unit Investment Trusts (UITs)**

#### *Description*

UITs are investment companies that purchase a fixed, unmanaged portfolio of securities and subsequently sell shares in the trust to investors.

For more information, please refer to the fund prospectus and the "Unit Investment Trusts: Investment primer" document at [ubs.com/uitdisclosure](http://ubs.com/uitdisclosure).

### *Fees and charges you pay*

You typically pay the UIT sponsor either a deferred sales charge or a combination of up-front and deferred sales charges as disclosed in the prospectus, which is provided by UBS. Equity-based UITs commonly charge sales charges of 1.35% of the public offering price per unit for 15-month trusts and 2.25% of the public offering price per unit for 2-year trusts, a portion of which is paid to UBS as firm

compensation. UBS typically receives 1.25% of the public offering price per unit for 15-month trusts and 2.00% for 2-year trusts. This charge cannot be negotiated or waived.

The UIT's prospectus contains specific sales charge amounts, terms and policies.

#### *Compensation UBS receives from third parties*

UBS receives a portion of the sales charge from the company sponsoring the UIT, based on certain factors. The portion of the sales charge received by UBS is based on a schedule, which can be found in the prospectus. These sales charges are paid to Financial Advisors based on the grid rate applicable to them.

Most UIT sponsors make additional payments to the firms that offer their UITs, typically calculated as a percentage of sales volume. The UIT's prospectus contains detailed descriptions of these additional payment programs. Financial Advisors do not receive any portion of or credit for these payments.

#### *Financial Advisor compensation*

Financial Advisors receive a portion of the sales charges UBS receives based on the grid rate applicable to them.

#### *Conflicts of interest*

A similar investment strategy may be offered in UIT and ETF. Because UIT expenses are generally higher compared to those of an ETF with a similar strategy, and UITs pay volume concessions to the firm while ETFs do not, the firm has an incentive to offer the UIT over the ETF and to encourage its Financial Advisors to sell more UITs as a result of the additional compensation UBS receives in the form of volume concessions.

#### *Additional disclosures*

For more information, please refer to the applicable offering document.

## **Alternative investments**

### *Description*

Alternative investments include investments in hedge funds, private equity funds, real estate funds, funds of funds, real estate investment trusts, business development companies and similar investment funds. These are private offerings of interests commonly, but not exclusively, in the form of limited partnership interests in funds with defined investment strategies. These interests generally have a high minimum investment and are considered high risk. They are not sold on an exchange.

The alternative investments we offer are managed by affiliates of UBS (affiliated funds) or by third parties (third-party funds).

The structure of the funds we offer varies. Some funds are offered as direct investments where you invest directly into the fund you select. Other funds are offered through "feeder funds" or "single manager pass-through funds," which are funds created for the specific purpose of investing all or most of their assets into another fund. When you invest in a feeder

fund, you are an investor (shareholder) of the feeder fund; in turn, the feeder fund is an investor (shareholder) in a "master" or "underlying" fund. The feeder fund structure provides investors with access to institutional investment managers at a lower minimum investment. However, the overall fees in feeder fund investments are higher as investors pay the direct fees of the feeder fund (management and administration fees) and indirectly, the fees of the underlying master fund in which it invests. These additional fees reduce the overall return on your investment.

UBS Financial Services Inc. acts as placement agent for these alternative investment funds. UBS Financial Services Inc. is not a current client of the funds' investment advisers, investment managers or management companies and is not an investor of such alternative investment funds, although it is possible that one or more of its affiliates or their employees may be, or may subsequently become, a client of the funds' investment advisers, investment managers or management companies or an investor in such funds.

### *Share Classes Offered*

Most, not all, of the alternative investments we distribute offer a brokerage and an advisory share class, each offered exclusively in the account type to which it refers. The total overall costs of those share classes vary, with the advisory share class generally having lower stated fund fees, but being offered in investment advisory programs where you will incur an investment advisory fee on assets invested in the program. See "Advisory Programs and Financial Planning Services" for information on the fee schedules for our investment advisory programs. You should carefully consider both your account type and share class selection before investing. Note that the lower internal costs of the advisory share class may not result in overall lower costs to you as you will be incurring the investment advisory fee in addition to the internal fund fees.

### *Fees and charges you pay directly to UBS as Distributor*

#### **Placement fees for Brokerage Share Classes**

You pay placement fees to UBS as compensation for marketing and distributing the fund. UBS charges a one-time placement fee of up to 2.00% (which can be lowered or waived by the Financial Advisor) of the invested or committed amount, at the time of the investment or commitment. The placement fee charged is in addition to the amount of the investment/commitment and can be waived by the Financial Advisor prior to the investment. The placement fee, if charged, is reflected on the UBS trade confirmation. Placement fees are not charged on investments made through a UBS advisory program.

### *Fees you pay to the Service Providers of the Funds*

The fees described below are paid out of the assets of the funds and are charged on a monthly or quarterly basis (annually for incentive fees), calculated based on either the net asset value or the amount you have agreed to invest

(commitment amount), as disclosed in the fund offering materials.

### **Management fees**

- Management fees are charged for the investment management of the fund.
- The management fees paid to the investment managers of the funds (whether affiliated or third party) range from 0.50% to 2.00% per annum (for affiliated funds) and 1.00% to 2.50% for third-party funds.

### **Administration fees**

- Administration fees are charged by the fund administrator or general partner for services including administration, accounting, reporting and processing.
- For feeder funds managed by iCapital Advisors, LLC, or its affiliate, AlphaKeys Fund Advisor, L.L.C., the administration fees paid to the iCapital fund adviser generally range from 0.25% to 1.10% per annum.

### **Incentive fees**

An incentive fee is a portion of the profits paid to the investment manager of the fund, which is generally between 5% and 30% (sometimes lower, never above) of profits generated in a given year, as described in the fund offering materials for a particular offering.

#### *Feeder and single manager pass-through funds specifically*

If you invest in a feeder or single manager pass-through fund, in addition to the fees and charges described above, as an investor in the feeder fund, you will also be subject to the fees of the underlying fund(s) that the feeder or single manager pass-through fund invests in. These generally include annual management fees of 1.50% to 2.50% (calculated based on either the net asset value or commitment amount) and an incentive fee of 5% to 30% (sometimes lower) of profits generated in a given year, as disclosed in the fund materials.

#### *Managed Futures funds*

Managed Futures funds charge clients annual fees of generally 4.00% to 9.50%, payable monthly or quarterly, which are calculated based on the net asset value and that cover the annual management and administration fees and all trading and operating expenses of the fund's investment activities. These funds also charge an incentive fee of up to 25% of profits made in a given year. Additional information related to the fee charged to you by the fund is described in the fund offering materials.

#### *Compensation UBS receives from funds and fund managers and advisers*

UBS receives the fees described below as long as you remain an investor in the fund.

Brokerage Share Classes: As compensation for our distribution services (including marketing, administration and

due diligence, among other things), UBS receives the following distribution fees for brokerage share classes:

### **UBS affiliated funds**

UBS receives an annual fee for distribution services provided to its affiliates for affiliated funds, generally between 0.35% and 1.20%, which is calculated based on the net asset value.

### **Third-party funds**

- UBS receives between 0.40% and 1.25% per annum paid out of the management fee (or administration fee) paid to the investment manager (or fund adviser) of the fund (calculated based on either the net asset value or commitment amount).
- For Managed Futures Funds, UBS generally receives a distribution fee from the fund sponsor between 2.00% and 2.50% per annum calculated based on the net asset value.
- For third-party funds clients purchased at other financial institutions and transferred to UBS (but which UBS does not distribute), UBS compensation ranges between 0.10% and 1.05% per annum, calculated based on either the net asset value or commitment amount.
- For some funds, UBS receives a placement (or similar) fee for placing the investments with, or introducing you to, a third-party fund, or an underlying fund or other feeder fund. This fee is paid directly to UBS by the fund, its distributor or investment manager, and is in addition to the distribution and other compensation UBS receives from you or the fund. These additional fees range between 0.50% and 2.00% of the commitment amount.
- For some private funds, UBS receives additional compensation (commonly referred to as "revenue sharing") based on a percentage of the incentive fees paid to the fund's investment manager or affiliate. For those funds, up to 25% of the incentive fees are paid to UBS by the fund's investment manager.
- For certain other funds (registered and unregistered), UBS receives additional compensation (also commonly referred to as "revenue sharing") for ancillary services in connection with effecting sales of these third-party funds. These revenue sharing fees are paid directly to UBS by the fund, its distributor, adviser or investment manager, as described in the fund offering materials and range between 0.10% and 0.25% per annum, calculated based on the net asset value.

*Advisory Share Classes:* For advisory share classes, the administrative and shareholder servicing fees UBS receives are typically in the range of 0% to 0.25% per annum, calculated based on either the net asset value or commitment amount. This fee is not paid in connection with IRA or Qualified Plan assets.

In addition, UBS may source funds that desire to offer their shares or other interests through third-party registered investment advisers and independent broker-dealers on a white labeled platform (the "Alternatives Exchange") created and maintained by Envestnet Financial Technologies, Inc. and iCapital. UBS would also provide research and other related

services for these funds. UBS receives compensation from the fund manager or fund adviser for those services.

#### *Financial Advisor compensation*

The compensation that Financial Advisors receive can vary from one fund to another.

For investments in brokerage accounts, Financial Advisors receive a portion of the distribution or placement fees paid to UBS based on the grid rate applicable to them. Financial Advisors are permitted to waive client-paid placement fees prior to the investment.

#### **UBS affiliated funds and third-party funds**

- 80% to 100% of the distribution fees UBS receives are payable to Financial Advisors based on the grid rate applicable to them.
- 80% of the placement (or similar) fee UBS receives for placing the investments with, or introducing you to, a third-party fund will be payable to certain Financial Advisors based on the grid rate applicable to them.

#### *Conflicts of interest*

- UBS only distributes funds that compensate UBS and its affiliates and/or UBS's Financial Advisors for its distribution and placement agent services, even though there may be other funds with better performance results and/or more preferential terms. Most private equity funds calculate the fees payable by the fund on the committed amount and switch to invested amount after a predetermined period. However, some private equity funds calculate fees payable by the fund on the invested amount throughout, and others may calculate such fees payable on committed capital throughout the life of the fund, albeit with numerical step-downs in the percentage rate. These calculation methods result in significantly different compensation payable to Financial Advisors and UBS where the fund calculates its fees based on the committed amount. These differences create a conflict of interest and an incentive for Financial Advisors to recommend private equity funds that use the committed amount calculation as it results in higher compensation to them.
- The total overall costs of brokerage and advisory share classes of private equity funds will vary, with the brokerage share class generally having higher fund fees. Although the advisory share classes of private equity funds held in UBS investment advisory programs have lower fund expenses, you will be assessed an investment advisory fee based on the net asset value of the invested amount (not the committed amount). The investment advisory fee is in addition to the fees of each fund, for example, the management fee and administration fees. For example, assume you have committed \$5 million to a private equity fund, have only invested \$1 million and the fund has a management fee of 1.00% annually for brokerage share class, and 0.50% annually for the advisory share class. You would pay \$25,000 in management fees if you made the commitment through a UBS investment advisory program, versus \$50,000

if the commitment is made in the brokerage share class. However, in investment advisory programs you will also incur the additional investment advisory program fee based on the net asset value of the invested amount. See "Advisory Programs and Financial Planning Services" for details on the advisory program fee schedules. The overall costs to you, and the compensation to your Financial Advisor, will vary depending on the share class, account type, fund expenses and the fees paid to Financial Advisors (see above) and, if applicable, the investment advisory fee. These differences create a conflict of interest and an incentive for Financial Advisors to recommend that you purchase private equity funds in the share class and account type in which they receive higher compensation.

- Differences in fees received by UBS and/or UBS's Financial Advisors create an incentive to recommend funds (and in certain cases, specific share classes) in which UBS and/or UBS's Financial Advisors will receive a fee or higher fees.
- For those funds for which UBS receives a portion of the incentive fees, UBS will receive different and anticipated higher (which could be substantially higher) compensation as compared to other similar products on UBS's platform. Actual compensation to UBS will vary depending on the fund's performance. The additional compensation paid to UBS creates a firm-level conflict of interest for UBS to offer these funds, for which it expects to receive higher compensation from revenue sharing, to UBS clients over other similar alternative fund products. However, this additional compensation will not impact compensation paid to UBS's Financial Advisors who will continue to receive compensation in line with similar funds offered by UBS.
- UBS allocates investments to investors in the order of investors successfully submitting completed fund documentation; however, specific funds may have different parameters with respect to eligibility, minimum investment amounts, suitability or fund discretion, among other things, that will change the priority.
- UBS has made an equity investment, and owns a non-controlling interest, in Institutional Capital Network, Inc., the parent company of the iCapital Funds' investment adviser and sponsor, iCapital Advisors, LLC and AlphaKeys Fund Advisor, L.L.C. As a result of such equity investment, UBS may receive dividends, proceeds and/or other consideration from the Institutional Capital Network, Inc. depending on the overall performance of the Institutional Capital Network, Inc., including its ability to raise funds for investment in iCapital Funds. Accordingly, greater subscriptions to the iCapital Funds will lead to higher levels of compensation for UBS. As such, UBS has an incentive to direct clients to invest in the iCapital Funds over funds that are affiliated with entities in which UBS has not made an investment.

#### *Additional disclosures*

For more information on fees you will pay directly and indirectly and on fund strategy, governance and operations, please refer to the offering materials for each fund, which may include the Private Placement Memorandum, investor application and marketing materials, among other documents. You will receive

the offering materials generally in electronic format after approval as an investor and prior to the investment.

## Corporate Cash Management

### *Description*

Corporate Cash Management is a service offered by a team of designated Financial Advisors that provides tailored liquidity management to clients on a nondiscretionary basis, and for clients with at least \$50 million in total assets, on a limited discretionary basis. Corporate Cash Management accounts are brokerage accounts and not investment advisory accounts. Under the program, limited discretion is exercised pursuant to the customer's written authorization and in accordance with guidelines set by the customer regarding types of securities, maturity and credit quality. Discretion is further limited to comport with the terms of a no-action letter issued by the SEC to UBS relating to the exercise of limited discretion in these brokerage accounts. The advisory services are solely incidental to the conduct of the brokerage business and UBS receives no special compensation for these services. All other Financial Advisors are required to refer new Corporate Cash Management business opportunities to the Corporate Cash Management team and enter into a partnering arrangement, or they may refer opportunities involving customers with greater than \$2 billion of investable assets to UBS Asset Management.

### *Fees and charges you pay*

Corporate Cash Management accounts invest in taxable fixed income securities (US Treasury securities, US government agencies, commercial paper, corporate bonds, certificates of deposit), municipal securities, variable rate demand obligations and money market funds. Please refer to the applicable product section above for information on the fees and charges you will pay in addition to the annual service fees for the brokerage account you open.

### *Compensation UBS receives from third parties*

For information on the compensation UBS receives from third parties, please refer to the applicable product section above.

### *Financial Advisor compensation*

Financial Advisors receive compensation based on the type of product purchased and sold for the account. Please refer to the applicable product section above for additional information.

### *Conflicts of interest*

Different investment products, even of the same investment type (including money market funds), provide different levels of compensation to UBS and/or the Financial Advisor, which raises conflicts of interest.

Financial Advisors may recommend customers open discretionary Corporate Cash Managements Accounts, which limits the permitted investments pursuant to the no-action letter referred to above. These limitations may be more

restrictive than required under the customer's investment policy statement, which would apply to a nondiscretionary account. Financial Advisors have the ability to allocate trades among different customers, which can create conflicts. The factors used in determining trade allocations may include, but are not limited to, a client's IPS parameters, weighted average maturity (WAM), percentage of concentration, timing to maturity, available funds and other attributes that are assessed on a case-by-case basis. Where a customer seeks discretionary investment advice like the Corporate Cash Management product, other Financial Advisors have an incentive to recommend investment advisory accounts rather than Corporate Cash Management brokerage accounts where they must split compensation with the Corporate Cash Management Team.

UBS firm-level conflicts include incentives to recommend money market funds offered by affiliates, to recommend securities underwritten by the firm and to route transactions to be executed in a principal capacity.

### *Additional disclosures*

For more information, please refer to the applicable "Corporate Cash Management Information Statement for Discretionary Accounts and Nondiscretionary Accounts." For more information about particular products, please refer to the applicable offering document.

## Brokerage account and administrative fees

Fees are subject to change at any time, and we reserve the right to implement new fees and charges for account features in the future. Unless otherwise stated in your account documentation, we will automatically deduct fees and charges from your account. Fees and charges normally associated with maintaining your account are listed below. Investment advisory accounts are exempt from several of the fees listed below. However, if you have a PACE account and hold non-PACE-eligible assets (other than free credit balances or sweep instruments) or use RMA cash management services, your account is subject to the same annual service fee and maintenance fee applicable to brokerage accounts of that type.

Other account types, including Workplace Wealth Solutions accounts, delivery versus payment accounts, 529 plan accounts and collateral accounts for securities backed loans, are exempt from the annual service and maintenance fees. Annual service and maintenance fees are capped at \$500 per Marketing Relationship (defined below) for the calendar year; however, the annual service fees listed below for international accounts and Qualified Plans are not included in the \$500 fee cap. We may waive the fees described below based on the scope of our relationship with you. If you have any questions about fees, please contact your Financial Advisor.

### Account and administrative fees

Account	Fee	Notes and definitions
Resource Management Account (RMA)	\$175	
International Resource Management Account (IRMA)	\$200	
IRA Resource Management Account	\$175	
Individual Retirement Account (IRA)	\$100	Includes SEP and SIMPLE IRAs
Coverdell Education Savings Account (ESA)	\$100	
403(b)(7) Custodial Account	\$100	
Qualified plan fee	\$100	
Business Services Account BSA	\$175	
Business Services Account BSA qualified plans	\$175	
International Business Services Account BSA	\$200	
Basic Investment Account	\$100	This account is no longer available.
International Basic Investment Account	\$100	This account is no longer available.
Wealth Advice Center limited purpose account	\$100	

Please note that if your account is a UBS employee account or a UBS employee-related account, different annual service fees apply and additional fee waivers are available. Contact your Financial Advisor for more information.

### Other fees

Account	Fee	Notes and definitions
Maintenance fee	\$95	We charge this fee if your eligible assets in a Marketing Relationship do not maintain certain minimum required levels.
Account transfer fee	\$95	
Processing and handling fee (per transaction)	\$5.25	
Transaction fee (per sale transaction of equities and covered equity options)	Varies. Generally, between 0.00051% and 0.00278% of the transaction amount.	This fee, which is displayed on trade confirmations, is charged at the same rate as the Section 31 Fee rate, which is set by the SEC and adjusted twice per year. The amount of the fee, which covers the transaction fees UBS is required to pay self-regulatory organizations, is rounded by UBS to the nearest penny or up to one penny if less than one. The rate varies, but in recent years has been between 0.00051% and 0.00278%. For the most updated information on the amount of the transaction fee, refer to "Transaction fee on the sale of equities and covered equity options" at <a href="https://ubs.com/disclosedocuments">ubs.com/disclosedocuments</a> .
Annual physical security safekeeping (per security per account)	\$75	This is a fee for storing stock certificates or other physical securities on your behalf.
Restricted legend removal fee (per security)	\$125	This fee covers costs associated with the legal transfer from restricted to transferable shares.
Non-DRS transfer fee	\$25	This fee applies to securities that do not participate in the Direct Registration System (DRS) and is charged for the transfer and shipment of your book-entry shares into physical certificate form registered in your name or another name you designate.

<b>Account</b>	<b>Fee</b>	<b>Notes and definitions</b>
Legal transfer fee	\$25	The fee charged for processing a change of registration of security in certificate form due to events (such as death of original owner or a minor reaching the age of majority).
Bounced check fee	\$15	This fee is charged if a check drawn on your account is returned for insufficient funds.
Returned check deposit fee (per check)	\$25	This fee is charged when a check deposited to your account is returned for insufficient funds.
Special check handling fee	\$10	This fee is charged when we pay a check that exceeds your Withdrawal Limit.
Bill payment, automatic payment or electronic funds transfer returned-item fee (per item)	\$15	
Stop bill payment/transfer fee	\$15 (per stop payment)	
Federal fund wire transfer fee (applies to US Dollar wire transfers)	\$25 This fee is charged for outgoing US Dollar wire transfers.	The following billable accounts residing in the same Marketing Relationship receive a total of three free outgoing US Dollar wire transfers per year, per Marketing Relationship: RMA, IRA-RMA, Business Services Account BSA (Sole Proprietorships only) and Business Services Accounts BSA opened for the individual's investment purposes with the following organizational structures only (beneficial ownership of the organization must be individual, trust or estate): Limited Liability Company, Limited Partnership, Limited Liability Partnership and Limited Liability Limited Partnership and IRA accounts residing within the same Marketing Relationship with these billable accounts.
Foreign currency wire transfer fee	\$45	This fee is charged for all outgoing foreign currency wire transfers. It is not included in the three free Federal Fund Wire transfers per year described above.
Check stop payment fee (per check)	\$12	
Check stop payment fee (series of three or more)	\$25	
Check copy fee (per item)	\$2.50	
Overnight delivery of wallet style check-order fee	\$15	
Voluntary corporate action fees	\$30	This fee is charged when account owners decide how they would like their assets to be handled when corporations take certain actions, such as voluntary tender offers.
Support services and processing fee	\$0	This was a fee that was charged to purchases or sales of no-load mutual funds and institutional mutual fund share classes in brokerage accounts, regardless of the amount of the transaction. It was discontinued in 2021.
American Depositary Receipts (ADR)/Global Depositary Receipts (GDR) service fee	Varies	If you own these types of securities, this fee may be charged by the third-party depository bank that holds the underlying assets and manages all registration and recordkeeping for the securities. UBS does not retain any portion of this fee.

There are certain charges that we incur from third parties that we pass along to clients: Corporate action and/or settlement fees that issuers, transfer agents, agent banks or depositories impose for particular transactions/events such as ADR/GDR conversion fees, ADR/GDR shareholder service fees, odd lot tenders and optional dividends, transfer fees, re-registration fees, stamp duties and taxes, including sales, capital gains, excise and financial transaction taxes.

We offer a number of automatic annual service fee waivers to clients who take advantage of key wealth management solutions and resources we offer. Once you qualify for a fee waiver, it will be applied automatically. There is no action for qualifying clients to take. In addition, Financial Advisors can waive these fees. The Fees and Charges section in the “Agreements and Disclosures” document and, if applicable, its “Addendum,” which is provided at [ubs.com/disclosuredocuments](https://ubs.com/disclosuredocuments), explains account types that are eligible for automatic annual service fee waivers, situations where fees are waived or capped, how annual service fees can be impacted by different types of Marketing Relationships, and how to designate a specific account to pay annual service and maintenance fees.

### **Marketing relationship**

A marketing relationship is defined by combining the assets held in a household. More than one household can sometimes be combined into a single marketing relationship based on criteria defined in the Client Relationship Agreement. See [ubs.com/disclosuredocuments](https://ubs.com/disclosuredocuments).

### **Annual service fee**

Financial Advisors are not paid any portion of the fees set forth below; however, they receive credit for annual service fees for purposes of bonuses, grid levels and club status, except as noted above. These credits create an incentive for Financial Advisors to recommend that clients open and maintain brokerage accounts that will increase the credits, and they have a financial incentive not to waive fees. Financial Advisors in the Wealth Advice Center, International Wealth Solutions Group and the Access Desk do not receive compensation of any kind with respect to these fees.

Please note that if your account is a UBS employee account or a UBS employee-related account, different annual service fees apply and additional fee waivers are available. Contact your Financial Advisor for more information.

#### *Account and administrative fees*

See chart on page 58.

#### *Other fees*

See chart on page 58.

### **Advisory programs and financial planning services**

A general description of each of our investment advisory programs and applicable required minimum investments are provided below.

The information included here regarding our investment advisory programs is current as of the date of this document and is subject to change. Please see the respective Advisory Agreement and Form ADV disclosure brochure for current information. The applicable Form ADV disclosure brochures (provided at [ubs.com/advisorydisclosures](https://ubs.com/advisorydisclosures)) provide detailed information regarding each of these programs, our fees and

billing practices, our personnel, our other business activities and financial industry affiliations, and conflicts between our interests and your interests.

The advisory fees you pay will be the amount agreed upon between you and UBS. The applicable Form ADV disclosure brochure and Advisory Agreement and Program Application include information regarding additional fees and expenses not included in the advisory fee, the compensation we receive directly from you and the indirect compensation we receive from third parties in these programs. If you would like a copy of the Agreement, Application and/or our ADV disclosure brochure, please contact your Financial Advisor.

Please note that if you have more than one advisory account, you may be able to link them so that the total of your eligible assets is considered when determining the appropriate fee. For details, please contact your Financial Advisor.

For each of the programs described below, Financial Advisors generally receive a portion of the fee that you pay UBS at the grid rate applicable to them, subject to the terms of the Financial Advisor Compensation Plan.

We set and evaluate the reasonability of UBS Investment Advisory Fees in the programs based on the investment advisory services we offer, without regard—and attributing no economic benefit—to any ancillary services such as custody, trading and execution available in the Programs, and you should expect that lower fees are available from other firms offering the same or comparable services. Because our Programs are investment advisory programs, you should not enroll in our programs in order to obtain ancillary services such as custody, trading and execution, or assume that you will receive any particular benefit from the availability of those services in the Programs. For example, depending on the circumstances, program accounts may have low or no trading (such as may be the case with a “buy and hold” strategy) or the securities or other investments traded might not typically incur commissions or other transaction-based charges (such as can be the case with some fixed income securities and mutual funds). Moreover, other broker-dealers offer custody and trade execution services on a discounted or complimentary basis.

**Accordingly, you should evaluate UBS Investment Advisory Fees based solely on the investment advisory services we provide, without regard to any ancillary services provided such as custody, trading and execution services.**

### **Mutual fund share classes available in advisory programs**

Institutional and/or advisory share classes are the primary eligible share classes available for purchase in our programs. Class A shares are available for funds that do not offer institutional or advisory share classes or that declined to make those shares available in the programs.

Class A shares normally pay a shareholder servicing fee,

commonly referred to as a 12b-1 fee, out of fund assets. As a distributor of mutual funds, we receive a portion of the 12b-1 fees for services we provide. The 12b-1 fees for Class A shares that remain in the nondiscretionary advisory programs (PACE, Strategic Advisor and Strategic Wealth Portfolio) are retained by the firm and are not paid to Financial Advisors. Clients invested in discretionary advisory programs or Institutional Consulting wrap fee accounts (“IC Wrap Accounts”) receive a credit of 12b-1 fees and trail commissions for Class A shares held in those accounts.

### Standard fee schedules

The maximum UBS Investment Advisory fee in all programs is 2.50% for all assets and strategy types, except as noted below for the consulting programs, UBS Advice Portfolio, UBS Consolidated Advisory Program—Select and the Portfolio Management Program Liquidity Portfolios. The UBS Investment Advisory fee is negotiable and can differ from client to client based on a number of factors. Fees charged by investment managers in separately managed account programs such as ACCESS and Managed Accounts Consulting (“MAC”), and within managed account sleeves in the UBS Strategic Wealth Portfolio (“SWP”) and Advisor Allocation Program (“AAP”) Programs (“SMA Manager Fees”), are in addition to the UBS Investment Advisory Fee. Not all strategies in ACCESS, SWP and AAP have an additional SMA Manager Fee. When fees are charged, the annual fees paid to SMA Managers in ACCESS, SWP and AAP are based on a percentage of assets under management and generally range from 0.00% to 0.50% for all accounts. The SMA Manager Fee in the MAC Program is negotiated between the client and the SMA Manager.

### Fee types

The following programs offer flexibility to negotiate either a flat fee or a tiered (breakpoint) fee schedule

- ACCESS
- Managed Accounts Consulting
- Portfolio Management Program (“PMP”)

With a flat-fee option, the agreed-upon annual fee is a fixed percentage of the assets in the account; that percentage does not change as the value of your account changes. With a tiered (breakpoint) fee schedule, the negotiated fee, also a percentage of the assets, varies based on asset levels and changes as you increase or decrease assets in your account. Specific “breakpoints” for each asset level are defined in the program application. You may request to have two or more eligible Advisory accounts treated as related accounts to qualify for certain breakpoint discounts. Please discuss with your Financial Advisor.

We reserve the right, in our sole discretion, to institute special pricing features, change account minimums for new accounts, impose higher account minimums for certain strategies or portfolios that may be offered from time to time, terminate accounts that fall below the minimum account value requirements, or require that additional cash or securities be deposited to bring an account up to the required minimum.

### Nondiscretionary advisory programs

*PACE (Personalized Asset Consulting and Evaluation)  
Multi Advisor*

The PACE Multi Advisor program offers access to a broad array of mutual funds with diverse investment management approaches. The minimum investment is \$5,000.

*PACE (Personalized Asset Consulting and Evaluation)  
Select Advisors*

The PACE Select Advisors program offers clients the opportunity to participate in style-specific, no-load funds that are managed by investment subadvisors chosen by UBS Asset Management (Americas) Inc., which is the advisor for the portfolios. The minimum investment is \$10,000.

*UBS Strategic Advisor*

The UBS Strategic Advisor program is a nondiscretionary program that offers access to a wide range of investments including stocks, bonds, mutual funds, ETFs and structured products for clients who seek the ongoing advice of a professional financial advisor and are looking to implement a medium- to long-term investment plan. The minimum investment is \$25,000.

### Separately managed account programs and unified managed accounts program<sup>5</sup>

*ACCESS<sup>SM</sup>*

ACCESS allows clients to select professional investment management organizations that will assume all day-to-day investment decisions for their assets. For a minimum investment of \$25,000 (though certain strategies and multiple style accounts have minimums from \$5,000 to over \$1,000,000), ACCESS offers a broad spectrum of respected investment management organizations that have undergone and met the standard of our Investment Manager Analysis Group’s due diligence process. UBS will provide you with the applicable Form ADV disclosure for each investment management organization you select, which provides detailed information regarding the investment management organization, fees, personnel, other business activities and conflict between their interests and your interests. The SMA Manager Fee is in addition to the UBS Investment Advisory Fee.

<sup>5</sup> The ACCESS, SWP, AAP, MAC and IC Program (as defined and described below) offer some of the same SMA Managers for different SMA Manager fees. The amount of the fee paid to each SMA Manager is a function of that SMA Manager’s investment style and the fee negotiated with the SMA Manager either by UBS (in ACCESS, SWP and AAP) or by you in the MAC Program or in an IC Wrap Account. Depending on your asset level and ability to negotiate the investment management fee with the SMA Manager in the dual-contract structure of the MAC program or IC Wrap Account, you may find that the single-contract structure in ACCESS, SWP and AAP provides a more cost-effective option or vice versa. In addition, based on the combination of our fees and your SMA Manager’s fees, the overall fee for your SMA account in MAC or IC may exceed 3% of the account value. Please review your options and overall costs carefully with your Financial Advisor before investing.

### *Managed Accounts Consulting (MAC)*

MAC offers clients the ability to establish a discretionary relationship directly with an investment management organization, while UBS provides professional investment consulting services, such as custody, trading and execution services, as well as performance reporting for accounts that are custodied at UBS. The minimum investment is \$100,000 or the manager's minimum, whichever is greater. The applicable Form ADV disclosure for each investment management organization you select provides detailed information regarding the management organization, fees, personnel, other business activities and conflicts between their interests and your interests. The SMA Manager Fee is in addition to the UBS Investment Advisory Fee and is negotiated between the client and the SMA Manager.

### *UBS Strategic Wealth Portfolio (SWP)*

Through UBS Strategic Wealth Portfolio, Financial Advisors help clients build portfolios using a combination of investment managers, mutual funds and ETFs—all within a single account. The minimum investment is \$100,000, although it may be higher depending on the allocation to separately managed account strategies and the manager minimums. We will provide you with the applicable Form ADV disclosure for each investment management organization you select, which provides detailed information regarding the investment management organization, fees, personnel, other business activities and conflicts between their interests and your interests. SMA Manager Fees are in addition to the UBS Investment Advisory Fee.

## **Discretionary advisory programs**

### *Portfolio Management Program (PMP)*

PMP places Financial Advisors in the role of investment manager, providing discretionary investment management. The maximum UBS Investment Advisory fee for PMP is 2.50% and the maximum fee for the PMP Liquidity Portfolios is 1.00%. The minimum investment is \$25,000.

### *Advisor Allocation Program (AAP)*

In AAP, Financial Advisors have discretion over asset allocation and investment selection using mutual funds, ETFs and researched separately managed account strategies—all within a single account. The minimum investment is \$25,000, although it may be higher depending on the allocation to separately managed account strategies and the manager minimums. We will provide you with the applicable Form ADV disclosures for each investment management organization selected by your Financial Advisor, which provides detailed information regarding the investment management organization, fees, personnel, other business activities and conflicts between their interests and your interests. SMA Manager Fees are in addition to the UBS Investment Advisory Fee.

### *UBS Advice Portfolio*

This discretionary program offers clients ETF portfolios managed by UBS Asset Management. The minimum

investment is \$5,000. The maximum UBS Investment Advisory Fee for the UBS Advice Portfolio Program is 1.25% for accounts serviced by individual Financial Advisors. Accounts in the Wealth Advice Center access the product for 0.75% for clients and 0.50% for employees.

## **Portfolio Advisory Program**

### *UBS Consolidated Advisory Program (CAP)*

This "Portfolio Based Advisory Program" is available through a select group of Financial Advisors who provide specialized investment advisory consulting services to investors with total relationship assets of at least \$10 million. Rather than providing services at the individual account level, the services in UBS-CAP are available for UBS Advisory Accounts in certain programs and, in limited circumstances, for accounts held at other financial institutions.

UBS-CAP services include, but are not limited to: 1) assistance in the development and preparation of an investment policy guideline; 2) the preparation of an asset allocation analysis for the allocation of your investment assets among various asset categories or classes; 3) selection of separate account managers, mutual funds, ETFs and alternative investments; 4) portfolio evaluation and review; and 5) ongoing investment management consulting on such items as review of the asset allocation and investment policy and the impact of capital market developments on the overall investment strategy. (The SMA Manager Fee in ACCESS, MAC, AAP and SWP is in addition to the UBS-CAP fee; see the ACCESS, MAC, AAP and SWP Program descriptions for details.)

### *UBS Consolidated Advisory Program—Select (CAP-Select)*

This "Portfolio Based Alternative Investment Advisory Program" is available through a select group of Financial Advisors who provide specialized investment advisory consulting services to investors with total relationship assets of at least \$10 million, where the relationship assets are not over 30% of the stated net worth and no less than \$35 million. CAP Select is designed for clients who want 100% of their assets in CAP Select invested in a diversified asset allocation consisting only of alternative investment vehicles. Only alternative investments held at UBS are eligible to be held in the Program. The maximum UBS Investment Advisory Fee is 1.00% for all assets in the CAP-Select Program. This is an advice-only program in which the fee you pay is solely for the investment advice and performance reporting provided in the Program. Custody, trading and execution fees are not applicable or assessed in this Program.

UBS-CAP-Select services include, but are not limited to: 1) assistance in the development and preparation of an investment policy guideline related to your portfolio of alternative investments; 2) the preparation of an asset allocation analysis for the allocation of your alternative investment assets among various alternative sub-asset categories or classes; 3) portfolio evaluation and review; and 4) ongoing investment management consulting on such items as review of the asset allocation of alternative investments

and investment policy and the impact of capital market developments on the overall investment strategy.

#### *Institutional Consulting (IC)*

The UBS Institutional Consulting program (“IC Program”) is available through a select group of firm-designated institutional consultants (“Institutional Consultants”) and provides specialized investment advisory consulting services to institutional clients, including pension plans, endowments, foundations, corporations, municipalities, Taft-Hartley plans, religious and charitable organizations and certain trusts. The IC Program is a portfolio-based advisory program, providing consulting services with respect to accounts in certain UBS investment advisory programs, IC Wrap Accounts and certain accounts held at other financial institutions. The IC program provides investment policy assistance, asset allocation studies and analysis, investment search and identification, and portfolio evaluation for institutional clients whether they hold their assets at UBS or another institution. It also provides discretionary services to clients that hold their assets at UBS.

Typically, the minimum investment is \$1 million for nondiscretionary services and \$5 million for discretionary services, although we will provide consulting services to clients with less than those values in investable assets under certain conditions. The IC program uses a fee schedule based on total assets that ranges from 0.30% to 2% for nondiscretionary services and 0.33% to 1.8% for discretionary services. The minimum fee is generally \$10,000 or 2% of the value of eligible investments, whichever is less. Our fee is negotiable and generally is expressed as a percentage of eligible assets. For assets held away from UBS, a hard dollar fee or a breakpoint fee schedule is also available. Our fee may be for a specific project or for ongoing services. The SMA Manager Fee in ACCESS, MAC, AAP and SWP is in addition to the IC Program fee; see the ACCESS, MAC, AAP and SWP program descriptions for details. If you invest with a separate investment manager through an IC Wrap Account(s), the SMA Manager Fee in the IC Wrap Account(s) is in addition to the IC Program fee and is negotiated between the client and the SMA Manager.

#### **Financial planning services**

We offer financial planning services designed to help you assess your financial situation and pursue your long-term objectives. Our financial planning services are designed to be a collaborative experience tailored to your personal goals and customized to the complexity of your financial circumstances. Our financial planning services do not include implementation of the plan, or initial or ongoing advice regarding specific securities or other investments.

In providing financial planning services, we may act as a broker-dealer or investment adviser, depending on whether we charge a fee for the service, as described below.

#### *Brokerage*

Financial plans provided free of charge are a service incidental

to our brokerage relationship, terminate when we deliver the plan and we are under no obligation to provide ongoing planning advice or reporting.

#### *Advisory*

When we charge a fee for financial planning services we act as an investment adviser and enter into a financial planning services agreement with you that defines the fee, the terms and scope of engagement. Each engagement is typically for a period of one year with the option to renew for additional one-year terms. We will review and may update the plan during the course of the engagement. Fees for our financial planning services are as follows:

- Fee range: \$500 to \$50,000. However, generally the range is between \$1,000 and \$10,000, sometimes lower and sometimes higher.
- Fees greater than \$50,000 and not exceeding \$100,000 may be permitted for complex situations involving relationships with a net worth of \$100 million or more.

Because our fees are negotiable and at the discretion of our Financial Advisors, you can pay different fees (lower or higher) for the same or similar set of financial planning services provided to another client. We may also discount fees for clients in certain circumstances. Financial Advisors receive a portion of the financial planning services fee UBS receives based on the grid rate applicable to them.

Corporations may enter into an agreement with UBS to provide financial planning services for their employees at a negotiated rate.

The financial planning services fee covers only the financial planning service and does not cover any other services, accounts or products. If you maintain accounts with us, or if you implement all or a portion of your financial plan with UBS, you will pay the fees and charges for the products and services you select. This will add to the overall compensation that we receive and the fees for financial planning services will not be reduced or offset by these other fees and charges. In deciding whether to pay a fee for the financial planning services, you should consider whether you prefer to enter into an investment advisory relationship with us that is governed by a written services agreement outlining the services you will receive and the duration of the engagement, the scope and complexity of your planning needs and whether you want the engagement to extend beyond the delivery of the financial plan.

For information about our financial planning advisory services, see the firm’s Financial Planning ADV Disclosure Brochure available at our website [ubs.com/advisorydisclosures](https://ubs.com/advisorydisclosures). The Financial Planning ADV Disclosure Brochure will also be delivered to you upon acceptance of our signed service agreement.

#### *Conflicts*

Financial Advisors have an incentive to recommend financial

planning services for a fee, because they receive a portion of the fee based on the grid rate applicable to them.

Whether or not a fee is charged for financial planning services, we and our Financial Advisors have a conflict of interest and an incentive to make planning recommendations and illustrate planning strategies that can be implemented at UBS using products and services for which we and our Financial Advisors will receive compensation.

## Retirement Plan Consulting Programs

### Consulting programs

#### *Retirement Plan Consulting Services (RPCS) program*

The RPCS program is an advisory program available through a group of firm-designated retirement plan consultants ("RPCs") or Plan Advisors in the Workplace Wealth Solutions Branch to participant-directed defined contribution retirement plans and other similar clients. Services include but are not limited to consulting on investment, employee education and plan program operation and structure. Investment advice as an ERISA fiduciary is one of the key services provided by an RPC or Plan Advisor. There is no minimum asset requirement for participation in nondiscretionary RPCS services. However, there is typically a \$5,000,000 minimum asset requirement for discretionary services, though we do waive that minimum from time to time. The maximum annual fee is 2% of eligible plan assets. The minimum annual fee is typically \$6,000. However, the minimum may be waived from time to time and start-up plans seeking ongoing services are subject to a flat dollar fee no greater than \$40,000. Plans will be considered start-ups where they have total billable plan assets of \$0 to \$2,000,000. Our fee is negotiable and may be expressed as a flat hard-dollar fee for services or as a percentage of plan assets or as a breakpoint fee schedule and may be for a specific project or for ongoing services.

#### *Retirement Plan Guided Solutions (RPGS)*

RPGS offers more standardized advisory services to participant-directed defined contribution retirement plans and other similar clients. RPGS has two distinct offerings:

- Retirement Plan Manager program
- Retirement Plan Advisor program

#### *Retirement Plan Manager (RPM)*

RPM services, utilizing an investment menu managed by UBS Asset Management, include investment advice and education from a UBS Financial Advisor or Plan Advisor and discretionary selection and management of the plan's investment menu by UBS. The ongoing investment discretion as an ERISA fiduciary of your investment menu is one of the key services provided by UBS, with UBS assuming the role of an investment manager under Section 3(38) of ERISA. Additional consulting services may be available in the RPM program when working with a Retirement Plan Consultant (RPC) or Plan Advisor. The program is generally used for smaller plans or plans that do not require custom investment support; however, there is no minimum or maximum asset requirement for RPM. The

maximum annual fee is 2% of eligible plan assets and there is no minimum annual fee. Our fee is negotiable and is generally expressed as a percentage of plan assets.

#### *Retirement Plan Advisor (RPA) program*

RPA is an advisory program that offers nondiscretionary investment advice with UBS acting as an investment advisor and a nondiscretionary fiduciary under Section 3(21) of ERISA. The program provides you with fiduciary investment advice in selecting an investment menu from among the options within the RPA asset categories that UBS has approved. Additional consulting services may be available in the RPA program when working with an RPC or a Plan Advisor. The program is designed for smaller plans or plans that do not require custom investment support; however, there is no minimum or maximum asset requirement for RPA. The maximum annual fee is 2% of eligible plan assets and there is no minimum annual fee. Our fee is negotiable and is generally expressed as a percentage of plan assets.

The services under both RPM and RPA can be provided either by a UBS Financial Advisor or by a UBS Plan Advisor based centrally in the UBS Workplace Wealth Solutions Branch. To identify which program best fits the needs of your plan, we will work with you to determine what type of role you would like to maintain with respect to your plan's investments. Both Financial Advisors and Plan Advisors are appropriately licensed and trained to provide services under RPM and RPA. Plan Advisors are not compensated in the same manner as Financial Advisors; rather, they receive base compensation (annual salary) and are eligible for discretionary incentive compensation, which is based on the performance of the firm in general as well as their individual performance.

### Employee education programs

For employees of participating retirement plan clients, we offer financial and/or retirement educational services such as access to websites, webinars and other resources to increase their financial literacy and retirement plan knowledge to help them improve their overall financial health.

### Strategic Plan Provider Program

Retirement plan providers are offered the opportunity to participate in our Strategic Plan Provider Program ("Strategic Plan Provider"). Strategic Plan Providers receive business support including strategic planning, enhanced Financial Advisor access and product support such as prioritized review of their new products and services.

UBS receives \$150,000 annually from each Strategic Plan Provider for these services. This compensation does not impact UBS clients and is not paid to Financial Advisors. UBS does not promote the Strategic Plan Providers status to Financial Advisors.

## 529 Plans and Donor-Advised Funds (DAFs)

### 529 plans

#### Description

A 529 plan is an education savings program sponsored by an individual state. A state can offer either direct-sold plans, which you can purchase and maintain directly with the state, or advisor-sold plans, which it authorizes financial institutions to offer. UBS Financial Services offers 26 529 plans.

UBS establishes 529 plans for individuals with a US Social Security Number and a US address, including UGMA/UTMA 529 accounts. UBS does not open ABLE accounts or joint-owned, trust-owned or employer-sponsored 529 plans.

When you establish a 529 plan account at UBS, the assets you purchase within that account are held directly at a recordkeeper appointed by the sponsoring state. This means that you will receive account statements from both the 529 provider and UBS Financial Services Inc. Any requests you make for distributions including applicable tax reporting to government agencies are processed by the state-approved 529 provider.

#### Fees and charges

UBS does not charge annual account fees for 529 plans but the 529 provider sometimes charges an annual account fee, which is disclosed in the 529 Plan Program Description.

You invest contributions you make in a 529 Plan account by selecting from a lineup of mutual funds approved by the sponsoring state. Since 2020, UBS has offered only a single share class for the purchase of mutual funds, including those in 529 Plan accounts. The single share class has no front-end loads, back-end loads or 12b-1 fees. For 529 plan purchases in the single share class you will pay UBS a commission. No commission is charged when you redeem or sell your investments in your 529 Plan account.

If you make an investment purchase directly with the state-approved 529 provider (either online, via mail or electronically), the purchase will be made into the single share class with no commission paid to UBS or your Financial Advisor. If you instruct the 529 provider to purchase a share class with a front-end load or 12b-1 fees (such as an A or C share class), UBS reserves the right to instruct the 529 provider to convert that purchase to the single share class in order to provide you with the least expensive share class available to UBS clients.

#### Financial Advisor compensation

UBS Financial Advisors managing 529 accounts are compensated from the commissions you pay on the purchase (but not the sale) of the single share class of mutual funds as described above. Refer to the Mutual Funds segment of the Investment company products section for more details.

## Conflicts of interest

### Financial Advisor conflicts

Since UBS currently offers only single share class mutual funds for purchase in the 529 Plans on its platform, purchases you make are subject to a commission in accordance with the mutual fund commission schedule. If 529 accounts hold a Legacy Share class of mutual funds, Financial Advisors will continue to receive 12b-1 or other fees associated with the Legacy Share classes as long as the 529 accounts continue to hold them. The difference in compensation structure between the single share class and Legacy Share classes creates a conflict of interest since Financial Advisors have an incentive to recommend that clients continue to hold the Legacy Share classes.

In sponsoring states that offer direct-sold 529 plans, you can generally purchase the same mutual funds, and sometimes at a lower cost (which will be described in the 529 Plan Program Description) directly from the sponsoring state. Since Financial Advisors are paid when you purchase an advisor-sold 529 plan with UBS, Financial Advisors have an incentive to recommend an advisor-sold plan through UBS.

### Additional disclosures

Refer to the UBS 529 plan disclosure available at [ubs.com/529disclosure](https://ubs.com/529disclosure).

### Donor-Advised Funds (DAFs)

UBS makes four Donor-Advised Fund (DAF) sponsoring organizations available to assist you in meeting your philanthropic objectives. A DAF is an account maintained and operated by a sponsoring 501(c)(3) organization. Contributions you make to a DAF are generally tax deductible in the year the donation is made. A donation to a DAF is an irrevocable gift, which means when the assets are donated, they are owned by the DAF-sponsoring organization. Therefore, when you make a donation to a DAF account, you no longer own the gifted assets and do not incur fees or costs related to them.

After a contribution to a DAF, a donor is permitted to make investment recommendations to the DAF-sponsoring organization concerning the funds in the DAF account. The donor can also make recommendations for distribution of the funds in the DAF account to qualifying charities. However, the final decision concerning investments and distributions are determined by the DAF-sponsoring organization.

When you make a gift into a DAF, you can choose to do so in either segregated accounts, where your contributions are held in a UBS investment account that is generally managed or serviced by your Financial Advisor, or to pooled accounts that aggregate contributions of many donors into one or more UBS investment accounts. Pooled DAF accounts are managed in the UBS Institutional Consulting advisory program.

#### *UBS Compensation from third parties*

UBS does not receive compensation from DAF-sponsoring organizations in exchange for making them available on the UBS platform. However, UBS receives financial benefits in connection with maintaining and servicing the accounts at UBS including transaction costs for brokerage accounts and investment advisory fees for investment advisory accounts (this will include third-party payments as described in the various product sections above).

#### *Financial Advisor compensation*

Financial Advisors receive a portion of commissions or advisory fees UBS receives based on the compensation grid rate applicable to them. Additionally, if you make a contribution to a pooled DAF account, your Financial Advisor receives an annual rate of up to 0.75% of the amount you donate.

#### *Conflicts of interest*

Sponsoring organizations can establish DAF accounts at any financial institution. Because UBS and its Financial Advisors receive compensation for providing brokerage or advisory services when you establish DAF accounts at UBS, Financial Advisors have a conflict and a financial incentive to recommend that you make a charitable donation to a DAF sponsored by one of the institutions available on our platform.

UBS Financial Services Inc. and its employees do not provide legal or tax advice. Clients should consult with their legal and tax advisors regarding their personal circumstances.

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