

Form ADV Part 2A Private Wealth SolutionsSM Program Wrap Fee Program Brochure

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This brochure provides information about the qualifications and business practices of UBS Asset Management (Americas) Inc. and the Private Wealth SolutionsSM ("PWS") program that should be considered before becoming a client of the Program. If you have any questions about the contents of this brochure, please contact William MacGregor, Deputy General Counsel, at (212) 821-3000. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Additional information about UBS Asset Management (Americas) Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.

UBS Asset Management (Americas) Inc. is registered as an investment adviser pursuant to the Investment Advisers Act of 1940, as amended.

An investment adviser does not have to demonstrate or meet any minimum level of skill or training to register with the SEC.

Please retain these documents for future reference as they contain important information.

You may obtain a copy of the current brochure at any time by contacting your financial advisor or UBS AM's National Sales Desk at 1-888-793 8637.

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Introduction

UBS Asset Management (Americas) Inc. ("Sponsor"), a registered investment advisor, provides discretionary investment advisory services to clients through the Private Wealth SolutionsSM program (the "Program"). The Program is available to U.S. and certain foreign individuals, pension and profit sharing plans, trusts, estates, charitable organizations, and corporate and other business entities.

Services, Fees and Compensation

Program Services Provided

Through the Program, clients are provided with discretionary investment management services, securities transactions, performance monitoring, reporting, and custodial services as described in this brochure for one inclusive fee. Financial advisors ("Financial Advisors") of UBS Financial Services Inc. (the "Broker/Custodian"), an affiliate of Sponsor, will assist clients in selecting one or more investment strategies or combinations of investment strategies (the "Portfolio(s)") that are developed and monitored by one or more participating investment advisors (which includes, or may be affiliated with, Sponsor). Sponsor itself also serves as an investment advisor to Program clients through the development of Portfolios for use by Program clients. Clients will select one or more of these Portfolios and Sponsor will invest their accounts in accordance with the Portfolios selected, subject to any reasonable restrictions that are established by clients and accepted by Sponsor in its sole discretion. Where permitted by applicable law, transactions for a client's account will generally be effected or executed through Broker/Custodian. All Program clients must establish a brokerage account with Broker/Custodian for this purpose.

Investment Advisors

Clients will work with their Financial Advisors to identify their investment objectives and individual goals and to select one or more Portfolios for the account. Clients will select Portfolios developed and monitored by Sponsor or investment advisors that have been selected by Sponsor to participate in the Program. Sponsor may select affiliated or unaffiliated investment advisors for inclusion in the Program. Each investment advisor, including Sponsor, has developed one or more investment strategies for use within a Portfolio, or one or more Portfolios, each designed to implement a specialized investment strategy.

Currently, investment advisors that participate in the Program (including Sponsor) offer equity, fixed income and multi-asset investment strategies. The Program's equity strategies may include investing in: securities of small, mid and large capitalization companies; securities having growth and/or value characteristics; securities issued by pooled investment vehicles, such as mutual funds and exchange-traded funds ("ETFs"); securities of U.S. and foreign issuers (including Depositary Receipts ("DR")); and securities of foreign issuers quoted in US dollars ("F-Shares"). The Program's fixed income strategies may include investing in: both taxable and tax-advantaged securities; securities of various durations; securities of various credit qualities; securities issued by pooled investment vehicles, such as mutual funds and ETFs; and securities that are geographically focused. The pooled investment vehicles in which the strategies invest may invest in derivative instruments including, but not limited to, options, futures, forwards, swaps and credit-linked securities. Additionally, the pooled investment vehicles may invest in alternative or opportunistic asset classes, such as infrastructure and private equity.

The Program's UBS Multi-Asset Portfolios ("MAPs") each include a combination of investment styles that may also be offered as stand-alone Portfolios. The portfolio securities held in each investment style included in a MAP account may not exactly replicate the holdings of each underlying stand-alone Portfolio because, for example, Sponsor and/or the investment advisors whose styles are included in the MAP may reduce the number of positions to minimize overlap and to maintain a portfolio with a reasonable number of positions. Therefore, the performance of a MAP account may be different than the combined performance of its underlying investment styles. Additionally, MAPs are available with either a strategic asset allocation strategy ("Strategic MAPs") or an active asset allocation strategy ("Active MAPs"). Strategic MAPs have a target asset allocation among the underlying investment styles. In Strategic MAPs, accounts are rebalanced back to the target allocation only when one or more investment styles have varied beyond a particular range

(as defined by the investment advisor) from the target allocation. New Strategic MAP accounts are invested at the target allocation. Active MAPs have neutral asset allocations with maximum overweights and underweights among the underlying investment styles. In Active MAPs, the actual asset allocation is determined periodically based on the investment advisors' market insights, capital market assumptions and fundamental research. New Active MAP accounts are invested at the last active asset allocation decision. In Active MAPs, actual accounts are rebalanced back to the last active asset allocation only when one or more investment styles have varied beyond a particular range (as defined by the investment advisor) from the last active asset allocation. Due to periodic rebalancing and the resulting potential for higher turnover and higher transaction costs, MAP accounts may result in different tax consequences to clients than would stand-alone accounts managed in a single investment style.

MAPs, including MAPs with ETF exposure, do not employ an index strategy, are not restricted to securities reflected in the MAPs' respective benchmark and may be more volatile than the MAPs' respective benchmark. Certain MAPs are managed to a target risk range rather than to a benchmark.

Certain strategies or MAPs are partially or wholly invested in pooled investment vehicles such as mutual funds and ETFs. Such pooled investment vehicles may be advised by Sponsor or its affiliates. Other than Program fees paid by clients and fees received in connection with certain money market funds, as described below under "Cash Management", neither Sponsor nor its affiliates receive additional compensation for the advisory services it provides to affiliated pooled investment vehicles. Non-affiliated pooled investment vehicles, including mutual funds and ETFs, impose an additional layer of fees, including management and administrative fees.

Certain MAPs include a Personalized Tax Management Overlay ("PTM Overlay"). The goal of the PTM Overlay is to improve after-tax returns in a client's MAP account. The PTM Overlay will consider a client's personal tax circumstances while applying a variety of tax management techniques in an effort to maximize a client's after-tax return. MAPs that include a PTM overlay do not impose an additional layer of fees for the overlay service. Sponsor, at its sole discretion, may terminate the PTM Overlay when a client's account falls below the minimum account size that Sponsor deems necessary to provide the PTM Overlay. Neither Sponsor nor its affiliates provide tax advice. Each client is responsible for consulting its own tax advisor for tax advice.

A Financial Advisor will assist the client in completing a Private Wealth Solutions New Account Application (the "Application") that identifies the client's investment objectives, tolerance for risk, investment time horizon and preferences. Based on an analysis of this data, the Financial Advisor will recommend one or more Portfolios deemed appropriate for the client. When the client has selected one or more Portfolios, his or her Financial Advisor will assist the client in indicating the Portfolios in the Application. Sponsor will review the Application and invest the account assets in accordance with the selected Portfolios, subject to reasonable restrictions, if any, imposed by the client and accepted by Sponsor, in its sole discretion. Clients may request maturity and/or ratings restrictions for certain fixed income accounts (except for fixed income securities held within pooled investment vehicles).

Clients may generally place three types of restrictions on an equity account: security specific restrictions, industry specific restrictions, and restrictions based on social issues. Sponsor seeks to implement client restrictions on a best efforts basis; however, there is no guarantee that it will be able to do so. Generally, restrictions may not be placed on portions of accounts invested in pooled investment vehicles, including the underlying securities held by pooled investment vehicles. However, for certain offshore clients impacted by tax implications, a restriction on a pooled investment vehicle may be requested. For MAPs with ETF exposures of less than 10%, a client may impose reasonable restrictions related to the ETF investment. For MAPs with all ETF exposure, client requested restrictions are limited to restrictions on the purchase of specific ETFs. In addition, restrictions may not be placed on the underlying securities held by ETFs that are designed to track broad-based indexes. For different clients or groups of clients, Sponsor may use different screening tools for monitoring restrictions. Therefore, clients that impose similar restrictions may or may not have similar portfolios.

With regard to security specific restrictions, Sponsor generally will block purchases of a security by use of its CUSIP number. Sponsor and its affiliates have retained the services of independent third-parties to provide Sponsor with information regarding issuers that the respective third-parties believe fall within industry category restrictions and category restrictions based on certain social issues. Sponsor and its affiliates update the securities within each of these categories, typically monthly, based on information provided to it by the third-parties. Sponsor does not independently verify the accuracy of the information provided by the third-parties. Additional information about the criteria used by a third-party to determine whether a security falls within one of these categories is available upon request. Such information is as of a particular date and may change over time.

Clients may modify their selection of investment restrictions, if any, or adopt new investment restrictions either in writing or with verbal instructions to their Financial Advisor. (Please consult with your Financial Advisor for further information and the forms needed to initiate investment restriction changes by verbal instructions to your Financial Advisor.)

Since a Private Wealth Solutions account is generally only one component of a client's overall portfolio, Sponsor will not approve or otherwise monitor compliance with investment policy statements ("IPS") when provided in connection with the opening of an account, at account conversion (for acquisitions) or otherwise. The Program does not provide IPS services. In connection with the accounts, Sponsor will not be responsible for ensuring that a client's IPS and asset allocation choices comply with all specific legal, actuarial or other requirements that apply to the client. That responsibility rests solely with the client, and the client should consult with his or her legal and tax advisors regarding those matters. A client, however, may impose reasonable investment restrictions, as discussed above.

The client may change the selected Portfolio(s) by completing a Portfolio Change Form with the assistance of his or her Financial Advisor. The client also may change the selected Portfolios, including any preferences related to the selected Portfolio(s), by providing his or her Financial Advisor with verbal instructions as long as the newly selected Portfolio(s) are within the client's stated risk category or in a lower investment risk category. (Please consult with your Financial Advisor for further information and the forms need to initiate portfolio changes by verbal instructions to your Financial Advisor.) Sponsor reserves the right to add, remove or replace any Portfolio or investment advisor from the Program and substitute a replacement Portfolio or investment advisor if: (i) Sponsor, in its sole discretion, terminates or suspends an investment advisor's participation in the Program; (ii) an investment advisor otherwise ceases to participate in the Program; or (iii) a selected Portfolio is no longer offered as part of the Program. Sponsor will notify the client of the addition, removal or replacement of an investment advisor selected by the client. Sponsor will notify the client 30 days prior to the addition, removal or replacement of a Portfolio selected by the client.

Additionally, Sponsor reserves the right to add, remove or replace an allocation or sleeve to your account if Sponsor, in its sole discretion, determines that such addition, removal or replacement does not change the Investment Risk Category of a Portfolio. Sponsor will notify a client of the addition, removal or replacement of an allocation or sleeve to the Portfolio.

Program Fees

The client pays an annual fee for its services based on a percentage of the value of the client's account. The Program fee will be paid quarterly, in advance. The maximum Program fee for each type of account is as follows: for equity and multi-asset portfolios (excluding ETF MAPs), the maximum annual fee is 2.80%. For fixed income portfolios, the maximum annual fee is 1.25%. For ETF MAPs, the maximum annual fee is 2.50%.

There is no minimum fee for accounts.

The Program fee may be negotiated. One client's Program fees may differ from the fees charged to other clients based upon a number of factors. These factors include, but are not limited to, the type and size of the account, the historical or projected nature of trading for the account and the number and range of

other advisory and client-related services provided to the client (and in certain cases, client-related accounts) by Sponsor and its affiliates. Financial Advisors receive less than their standard payout when accounts are priced below certain levels. If a Financial Advisor wishes to discount the Program fee below certain levels, he/she may have the opportunity to do so but may earn reduced compensation as a result. Financial Advisors are incentivized to price accounts at the stated fee schedules. Sponsor reserves the right to change the Program fee by giving 30 days' written notice to the client.

Clients may choose to have two or more eligible Program accounts treated as related accounts for purposes of taking their cumulative assets into consideration in calculating the Program fee. This means that all eligible assets in those accounts will be considered together (i) when determining breakpoints in the fee schedule, if applicable, or (ii) for those accounts that are subject to minimum fee requirements, whether the minimum fee applies. If the minimum fee applies, each account will be billed its proportional share based on that account's eligible assets. The Program offers the flexibility to negotiate either a flat-fee or a tiered (break-point) fee schedule. Relating accounts can provide the opportunity for price reductions at certain breakpoints. If you choose a break-point fee schedule for your account, you should review and consider the potential benefits. Please contact your Financial Advisor for more information on the definition of eligible accounts and the forms needed to choose this billing option. Retirement accounts may not be linked where a prohibited transaction under the Employee Retirement Security Act of 1974 ("ERISA") or the Internal Revenue Code may result.

Broker/Custodian will debit the client's account for Program fees in accordance with the client's standing instructions to Broker/Custodian. A portion of the Program fee will be credited to Broker/Custodian and a portion will be paid to the client's Financial Advisor. The amount of the Program fee paid to the client's Financial Advisor may be more or less than compensation payable to that Financial Advisor for the sale of other products and services, including other wrap free programs or investment advice, brokerage, and other services purchased separately. The Financial Advisor may, therefore, have a financial incentive to recommend the Program over other products and services. The client's Financial Advisor may receive from time to time, and at Broker/Custodian's discretion, other fees, credits, and compensation from Broker/Custodian related to the client's participation in the Program. The balance of the Program fee will be paid to Sponsor which may pay a portion to the investment advisors for developing the Portfolios. The portion of the fee paid to the investment advisors may be more or less than the fee the client may pay if the client obtained the investment advisors' services directly, although the services of the investment advisors may not be available to the client outside of the Program.

The initial quarterly Program fee will be due on the date the account is accepted by Sponsor and will be based on the account asset value on that date. The initial quarterly Program fee is calculated based on the value of the eligible assets on the date your account is accepted and will generally be pro-rated to cover the period from the date your account is accepted through the end of that calendar quarter. However, if the account is opened in the last week of the calendar quarter, your first quarterly Program fee will include a pro rated fee for that week plus the quarterly Program fee for the next full calendar quarter.

After the initial quarterly Program fee, the Program fee will be based on the value of your account (including dividends and, where applicable, accrued interest, and the value of options in the account minus the value of any margin loan outstanding in your account) on the last business day of the preceding calendar quarter. Fees will be charged directly to your account in the month following the close of a calendar quarter unless you have either designated another eligible UBS account to pay the Program Fee or elected to have your fee invoiced to you (non-IRA qualified plans only). Your fee is an annual percentage of your account assets—and you will pay the fee quarterly in advance, pro-rated according to the number of calendar days in the billing period.

If the client terminates the account prior to the end of a calendar quarter, a pro-rata refund of the fee paid to Sponsor covering the remainder of the fee period will be provided, or, if no fee has been paid for that quarter, a pro-rata fee will be charged. If you provide liquidation instructions when you terminate your account, the refund will be processed from the date of receipt of your request.

Additional cash and eligible assets deposited into an existing Program account within a billing period will be charged a prorated Program Fee based upon the number of days remaining in that billing period. Likewise, you will receive a rebate of the Program Fees charged on assets you withdraw from an existing Program account during a billing period. Fees for contributions and rebates for withdrawals will be netted at the end of the billing period. The fees or rebates assessed will be due and payable within the first month of the next quarter. No fee adjustment will be made repayment of borrowed funds to Broker/Custodian or its affiliates, or for account appreciation or depreciation within a quarter.

Investment Advisor Fees

A portion of the Program Fee is paid to the investment advisors, including Sponsor, as compensation for their services. The portion of the Program Fee paid to each investment advisor is a function of that investment advisor's investment style as well as their clients' total amount of assets under management in the Program. While the typical range of annual fees paid to investment advisors is generally 0.15% to 0.50% of assets under management for equity and multi-asset accounts and 0.15% to 0.35% of assets under management for fixed income accounts; the advisory fee paid by one client may be higher or lower than the fees paid by other clients based upon a number of factors, including, but not limited to, the size of the account, the number and range of other advisory and client-related services provided to the client (and in certain cases, client-related accounts) by Sponsor and its affiliates, and the cumulative assets of the client managed by Sponsor and/or its affiliates.

Participation in the Program may cost the client more or less than purchasing such services separately. Factors bearing upon the relative cost of the Program include the estimated cost of the services if provided separately outside of the Program, the level of trading activity in the client's account, the size of the account, the types of investment advisory services, and the types of investments.

Additional Fees

The fees listed above cover investment advice, custody of securities by Broker/Custodian and execution of transactions with or through Broker/Custodian and other servicing of the account. These fees do not include: (i) commissions on transactions directed to broker-dealers other than Broker/Custodian; (ii) mark-ups/mark-downs on principal transactions with Broker/Custodian or other broker-dealers; (iii) custody fees imposed by other financial institutions if you choose to custody your assets at other financial institutions and Sponsor agrees to the arrangement; (iv) internal trust fees; (v) charges imposed by law; (vi) costs relating to trading in foreign securities or currencies (other than commissions otherwise payable to Broker/Custodian); (vii) DR conversion fees; (viii) foreign dividend fees; (ix) internal charges and fees that may be imposed by any pooled investment vehicles, such as closed-end funds, open-end funds, index shares, unit investment trusts ("UITs"), ETFs, or real estate investment trusts that may be included as an investment in a Portfolio; and (x) other specialized charges, such as transfer taxes, exchange and SEC transaction fees. Sponsor will generally attempt to place trades for execution on behalf of wrap accounts with the broker/custodian because the program fee typically includes execution costs. However, from time-to-time, Sponsor reserves the right to execute principal trades away from the broker/custodian. Additionally, in general with respect to equity mandates, Sponsor consolidates model driven changes with institutional and mutual fund accounts in order to achieve best execution. The wrap fee accounts will then be stepped out to the broker/custodian for settlement. As a result, costs related to principal trades and step out transactions such as dealer spreads, mark-ups, mark-downs, exchange fees and other miscellaneous charges may be in addition to the all-inclusive program fee. Broker/Custodian or one of its affiliates will also charge interest on any outstanding loan balances to clients who borrow money from Broker/Custodian. The client also may be charged additional fees for specific account services, such as ACAT transfers, annual and termination fees for retirement accounts, Resource Management Accounts® or Business Services Accounts® and wire transfer charges.

Cash Management

Uninvested cash balances may be automatically deposited into interest bearing deposit accounts or invested in money market funds, including as permitted by law, those of Sponsor and/or those affiliated with

Sponsor for which Sponsor and/or its affiliates may receive compensation for services in addition to the Program fees paid by clients. The UBS Bank Sweep Programs consist of the UBS Deposit Account Sweep Program and the UBS Business Account Sweep Program. *For more information about the programs, please refer to the UBS Bank Sweep Programs Disclosure Statement and/or contact your Financial Advisor.*

UBS Deposit Account Sweep Program: The UBS Deposit Account Sweep Program is available for all accounts except international accounts, and accounts that are owned by non-natural persons. Examples of accounts that are not eligible include all business entities including corporations, partnerships, limited liability companies, associations and business trusts, except sole proprietorships, non-profit organizations, estates and trusts where all beneficiaries are not natural persons or nonprofit organizations.

UBS Business Account Sweep Program: The UBS Business Account Sweep Program is available to all business entities, including corporations, partnerships, limited liability companies, associations and business trusts, except sole proprietorships, non-profit organizations, estates and trusts where all beneficiaries are not natural persons or nonprofit organizations. Cash in eligible *business* advisory accounts will be swept to a money market deposit account, which is referred to as the Business Account, at UBS Bank USA (the "Bank"). The Business Account is a type of savings account that is subject to certain monthly withdrawal limits.

For eligible accounts in the Deposit and Business Account Sweep Programs:

- Cash will be deposited automatically – or "swept" – to interest bearing deposit accounts ("Deposit Accounts" or "Business Accounts," as the case may be) at the Bank, an FDIC member institution and an affiliate of Sponsor and Broker/Custodian. Cash will be swept into the accounts up to a specified limit or "Cap" ("Bank USA Sweep Cap") of \$250,000 per account owner for each account. The Bank USA Sweep Cap applies to each account. For example, for joint accounts with two beneficial owners, cash will sweep to a Deposit Account up to a Cap of \$500,000 (\$250,000 for each owner). If the same owners have a second joint account, the cash in the second account will also sweep to a Deposit Account up to a Bank USA Sweep Cap of \$500,000 (the total sweep to the Deposit Account is \$1 million). Funds in the Bank are insured by the FDIC. You are responsible for monitoring the total amount of deposits that you have with the Bank to determine the extent of FDIC deposit insurance coverage available to you on those deposits.
- When you reach the cap, new cash will then sweep to a money market fund that you have selected or that has been assigned as the sweep option for your account. Taxable accounts may change the money market fund used as the secondary sweep option by contacting their Financial Advisor.
- Taxable money market funds are not available as your sweep option for cash amounts below the Cap. The options and features do not apply to advisory accounts with tax-advantaged money market funds as the sweep option, and cash in these accounts will continue to sweep to that Fund unless you instruct us to change your sweep option.

Interest rates on the Deposit Accounts and Business Accounts are tiered, based on your total eligible Marketing Relationship as defined in the "General Terms and Conditions" of the Agreements and Disclosures booklet, which is available at ubs.com/account-disclosures or by requesting one from your Financial Advisor. For detailed information regarding the Deposit Accounts and Business Accounts, please see the UBS Bank Sweep Programs Disclosure Statement. Any assets invested in Deposit Accounts, Business Accounts and money market funds will be included in the calculation of the quarterly Program Fee. The use of money market funds may result in additional management fees being paid to Sponsor and/or its affiliates for its advisory services to that money market fund. These fees and services are described in the prospectuses of each of those funds. Broker/Custodian will receive, to the extent permitted by applicable law, an annual fee of up to \$25 from the Bank for each account that sweeps into Deposit Accounts and Business Accounts at the Bank, and the Bank receives certain benefits. Broker/Custodian reserves the right to increase, decrease or waive all or part of this fee.

At the time of a withdrawal request, when cash is raised, cash balances in a client's account will be automatically deposited in the account's Deposit Account, Business Account or tax-advantaged money fund.

Cash balances that are not withdrawn and remain in the Deposit Account, Business Account or tax-advantaged money fund, as applicable, for 60 days following a withdrawal request may be re-invested in the client's existing portfolio.

Account Requirements and Types of Clients

The Program is available to U.S. and certain foreign individuals, pension and profit sharing plans, trusts, estates, charitable organizations, and corporate and other business entities.

There are certain requirements for opening or maintaining an account. All clients are required to enter into a written investment advisory agreement prior to the establishment of an advisory relationship.

The Program is available for equity accounts with a minimum account size generally of \$100,000, fixed income accounts with a minimum account size generally of \$100,000 (generally \$1,000,000 for municipal fixed income accounts funded with cash; certain requirements are in place for municipal fixed income accounts funded with securities), and multi-asset portfolio accounts with a minimum account size generally of \$100,000 to \$750,000 depending on the strategies selected. The client may select more than one Portfolio, but these account minimums will apply to the account size established for each Portfolio. Sponsor will have the right to terminate the account if account assets fall below the minimum size required by Sponsor as described above. A separate brokerage account must be established with Broker/Custodian for each selected Portfolio.

With regard to PWS municipal securities portfolio accounts funded with securities, the investment advisor may, either at the time the account is initially funded or at a later time, attempt to sell any securities transferred to the account which are not, in the investment advisor's sole opinion, appropriate for the account's municipal securities portfolio strategy. If after a period of time, as determined by the Sponsor in its sole discretion, of attempting to sell the securities, the investment advisor has been unable to obtain reasonable bids for them, it will have the right, in its discretion, at any time upon notice to the client to cease exercising discretion over, or providing any advice with respect to, the relevant securities.

If the investment advisor exercises its right, provides notice to a client or client's financial advisor and thereafter ceases exercising discretion over, or providing any advice with respect to the securities, the client, and not the investment advisor, will be solely responsible for any and all decisions to continue to hold (in a non-Private Wealth Solutions account) or sell the securities, and the investment advisor will cease having any responsibility for the securities. By opening a municipal securities portfolio account and funding it with municipal securities already held by the client (or transferring the securities in the case of a subsequent contribution to the account), the client thereby agrees that the investment advisor will have no liability to the client or any other party if the investment advisor determines at some point in the future to cease exercising discretion over, or providing any advice with respect to, any of the securities. Each client should carefully consider these matters before funding an account with securities (or transferring the securities in the case of a subsequent contribution to the account) and should not fund an account with securities or transfer them if the client is not prepared to accept investment discretion over them at some time in the future, which may be at a time when the securities are completely illiquid, requiring the client to hold them for an indefinite time.

Portfolio Manager Selection and Evaluation

Sponsor selects investment advisors, including Sponsor or its affiliates, to participate in the Program. Investment advisors in the Program generally have:

- An established performance track record demonstrative of skills in the strategy or related strategies;
- High quality investment management services, including appropriate depth and breadth of human capital resources, and a reputation for integrity and investment competence;
- An investment process that can be understood, monitored, and has shown consistency of style and purpose over the life of the strategy in question; and

- Strong administrative capabilities – including transparent, rigorous attention to legal, operational, compliance and trading related risks as well as strong risk management procedures and policies.

On an ongoing basis, Sponsor will regularly review information provided by the investment advisors as well as information from relevant performance databases. Sponsor will compare the investment advisor's performance to similar investment advisors and market indices. Sponsor will compile profiles for each investment advisor in the Program.

Investment Advisor Performance Information

As Sponsor and investment advisor, we prepare and present performance in compliance with the Global Investment Performance Standards (GIPS®). Sponsor has been verified for the periods from January 1, 2002 through December 31, 2015 by Ernst & Young LLP. A copy of the verification report is available upon request.

If Sponsor retains non-affiliated investment advisors, Sponsor will prepare portions of investment advisor/Portfolio profiles using performance information it receives from investment advisors that participate in the Program. Sponsor will review this information for reasonableness relative to rates of return of indices, but neither Sponsor nor any third-party will independently verify it. Sponsor will ask each investment advisor to describe its stated results and how it compiles its historical performance. Investment advisors do not necessarily calculate their historical performance on a uniform basis and, as such, comparing performance information of more than one investment advisor may be of limited value.

Potential Conflicts of Interest and Additional Compensation

Sponsor or its affiliates may purchase or sell, or recommend for purchase or sale for its investment advisory clients, securities of companies: (1) with respect to which its affiliates act as an investment banker or financial advisor; (2) with which its affiliates have other confidential relationships; (3) in which its affiliates maintain a position or make a market; or (4) in which it or its officers, directors or employees or those of its affiliates own securities or otherwise have an interest, including when it or its affiliates receive other fees, such as licensing fees, from the companies. Except to the extent prohibited by law or regulation or by client instruction, Sponsor or its affiliates may recommend to its clients, or purchase for its clients, securities of issuers in which UBS has an interest. Sponsor may invest in or recommend for purchase for its clients, securities issued by a company for whose pension plan Sponsor acts as investment manager or otherwise with whom Sponsor has a client relationship.

Sponsor or its affiliates may give advice and take action in the performance of its duties to clients that differ from the advice given, or the timing and nature of actions taken, for other client accounts or employee accounts which may invest in some of the same securities recommended to clients. As a result of differences in client objectives, strategies and risk tolerances, UBS AM may give different advice or make different recommendations to different clients that are authorized to invest in the same securities. In addition, our investment advice may differ from advice given by other business divisions within UBS or other members of UBS AM, as our investment advisory business is structured as a separate and distinct business from our affiliates that conduct banking, investment banking, broker-dealer (other mutual fund distribution), wealth management, investment management and a variety of other financial services businesses.

For information regarding Sponsor's advisory business, performance-based fees and side-by-side management, its methods of analysis, investment strategies and risk of loss and its policy on voting client securities, please see the UBS AM ADV Part 2A. To request a copy free of charge, please contact UBS AM's National Sales Desk at 1-888-793 8637 or your financial advisor.

For more information regarding additional compensation, please see the sections entitled "Additional Sources of Compensation" and "Potential Conflicts of Interest in Connection with the Referral Relationship."

Client Information Provided to Portfolio Managers

Information about the Client

Sponsor maintains certain information about the client including, but not limited to, the client's investment objectives and risk profile. Sponsor may make any or all such information available to investment advisors at such times as Sponsor deems appropriate.

Sponsor is committed to protecting the personal information that it collects about individuals who are prospective, current or former advisory clients.

Sponsor collects personal information in connection with providing investment advisory services primarily to process requests and transactions, provide customer service and communicate information about its products and services. Personal information, which is obtained from applications and other forms, may include name(s), address, e-mail address, telephone number, date of birth, social security number or other tax identification number, bank account information, financial information and other investments in mutual funds or other investment programs managed by Sponsor or its affiliates ("Personal Information").

Sponsor limits access to Personal Information to those individuals who need to know that information in order to process transactions and service accounts. These individuals are required to maintain and protect the confidentiality of Personal Information and to follow established procedures. Sponsor maintains physical, electronic and procedural safeguards to protect Personal Information and to comply with applicable laws and regulations.

Sponsor may share Personal Information with its affiliates to facilitate the servicing of accounts and for other business purposes, or as otherwise required or permitted by applicable law. Sponsor's affiliates are companies that are controlled by a member of Sponsor or that control or are under common control with Sponsor. Sponsor may also share Personal Information with non-affiliated third-parties that perform services, such as vendors that provide data or transaction processing, computer software maintenance and development, and other administrative services. When Sponsor shares Personal Information with a non-affiliated third-party, they will do so pursuant to a contract that includes provisions designed to ensure that the third-party will uphold and maintain privacy standards when handling Personal Information. In addition to sharing information with non-affiliated third-parties to facilitate the servicing of accounts and for other business purposes, Sponsor may also disclose Personal Information to non-affiliated third-parties as otherwise required or permitted by applicable law. For example, Sponsor may disclose Personal Information to credit bureaus or regulatory authorities to facilitate or comply with investigations; to protect against or prevent actual or potential fraud, unauthorized transactions, claim or other liabilities; or to respond to judicial or legal process, such as subpoena requests.

Except as described herein, Sponsor will not use Personal Information for any other purpose unless Sponsor describes how such Personal Information will be used and clients are given an opportunity to decline approval of such use of Personal Information relating to them (or affirmatively approve the use of Personal Information, if required by applicable law). Sponsor endeavors to keep its customer files complete and accurate. Please notify Sponsor if any Personal Information needs to be corrected or updated. If you have any questions or concerns about your Personal Information, please contact UBS AM's National Sales Desk at 1-888-793 8637.

Client Contact with Portfolio Managers

Client Communications

Sponsor, rather than the investment advisor(s), will generally conduct all written communications with clients. Sponsor will provide the client with reports describing changes to a Portfolio's strategy during the previous quarter. Sponsor has designated Broker/Custodian to provide Client with a statement, at least quarterly, containing a list of Portfolio holdings, a description of all activity in the client's account during the

preceding period, including all transactions made on behalf of the account, all contributions and withdrawals made by the client, all fees and expenses charged to the account, and the value of the account at the beginning and end of the period. The participating investment advisors will make themselves available to Sponsor for consultation about the client's investments through the Program.

Additional Information

General Information about Sponsor

Business Activities; Other Financial Industry Activities and Affiliations

Sponsor is an indirect wholly-owned subsidiary of UBS AG, an internationally diversified organization with operations in many areas of the financial services industry. Sponsor is a member of the UBS Asset Management Division of UBS AG. Sponsor's primary business is that of an investment advisor. Sponsor also administers investment products, including mutual funds, and provides investment management and administration services to a number of investment companies. In addition, Sponsor is registered as a commodity trading advisor and a commodity pool operator.

Sponsor provides investment advice to all types of clients, including but not limited to, pension and other employee benefit plans of corporations, state and local governments, and labor unions; to other tax-exempt organizations such as charitable foundations, educational institutions, endowments, U.S. state and local governments, foreign governments and supranationals; insurance companies, registered and unregistered investment companies, individuals, personal trusts and corporations. Sponsor also advises affiliates that act as trustee or fiduciary of various pooled trusts and funds and is the general partner of certain private equity limited partnerships in which clients previously were solicited to invest, but which are no longer open to new investors.

Sponsor engages in a variety of transactions involving its affiliates that are also members of UBS Asset Management in connection with the marketing and distribution of its affiliates' investment products and services. Sponsor is under common control with Broker/Custodian which, as explained above, will receive a portion of the Program fee for brokerage, custodial and other services that it provides to clients as part of the Program.

Sponsor serves as the sponsor and investment advisor to a large number of pooled investment vehicles, some of which may serve as investments for accounts managed in connection with the Program. Sponsor and other affiliates of Sponsor serve as service providers to those pooled investment vehicles (e.g., as adviser or distributor) and receive fees in exchange for those services that are based on the amount of assets invested in the vehicles.

Code of Ethics

Sponsor has adopted a Code of Ethics intended, among other things, to ensure that the personal investing activities of Sponsor's employees and certain family members are consistent with Sponsor's fiduciary duty to its clients. Sponsor also has policies and procedures that are designed to prevent the misuse of material, non-public information. Sponsor will provide a copy of its Code of Ethics to any client or prospective client upon request. Confidential and material, non-public information may become available to Sponsor through its relationships or for any other reason and will not knowingly be passed on to clients, or used for their benefit, or for any other purpose. Sponsor has no fiduciary duty to use material, non-public information in advising client accounts. Directors, officers and employees of Sponsor and its affiliates may from time to time have acquired or sold, or may subsequently acquire or sell, for their personal accounts, securities that may also be held or have been purchased or sold, for the accounts of clients.

In accordance with applicable law, Broker/Custodian may effect transactions for client accounts on a national securities exchange of which it or an affiliate is a member and may retain compensation in

connection with those transactions. In some cases, Broker/Custodian routes over-the-counter equity securities orders to an affiliate for execution with unaffiliated market makers. In other instances, Sponsor or an investment advisor may place over-the-counter orders directly with unaffiliated market makers for execution.

To the extent permitted by applicable laws, "agency cross" transactions (i.e., a transaction in which one of Sponsor's affiliates acts as broker for persons on both sides of a transaction, one of which is a client of Sponsor) may be effected for client accounts. Sponsor's affiliates may receive compensation from parties on both sides of such transactions (the amount of which may vary) and, as a result, Sponsor or its affiliates may have a potentially conflicting division of loyalties and responsibilities. Consent to "agency cross" transactions may be revoked by a client at any time by written notice to Sponsor.

"Internal" cross trades may be effected for the account, to the extent permitted by law and applicable policies and procedures. An "internal" cross trade involves a transaction where a security is sold from one account advised by Sponsor or Sponsor's affiliates and bought for another such advised account. Sponsor will effect such "internal" cross trades when Sponsor believes it is beneficial to buy for one client securities owned by another client, and such trades are in the best interest of all clients involved. Sponsor will effect "internal" cross trades only in securities for which market quotations are readily available. "Internal" cross trades will be done through a book-entry transfer, either directly or through a broker-dealer, at the independent current market price of the security. Neither Sponsor, nor its affiliates, nor any broker-dealer through which these trades may be effected shall receive any commissions or other compensation in connection with these trades, although small administrative or transfer fees may be included in the price of the security bought or sold. Client may revoke its consent to these "internal" cross trades at any time by written notice to Sponsor.

Sponsor may compensate affiliated and unaffiliated persons for referring clients to the Program, in accordance with applicable law. The costs of any referral fees are paid entirely by Sponsor, and are not borne by clients. In addition, employees of Sponsor and employees of affiliates may receive incentive compensation, a portion of which may be attributable to solicitation or sales activities.

Margin

Program assets generally may not be used as collateral for margin loans. Sponsor may permit, on an exception basis, certain Program accounts (generally those with balances in excess of \$3 million invested in certain Portfolios) to serve as collateral for margin loans provided by an affiliate of Sponsor. Participants must meet certain eligibility requirements and complete special documentation with Sponsor and its affiliates.

Use of Margin

Using Program assets as collateral for margin to fund another account and investment strategy is a more aggressive, higher risk approach to pursuing your investment objectives. Before you decide to use Program assets as collateral for margin, you must carefully consider:

- whether you can afford and want to assume the additional risk of losses; your losses may be significantly greater than if you decide not to invest with borrowed funds (i.e., not to use leverage).
- that the use of leverage will increase your costs of investing, as well as your risks, and depending upon the return achieved through the use of margin, may make your investment objectives more difficult to realize.
- that margin loans involve certain fees and expenses, typically on the outstanding loan balance, which will be paid to, among others, affiliates of Sponsor. The use of margin to purchase securities in an account generally will increase the amount of the fees that you pay. This will result in

additional compensation to Sponsor and/or its affiliates, including your financial advisor and your selected investment manager.

The decision to use Program assets as collateral rests with you and should only be made if you understand:

- the risks of margin borrowing, the potential impact of the use of borrowed funds on your accounts, and how the use of margin may affect your ability to achieve your investment objectives.
- **You may lose more than your original investment.**
- a positive or negative performance of investments made on margin, net of interest charges and other account fees, may be magnified by virtue of using borrowed money. As a result, your gains or losses on investments may be greater than would be the case if you did not use margin loans for investment purposes.
- **You will not benefit from using margin in an account if the performance of your investments purchased on margin does not exceed the interest expense being charged on the margin loan plus the fees incurred by your account as a result of the margin.**

Defaults

Margin loans are demand loans and clients with margin accounts may need to deposit additional cash or collateral or repay part or all of the margin loan if, for example, the value of the assets in the relevant Program account(s) decline below the required loan-to-value ratio. Repayment of the loan may be demanded at any time.

Failure to promptly meet a request for additional collateral or repayment or other circumstances (e.g., a rapidly declining market) could cause the lender of the margin loan to liquidate, or instruct Sponsor to liquidate, some or all of the assets in the Program account(s) to meet the margin loan or credit line requirements. Depending on market circumstances, the prices obtained for the securities may be less than favorable. Any required liquidations may interrupt your long-term investment strategies, may adversely affect Sponsor's ability to manage your account, and may result in adverse tax consequences. Sponsor and its affiliates do not provide legal or tax advice. You should consult your legal and tax advisors regarding the legal and tax implications of margin borrowing and using securities as collateral for a loan.

Neither Sponsor nor its affiliates will act as investment adviser to you with respect to the liquidation of securities held your account(s) and used to meet a margin call. In addition, as creditors, Sponsor and its affiliates may have interests that are adverse to you in liquidating assets in your account to meet a margin call. Additional limitations and availability may vary by state. The liquidations may be executed by an affiliate of Sponsor in its capacity as broker-dealer and creditor and may, as permitted by law, result in executions on a principal basis in your account.

There are substantial risks associated with the use of borrowed funds for investment purpose and securities as collateral for a loan. For further information, please contact your Financial Advisor.

Client Directed Brokerage

Sponsor has discretion to select brokers or dealers other than Broker/Custodian when necessary to fulfill its duty to seek best execution of transactions for client accounts. However, brokerage commissions and other charges for transactions not effected through Broker/Custodian are charged to the client, whereas the Program fee covers the cost of brokerage commissions and other transaction fees on transactions effected through Broker/Custodian. For this reason, it is likely that most, if not all, transactions for client accounts will be effected through Broker/Custodian.

Sponsor endeavors to treat all client accounts fairly in the execution of client orders. However, from time to time, clients may experience sequencing delays, lost opportunity and market impact costs when executing transactions through Broker/Custodian.

A client should consider that, depending upon the level of the wrap fee charged by Sponsor, the amount of portfolio activity in the client's account, the value of custodial and other services which are provided under the arrangement, and other factors, the Program fee may or may not exceed the aggregate cost of such services if they were to be provided separately.

Additional Sources of Compensation

Sponsor, as investment advisor, may, from time to time, invest temporary cash balances in one or more money market funds that are under the management of Sponsor or its affiliates. Any assets invested in money market funds will be included in the calculation of the quarterly Program Fee. The use of money market funds may result in additional management fees being paid to Sponsor and/or its affiliates for its advisory services to that money market fund.

This Brochure

This brochure applies to all PWS accounts, including any PWS accounts you may open in the future. You may obtain a copy of the current brochure at no additional charge by contacting your Financial Advisor. Other than annually, we will not provide another copy of the brochure unless there are material changes to certain information in the document we originally provided to you. Annually, we will send you our updated brochure together with a summary of material changes from the brochure previously provided to you, or a summary of material changes from the brochure previously provided to you, together with an offer to provide the updated brochure.

Reviews

Each client's Financial Advisor conducts periodic reviews, generally quarterly, of the account to determine the appropriateness of client account holdings and transactions in light of the clients' investment objectives and guidelines as identified through the Application. In addition, Sponsor performs regular reviews of the accounts for purposes of determining consistency with the investment advisors' Portfolios and compliance with client-imposed restrictions. Sponsor also periodically notifies each client in writing to contact Sponsor or the client's Financial Advisor if there have been any changes in the client's investment objectives or guidelines or the client's financial situation. Each client's Financial Advisor also is reasonably available to that client for consultation.

Please also see the section entitled "Client Contact with Portfolio Managers."

For information regarding Sponsor's disciplinary Information, code of ethics, participation or interest in client transactions and personal trading, client referrals and other compensation, and financial information, please see the UBS AM ADV Part 2. To request a copy free of charge, please contact UBS AM's National Sales Desk at 1-888-793 8637 or your financial advisor.

Consulting Services of UBS Financial Services Inc.

UBS Financial Services Inc. provides non-discretionary consulting, custody and execution services to clients of the Program. UBS Financial Services Inc. and its affiliates are registered securities firms in various capacities, including broker-dealers, investment advisers, futures commission merchants, commodity pool operators and commodity trading advisers. UBS Financial Services Inc. is a member of all principal securities and commodities exchanges in the United States as well as the Financial Industry Regulatory Authority. It and its affiliates offer its customers and clients a broad range of financial services and products that include underwriting securities offerings, market maker activities, trading for its own account and those of its

affiliates, acting as clearing firm for other broker-dealers, buying and selling securities and commodities, managing client assets and providing trust and custody services. UBS Financial Services Inc. and its affiliates also manage, sponsor and distribute registered investment company products and interests in other public and private pooled investment vehicles, including hedge funds.

The following is a description of the non-discretionary consulting, custody and execution services provided by UBS Financial Services Inc. to prospective and existing clients of the Program. For a complete description of other advisory and related services provided by UBS Financial Services Inc., see your Financial Advisor.

Through its Financial Advisors, UBS Financial Services Inc. assists prospective clients in identifying their investment objectives and individual goals, selecting one or more strategies available through the Program and filling out Program account documentation. The Portfolios are developed and monitored by Sponsor and advisory firms affiliated with Sponsor and UBS Financial Services Inc. For existing Program clients, the Financial Advisors meet with clients to review each Program account and assist clients in changing selected portfolios. Financial Advisors providing the non-discretionary consulting services to Program clients will conduct a periodic review of the account to determine the appropriateness of portfolio holdings and transactions in light of the client's investment objectives and guidelines.

The consulting services provided by UBS Financial Services Inc. are part of the Program. No additional or separate fee is imposed for these services. Similarly, a prospective client who has received the consulting services of his or her Financial Advisor will not pay a fee for these services even if the prospective client does not open a Program account.

Generally, Financial Advisors providing the non-discretionary consulting services to prospective and existing Program clients are required to have a college degree or securities industry experience. Program clients may have other accounts and use the services of Financial Advisors in connection with other services and products offered by UBS Financial Services Inc. The services described in this wrap fee program brochure do not apply to other services provided by Financial Advisors. Most UBS Financial Services Financial Advisors are registered as broker-dealer and investment adviser representatives. You may obtain information about your Financial Advisor through the FINRA BrokerCheck service available from FINRA. BrokerCheck provides information from the Central Registration Depository (or "CRD") to the investing public. CRD is a computerized database that contains information about most broker dealers, their representatives, and the firms they work for. For instance, you can find out if a broker is properly licensed in your state and if they have had any problems with regulators or received serious complaints from investors. You will also find information about the broker's educational background and where they have worked before their current jobs. Additionally, you can ask either your state securities regulator or FINRA to provide you with information from the CRD. You can find out how to get in touch with your state securities regulator through the North American Securities Administrators Association, Inc.'s web site at <http://www.nasaa.org/>.

You can also view the disciplinary history reported on UBS Financial Services Inc.'s Form ADV, which is available on www.adviserinfo.sec.gov.

Clients of the Program will need to complete account opening documentation with both Sponsor and UBS Financial Services Inc. and enter into two agreements: an investment management agreement with Sponsor and a custody and execution agreement with UBS Financial Services Inc. Either the client or Sponsor may terminate the investment management agreement upon written notice to the other. The custody and execution agreement describes the services provided by, and responsibilities of, UBS Financial Services Inc. and its Financial Advisors in the Program. In this regard, Program clients will direct Sponsor to generally execute account transactions through UBS Financial Services Inc., subject to best execution obligations and legal restrictions.

Generally, an order is routed to an execution center that UBS Financial Services Inc. believes will provide the best execution. Certain large orders that may require special handling may be routed to a market center for execution via the telephone. UBS Financial Services Inc. regularly monitors existing and potential execution venues and may route listed or OTC orders to other venues if it believes that such routing is consistent with best execution principles. In determining the best way to execute an order for a client, UBS Financial

Services Inc. evaluates, among other things, (i) speed and certainty of execution; (ii) price and size improvement; and (iii) overall execution quality.

The vast majority of transactions in exchange listed securities and over the counter ("OTC") order flow is routed for execution to our affiliate, UBS Securities LLC. Orders routed to UBS Securities LLC are executed by UBS Securities LLC as principal or as agent, depending on the circumstances and type of program involved. These orders will be executed by UBS Securities LLC as principal when there is an opportunity for execution at a price equal to or superior to the price quoted on the primary exchange. If that is not the case, the order will be routed immediately to the primary exchange for execution. UBS Securities LLC may have a profit or loss when executing orders as principal. For orders requiring agency execution, UBS Securities LLC routes the orders to unaffiliated market makers for execution. In some instances, however, for certain securities, UBS Securities LLC places over-the-counter orders directly with unaffiliated market makers for execution. All routing decisions are in accordance with the principles of best execution. Notwithstanding the above, Private Wealth SolutionsSM orders are generally executed on an agency basis.

UBS Financial Services Inc. will receive a portion of the Program fees for providing execution and other services. Clients may pay other charges in addition to the Program fee, some of which may add to the compensation that UBS Financial Services Inc. receives. These include the following: (i) commissions on transactions directed to broker-dealers other than UBS Financial Services Inc.; (ii) mark-ups/mark-downs on principal transactions with UBS Financial Services Inc. or other broker-dealers; (iii) internal trust fees; (iv) charges imposed by law; (v) costs relating to trading in foreign securities (other than commissions otherwise payable to UBS Financial Services Inc.); (vi) DR conversion fees; (vii) foreign dividend fees; (viii) internal charges and fees that may be imposed by collective investment vehicles such as closed-end funds, open-end funds, index shares, UITs, exchange traded funds or real estate investment trusts and (ix) other specialized charges, such as transfer taxes, exchange and SEC transaction fees. UBS Financial Services Inc. or one of its affiliates will also charge interest on any outstanding loan balances to clients who borrow money from UBS Financial Services Inc. Clients also may be charged additional fees for specific account services, such as ACAT transfers, annual and termination fees for retirement accounts or Resource Management Accounts (and/or Business Services Accounts BSA)¹ and wire transfer charges.

Clients in the Program may cancel their agreement with UBS Financial Services Inc. within five business days from the date the agreement is accepted and receive a full refund of the portion of the Program fee retained by UBS Financial Services Inc. Thereafter, the agreement may be terminated by either party upon written notice. In the case of termination after five business days, a pro-rated refund of the portion of the program fee retained by UBS Financial Services Inc. of any pre-paid fees will be made or, if no fees have been paid, a pro-rated charge will be imposed. **Termination of the custody and execution agreement with UBS Financial Services Inc. will not result in the automatic termination of the advisory agreement with Sponsor.** Termination will not affect a client's responsibility to pay balances due to UBS Financial Services Inc. under the agreement. In the agreement, clients authorize UBS Financial Services Inc. to withhold sufficient assets then in the account as UBS Financial Services Inc. reasonably believes necessary to pay any amounts due to UBS Financial Services Inc., however and whenever arising. Clients are responsible for notifying Sponsor to terminate the investment advisory agreement and cease trading. **UBS Financial Services Inc. is not responsible for such notification and may continue to accept trades from Sponsor until clients notify it of the termination.**

Potential Conflicts of Interest in Connection with the Referral Relationship

Pursuant to the terms of the agreement between Sponsor and UBS Financial Services, Sponsor may pay UBS Financial Services up to approximately 95% of the Program fees paid by a client for so long as the client maintains its account with Sponsor. No additional fees or other amount will be added to the normal fees, expenses and other costs of your advisory account with Sponsor as a result of UBS Financial Services' involvement. Sponsor and UBS Financial Services are affiliated entities. However, UBS Financial Services has no authority to bind Sponsor or make any representations on its behalf. Sponsor manages its client

¹ Resource Management Account and Business Service Account BSA are registered service marks of UBS Financial Services Inc

accounts independently without any participation by UBS Financial Services or its Financial Advisors. UBS Financial Services has no control over Sponsor's management of Program assets.

A portion of the Program Fee retained by UBS Financial Services Inc. will be paid to each client's Financial Advisor. The Financial Advisor may, therefore, have a financial incentive to recommend the Program over other investment products or services, including others offered or provided by UBS Financial Services Inc. Financial Advisors also may receive, at UBS Financial Services Inc.'s discretion, other fees, credits and compensation from UBS Financial Services Inc. related to a client's selection of the Program.

Execution of Transactions for Your Account

Sponsor will generally have transactions in equity securities for Program accounts executed by UBS Financial Services Inc. Generally, fixed income transactions will be executed away from UBS Financial Services Inc. When UBS Financial Services Inc. performs execution services, it is acting solely as a broker and is not providing any investment advice to Program clients in connection with any transaction effected for their Program accounts. For Program clients, commissions are not charged when Program trades are effected through UBS Financial Services Inc. since the Program fee includes execution through UBS Financial Services Inc. UBS Financial Services Inc. generally uses its own execution services for the purchase and sale of securities (both places and executes trades through itself). UBS Financial Services Inc. reserves the right, however, to use other broker-dealers, including affiliated broker-dealers, that provide prompt and reliable execution at favorable security prices and reasonable commission rates. The best net price reasonably available, giving effect to brokerage commissions and other costs, is an important factor in this decision, but a number of other judgmental factors may also enter into the decision. These include knowledge of negotiated commission rates currently available; the nature of the security being traded; the size and complexity of the transaction; the desired timing of the trade; the activity existing and expected in the market for the particular security; confidentiality; and the execution, clearance and settlement capabilities and other relevant and appropriate services of the broker or dealer.

UBS Financial Services Inc. may aggregate transactions for clients for execution under appropriate circumstances. This practice will not ordinarily affect or otherwise reduce fees, commissions or other costs charged to clients for these transactions but may provide price improvement. The portion of equity securities allocated to PWS clients on the whole will be allocated among PWS clients on a random basis, subject to an exception that orders to purchase securities will not be allocated to clients who do not have sufficient cash in their accounts to fund the purchase price of the entire block of securities that would otherwise have been allocated to them. A random allocation method such as this may result in clients not owning certain securities that other similarly managed accounts own and thus may lead to performance dispersion among similarly managed accounts. The extent of any performance dispersion may be greater over shorter time periods, as the trade discrepancies inherent in a random method for allocating trades may take time to even out across all accounts. Therefore, depending on when you redeem, the performance of your account may differ from other client accounts.

In some cases, UBS Financial Services Inc. routes over-the-counter equity securities orders to an affiliate for execution with unaffiliated market makers. In other instances, Sponsor or an investment adviser may place over-the-counter orders directly with unaffiliated market makers for execution.

UBS Financial Services Inc. is not liable for losses caused directly or indirectly by government restrictions, exchange controls, exchange or market rulings, suspension of trading, act of war, strikes or other conditions beyond our control, including but not limited to, extreme market volatility or trading volumes. In addition, UBS Financial Services Inc. is not responsible to a client for the purchases or sale of a security by a client's investment manager prior to our receipt of a written request for termination. Any transactions initiated by a client's investment manager on the day of termination will be processed, if practicable. Liquidation of client accounts will depend upon market conditions at the time and, absent unusual circumstances, generally will be processed by the end of the next business day after instructions have been received by UBS Financial Services. Liquidations for portfolios with PTM Overlay, and for Fixed Income portfolios, typically take longer than our traditional timeframe.