

Part 2A of Form ADV: *Firm Brochure*

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This brochure (“Brochure”) provides information about the qualifications and business practices of UBS Hedge Fund Solutions LLC (“HFS”). If you have any questions about the contents of this Brochure, please contact Frank Pluchino at 203-719-7681 or email him at frank.pluchino@ubs.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about HFS is also available on the SEC’s website at www.adviserinfo.sec.gov. You can search the SEC’s site by a unique identifying number, known as a CRD number. Our firm’s CRD number is 131034.

An investment adviser does not have to demonstrate or meet any minimum level of skill or training to register with the United States Securities Exchange Commission.

Item 2 Material Changes

Item 4 Advisory Business

- Updated Section C. – Client Assets

Item 12 Brokerage Practices

- Updated to reflect information on cross transactions

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Item 4 Advisory Business

A. General Description of the Firm

HFS, a wholly owned subsidiary of UBS Asset Management (Americas) Inc. was originally part of another UBS AG subsidiary; however, it was organized as a separate investment management entity and registered with the SEC as an investment advisor in March 2004.

HFS's principal place of business is located in Stamford, Connecticut with additional United States offices in New York, New York and Westport, Connecticut. HFS has and will continue to avail itself of investment capabilities through various UBS Asset Management affiliates globally.

B. Advisory Services

HFS provides discretionary investment management services to a variety of investment vehicles, some of which are and others which are not registered under the Investment Company Act of 1940, as amended (the "Investment Company Act"), as well as institutional and ultra-high net worth investors. HFS manages investment vehicles pursuant to the applicable organizational documents, offering memorandum, and negotiated investment management agreements.

Additionally, HFS provides advisory services to affiliated entities, institutional entities, intermediary firms, family offices, and ultra-high net worth investors. These advisory relationships are governed according to negotiated investment advisory agreements. The investment advisory agreements are based upon the respective advisory clients' objectives determined following discussions with each advisory client or their representatives. These discussions ordinarily include, among other things, topics such as investment strategies, investment program, time horizon, risk tolerance and liquidity needs. Using this information, HFS attempts to develop an investment profile and provide advice that it reasonably believes will achieve such investment objectives. Advisory clients may impose reasonable and agreed upon restrictions on certain investments.

Although HFS provides investment advice regarding investments in privately placed pooled investment vehicles, investment advice is not limited to any specific product or security type and may include, but not limited to, advice regarding the following securities: all types of fixed income, equity security, currency, loan, contract or derivative thereof, including, without limitation, notes, bonds, bank obligations, trade claims, swaps, including credit default swaps, and other notional principal contracts, common or preferred stock, equity indices, money market funds, exchange-traded funds and other investment funds, interests in partnerships, investments in real estate, oil and gas interests, contracts based on indices, and contracts that transfer risk, such as total return swaps, futures, options and forward contracts, which may be held for investment or hedging purposes.

C. Client Assets

As of December 31, 2020, HFS actively managed approximately USD 22.424 billion of clients' assets on a discretionary basis and approximately USD 15.499 billion of clients' assets on a non-discretionary basis (includes assets that are discretionary to UBS affiliates).

Item 5 Fees and Compensation

As compensation for its advisory services, HFS generally receives management fees equal to a percentage of the net assets advised. Generally, these are determined monthly and are paid monthly or quarterly in arrears. In some cases, HFS receives a fixed fee for advisory services. These fees are negotiated on a client by client basis and based in part on the size and scope of the advisory relationship.

HFS may receive a performance-based fee (or allocation), based on a percentage of profits earned within the applicable determination period (typically over a month, quarter or year). Performance based fees generally are subject to a "high water mark" such that no fee is paid until prior investment losses are recouped. These performance based fees (or allocations) are negotiated on a client by client basis. Any performance based fees (or allocations) are structured in compliance with the Investment Advisers Act of 1940, as amended (the "Advisers Act").

In addition to asset and performance based fees or allocations, HFS's clients will also bear, directly or indirectly: (i) investment-related expenses (e.g., placement fees, interest on indebtedness, custodial fees, bank service fees, bank charges, other expenses related to the purchase, sale or transmittal of fund investments, fees for market data services, software fees, professional fees (including, without limitation, expenses of consultants and experts who may be used to conduct due diligence, analyze or negotiate existing or potential investments in or redemptions from hedge funds); (ii) the due diligence, analysis, research and monitoring of hedge fund managers and hedge funds in which the fund invests or considers for investment, including the reasonable cost of due diligence-related travel (subject to UBS's internal travel policies which permit, under certain circumstances, business class); (iii) the costs of background checks on hedge fund managers; (iv) the cost of any operational due diligence conducted on hedge fund managers; (v) the cost of third parties that provide (a) investment analysis on hedge funds and hedge fund managers, (b) risk and performance related analytics utilized by HFS to assess hedge funds and hedge fund managers, (c) market data (e.g., Bloomberg terminals)); (vi) organizational expenses, legal, accounting, audit and tax preparation expenses, corporate licensing fees, and regulatory reporting expenses (including, but not limited to, expenses incurred in connection with complying with SEC, CFTC, BHCA and EU reporting obligations, as well as out-of-pocket costs of preparing regulatory filings, related to the hedge funds or the hedge fund managers) with respect to the underlying hedge funds; (vii) the management fees and the performance fees or allocations charged by underlying hedge funds; (viii) liability insurance premiums of the board of directors of the underlying hedge funds; (ix) fees and expenses, including travel, of the board of directors of the underlying hedge funds; (x) entity-level taxes, and (xi) expenses incurred in connection with the offer and sale of shares of the underlying hedge funds. The foregoing is not an exhaustive list of the expenses that client may incur. Further information with respect to expenses can be found in the applicable offering memorandum of the relevant hedge fund or negotiated advisory agreement.

Management fees, fixed fees, performance based fees (or allocations) may be reduced, waived or calculated differently with respect to certain clients and investors in the underlying hedge funds. As a general matter, fees payable to HFS will be deducted directly at a frequency disclosed in the applicable offering memorandum or negotiated advisory contract; however, there are cases where HFS invoices a client separately.

Item 6 Performance-Based Fees and Side-By-Side Management

Clients should be aware that performance-based fee (or allocation) arrangement may create an incentive for HFS to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. In addition, since the performance compensation will be calculated on a basis that includes unrealized appreciation of a hedge fund's net asset value, such compensation may be greater than if it were based solely on realized gains.

As disclosed in Item 5 above, some client accounts of HFS are not charged performance-based fees. Accordingly, there may be an incentive for HFS to favor funds and client accounts that pay performance-fees over those that do not because HFS may receive higher fees from funds and clients that pay performance-based fees. Accordingly, conflicts of interest can arise when managing funds and client accounts that pay different types and levels of fees. HFS seeks to resolve these potential conflicts of interest by implementing appropriate conflict mitigation processes.

Additionally, HFS has a trade allocation policy, monitored by its compliance department, which seeks to allocate, to the extent possible, investment opportunities over a period of time on a fair and equitable basis to all funds and client accounts advised by HFS. Furthermore, certain funds and client accounts are subject to legal/regulatory restrictions that other funds and client accounts are not and this may have an impact on the manner in which some securities are allocated.

Item 7 Types of Clients

HFS provides services to various types of clients which may include, but not limited to:

- Pension and profit sharing plans (other than plan participants);
- Corporations or other businesses;
- State or municipal government entities;
- Investment companies;
- High net worth individuals;
- Other pooled investment vehicles (e.g., fund-of-funds); and
- Sovereign wealth funds.

HFS requires a client to fund a separate account with at least USD 50,000,000; however, this minimum is negotiable based on the nature of the services to be provided and/or such client's overall relationship with HFS and/or one of its affiliates. Investment in a HFS fund is not subject to the foregoing minimum; instead, it is subject to the minimum amount specified in the offering document for such fund.

ERISA Clients

HFS provides investment management services to ERISA plan clients and may rely on Prohibited Transaction Exemption 84-14 (the "QPAM exemption"). To the extent HFS relies on the QPAM exemption, it must also comply with individual Prohibited Transaction Exemptions (PTE 2017-07 or PTE 2020-01, as applicable) issued by the Department of Labor, requiring HFS to maintain, implement and follow written policies and procedures. ERISA plan clients have a right to obtain a copy of the written policies and procedures developed in connection with the individual Prohibited Transaction Exemptions.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

Method of Analysis

We believe in an active approach, supported by an investment team with extensive experience as direct risk-takers (at hedge funds or proprietary trading desks) and hedge fund investors. This real world experience enhances our ability to vet market opportunities, differentiate between managers and monitor current investment holdings. Primarily, we are active managers of active managers and rely heavily on proprietary evaluation of underlying strategies to support our allocation decisions.

In addition to investments, we believe focusing on investor advocacy, governance and operational due diligence results in advantageous terms and protection of capital. Fees are a focus and we seek to use our scale as a large investor to reduce fees we pay to underlying sub-funds whenever possible. Ultimately, we believe hedge fund fees are a function of two factors: (i) supply and demand for hedge fund capacity; (ii) the ability of a manager to generate sustainable alpha. HFS seeks to ensure the fees our products pay are commensurate with the aforementioned factors.

From a top-down perspective, our goal is to build robust hedge fund portfolios seeking to (i) preserve capital and (ii) generating positive risk adjusted returns across varying capital market environments and macroeconomic regimes. In order to do so, we believe it is essential to have a deep understanding of the drivers of risk and return, as well as a command of the broader capital markets. Understanding a strategy's source of alpha (be it idiosyncratic, carry/yield, liquidity driven and/or directional in nature) as well as the causal factors behind how various strategies perform and correlate to each other and to the markets in varying economic environments, is key to constructing robust hedge fund portfolios.

From a bottom-up perspective, the manager selection process is forward-looking, and an emphasis is placed on the qualitative attributes of successful managers rather than simply on their historical track records. A combination of onsite and offsite due diligence is conducted to ascertain a manager's investment acumen under varying market conditions as well as the manager's ability to run an investment business. The due diligence is designed to evaluate the manager's investment methodology and execution, portfolio management and risk control, and operations and infrastructure. The goal is to identify the differentiating factors that give the manager a sustainable investment edge in seeking to generate superior risk-adjusted returns over time.

Investment research is organized by “Strategy Teams” based on specialist knowledge / skill sets. Each Strategy Team has two core responsibilities: (i) manager research / monitoring and (ii) strategy research. Strategy Team research is a key input for the portfolio management process. Responsibilities are delegated by skill set and seniority.

In addition to investment research and portfolio management professionals, the investment team also includes individuals focused on other investment-related functions. These areas include:

- Operational Due Diligence
- Investment Risk
- Investment Structuring and Client Advocacy
- Client-facing portfolio specialists

The portfolio management process is led by our Chief Investment Officer (“CIO”). The CIO is supported by senior investment professionals and the investment risk team with oversight from compliance and market risk control. Portfolios leverage the research of global strategy teams and incorporate both the top down strategy views, and bottom-up manager views. Additional consideration is given to operational due diligence, corporate governance and client advocacy.

Investment Strategies

HFS employs a number of investment strategies in connection with investment management services it provides to its clients. HFS’s clients should carefully read the relevant offering memorandum or negotiated advisory agreements for specific information applicable to that investment to ensure that the investment is appropriate considering, among other considerations, their own investment objectives, risk tolerance, and time horizons. When managing funds and client accounts, HFS will principally use one or more of the following strategies:

Equity Hedged

Equity Hedged managers generally use fundamental analysis to invest in publicly traded equities and seek to generate alpha through superior security selection. Portfolio construction is driven primarily by bottom-up fundamental research; top-town analysis may also be applied. Sub-strategies include: Fundamental, Equity Event, and Opportunistic Trading.

HFS as a Submanager to implement a direct trading strategy

HFS allocates a portion of the fund's assets to one or more portfolio funds for which HFS implements a direct trading strategy as a sub-manager.

Direct investing within Equity Hedged

One of the direct trading sub-strategies is the Metric Fundamental strategy and commenced trading in June 2017. The objective of the Metric Fundamental strategy is to trade a securities portfolio that replicates the aggregate performance characteristics of a portfolio of equity securities held by a select number of sub-managers which have listed them on their respective filings under SEC Form 13F. HFS will not receive any compensation with respect to investments in portfolio funds for which HFS implements the Metric Fundamental strategy.

Other Direct Trading

HFS may pursue a number of different categories of trades as a submanager, including with respect to the categories listed below, although there can be no certainty that any particular category of trade will be effected at any particular time or that HFS will, or will not, effect multiple trades in several categories essentially simultaneously. HFS may pursue additional categories, or sub-categories, of trades at any time in the future. HFS initiated trades may be effected directly or indirectly, through synthetic instruments, depending on HFS's views as to the most optimal trade construction.

Representative sub-manager Trades. Trades in this category are often consensus or ubiquitous trades.

Macro Trades. Macro trades often emanate from HFS's general outlook on markets and/or from collaborative discussions with sub-managers pursuing "Trading" strategies (i.e., discretionary and systematic macro, or global macro, strategies).

Primary and Secondary Issuances. HFS may have the opportunity to participate in allocations of shares to be priced and sold in initial public offerings (IPOs) as well as to participate in secondary offerings of public issuers in both the equity and debt markets.

Trading

Trading strategies are generally top-down in nature and often driven by economic and macroeconomic research. These strategies may utilize financial instruments, such as foreign exchange, equities, rates, sovereign debt, currencies, and commodities to express a manager's view. In executing different approaches, managers may use either fundamental or quantitative models or a combination of both. Sub-strategies include: Systematic, Discretionary (previously known as Global Macro) and Commodities.

Relative Value

Relative Value is a broad category, generally encompassing strategies that are non-directional and often quantitatively driven. Managers in this strategy typically use arbitrage to exploit mispricings and other opportunities in various asset classes, geographies, and time horizons. Managers frequently focus on capturing the spread between two assets, while maintaining neutrality to other factors, for example to geography, changes in interest rates, equity market movement, and currencies, to name a few examples. Sub-strategies include: Fixed Income Relative Value, Agency MBS, Quantitative Equity, Cap Structure/Vol Arb, and Merger Arbitrage.

Credit/Income

In Credit/Income strategies, managers utilize credit analysis to evaluate potential investments and use debt or debt-linked instruments to execute their investment theses. Their approach can be either fundamental, quantitative, or a combination of both. Sub-strategies include: Distressed, Corporate Long/Short, Asset-Backed (previously known as Structured Products), Reinsurance/insurance linked Securities ("ILS") (previously known as Reinsurance), collateralized loan obligation ("CLO")/Corporate Lending (part of Structured Products prior to January 2016), and Other Income (previously known as Other).

Other

This category contains investment approaches that are outside of the mainstream hedge fund strategies (Equity Hedged, Credit/Income, Relative Value, and Trading). The category includes niche investment approaches. Money Market funds and cash strategies are also included in this category, as are Liquidating/Side Pockets.

Risk Parity

Risk Parity generally focuses on the passive allocation of risk, rather than of capital, in an attempt to provide a higher Sharpe ratio alternative to the traditional 60% stock / 40% bond portfolio through the use of a wider range of uncorrelated assets, low leverage, and low equity risk. Please note, while an alternative to traditional asset allocation, Risk Parity is not a hedge fund Strategy.

Private Credit

Private Credit strategies encompass opportunities across a broad array of sectors within the debt markets (for example, Residential Real Estate, Commercial Real Estate, Corporate Credit, Collateralized Loan Obligations, and Asset Backed). Managers generally apply in-depth fundamental credit, capital structure, and event analysis to individual investment opportunities. The strategy is frequently accessed through drawdown structures, similar to Private Equity vehicles. Sub-strategies include: Performing and Distressed.

The description of services offered as well as strategies or securities used by HFS on behalf of its clients should not be understood to limit or constrain HFS's investment activities. HFS remains free to offer any advisory services, engage in any investment strategy and make any investment that HFS considers appropriate, subject to HFS's clients objectives and guidelines. The investment strategies HFS pursues are speculative and entail substantial risk. There can be no assurance that any of HFS's clients will achieve their investment objectives; therefore, such activities could result in a substantial loss of capital.

Material Risks

All investments carry a certain amount of risk and a client may lose money by investing funds or accounts managed by HFS. HFS cannot guarantee that it will achieve its clients' investment objectives. Below is a summary of certain risks that may be associated with such an investment. This list of risk factors is not a complete enumeration or explanation of the risks involved in an investment. Clients should read this entire Brochure as well as the prospectus or offering documents or negotiated advisory agreement governing their investment. Clients should also consult with their own legal, financial, and tax advisors before deciding whether to invest in a strategy.

- **Management risk:** HFS's judgments about the fundamental value of securities or other factors showing the attractiveness of investments acquired for a portfolio may prove to be incorrect. In addition, HFS's judgments about asset allocations, exposure to foreign currencies and other macro-economic factors may prove to be incorrect.
- **Risk of loss:** Investing in securities involves risk of loss that clients should be prepared to bear. The investment decisions that HFS makes for a client are subject to various market,

currency, economic, political and business risks, and our investment decisions based on such factors will not always be profitable.

- **No guarantee of investment objectives:** HFS does not guarantee or warranty that a client's account will achieve its investment objectives, performance expectations, risk and/or return targets.
- **No government guarantee:** An investment in an account or fund managed by HFS is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.
- **No UBS Guarantee:** An investment in a fund managed by HFS are not deposits or other obligations of UBS AG or any other Bank, are not endorsed or guaranteed by UBS or any other Bank, are not insured by the Federal Deposit Insurance Corporation (FDIC) or any other Governmental Agency and involve investment risks, including loss of principal invested. Any losses in a fund managed by HFS will be borne solely by investors in such fund and not by managed by HFS or its affiliates; therefore, managed by HFS's and its affiliates' losses in such fund will be limited to losses attributable to the ownership interests in the covered fund held by managed by HFS and its affiliates in their capacity as investors in such fund.
- **Personnel risk:** HFS generally utilizes a team approach to managing investment portfolios. However, certain strategies may be dependent upon the expertise of certain key personnel, and any future unavailability of their services could have an adverse impact on the performance of clients invested in such strategies.
- **Diversification and liquidity risk:** Unless otherwise agreed upon by a client and HFS, we will not be responsible for the client's overall diversification, asset allocation or liquidity needs. In addition, certain strategies pursued by HFS may be non-diversified and hold a low number of investments. An investment in a fund or account managed by HFS may require significant written prior notice and at predetermined intervals throughout the year meaning such an investment may not be suitable for someone who needs immediate liquidity associated with an investment. Additionally, investments in a fund or account may be subject to gates and other redemption restrictions which may restrict liquidity.
- **Tax risk:** Clients should consult their tax advisors regarding the tax consequences of their investments. HFS is not a tax advisor, although certain of its investment strategies may consider the potential tax implications of investment decision.
- **Risk of equity instruments:** For strategies investing in equity securities, there are various risks including, without limitation, the following:
 - The stock markets where a portfolio's investments are traded may shut down or otherwise become unavailable.
 - An adverse event, such as negative press reports about a company in the portfolio, may depress the value of the company's stock.

- Small to mid-capitalization companies may have less diversified product or service offerings and less liquidity in the markets which increases their volatility.
- **Risk of fixed income investments:** For strategies investing in fixed income securities, there are various risks including, without limitation, the following:
 - Interest rate risk: If interest rates rise, the prices of fixed income securities in the portfolio may fall, and the longer the maturity of a fixed income security, the greater its sensitivity to changes in interest rates.
 - Credit risk: The issuer may default on its obligation to pay principal or interest, may have its credit rating downgraded by a rating organization or may be perceived by the market to be less creditworthy. Lower-rated bonds are more likely to be subject to an issuer's default than investment grade (higher-rated) bonds. Lower-rated bonds may have less liquidity and be more difficult to value in declining markets.
 - Prepayment risk: If interest rates decline, the issuer of a security may exercise its right to prepay principal earlier than scheduled, forcing the account to reinvest in lower yielding securities.
 - Extension risk: If interest rates rise, the average life of securities backed by debt obligations is extended because of slower than expected payments. This will lock in a below-market interest rate, increase the security's duration and reduce the value of the security.
- **Foreign country and emerging market risks:** For strategies investing in foreign countries and emerging markets, there are various risks including, without limitation, the following:
 - Vulnerability to economic downturns and instability due to undiversified economies; trade imbalances; inadequate infrastructure; heavy debt loads and dependence on foreign capital inflows; governmental corruption and mismanagement of the economy; and difficulty in mobilizing political support for economic reforms.
 - Adverse governmental actions, such as nationalization or expropriation of property; confiscatory taxation; currency devaluations, interventions and controls; asset transfer restrictions; restrictions on investments by non-citizens; arbitrary administration of laws and regulations; and unilateral repudiation of sovereign debt.
 - Political and social instability, war and civil unrest.
 - Less liquid and efficient securities markets; higher transaction costs; settlement delays; lack of accurate publicly available information and uniform financial reporting and accounting standards; difficulty in pricing securities and monitoring corporate actions; and less effective governmental supervision.
 - Changes in foreign currency exchange rates and in exchange control regulations may adversely affect the value of securities denominated or traded in non-US currencies.

The risks described above are more severe for funds investing in emerging markets than for non-US developed markets.

- **Asset-backed and mortgage-backed securities risks:** Certain strategies may invest in securitized debt, including asset-backed securities ("ABS") and/or mortgage-backed

securities (“MBS”). The investment characteristics of MBS and ABS may differ from traditional debt securities in that interest and principal payments are made more frequently, principal may be prepaid at any time and a number of state and federal laws govern and may limit right to the underlying collateral.

- **Derivatives risks:** The use of derivatives involves risks which are different from the risks associated with investing directly in securities. The primary risks of loss associated with derivatives are (i) market risk – the risk that the market value of the investment will decline; (ii) credit risk – the risk that the counterparty to the transaction will default on its obligations; (iii) liquidity risk – the risk that the instrument will not be readily marketable; and (iv) valuation risk – the risk that the instrument may have only one pricing source. Additionally, investments in derivatives include the risk that changes in the value of a derivative may not correlate with the underlying asset, rate, index, or market. Gains or losses involving some options, futures and other derivatives may be substantial. While some derivatives strategies can reduce the risk of loss, the use of derivatives can also reduce the opportunity for gain or result in losses by offsetting favorable price movements in other investments. Derivatives may create leverage and may pose the risk of losing more than the amount invested.
- **Leverage risk:** Derivatives that involve leverage can result in losses to the client’s portfolio that exceeds the amount originally invested in the derivative instruments. Certain strategies may use derivatives or may borrow money and purchase investments in order to leverage or gear a client’s portfolio. If a client’s portfolio is levered and the investments decrease in value, the client’s losses will be greater than if the client’s portfolio was not leveraged. In addition, if the return on an investment purchased with borrowed funds is not sufficient to cover the cost of borrowing, then the net income of the client will be less than if borrowing were not used.
- **IPO risks:** The purchase of shares sold in initial public offerings (“IPOs”) may expose strategies to the risks associated with issuers that have no operating history as public companies, as well as potentially significant price fluctuations. Furthermore, there is no guarantee funds invested into by HFS will be allocated IPOs in the future.
- **Short sales risk:** Short sales involve the risk that the client will incur a loss by subsequently buying a security at a higher price than the price at which the client previously sold the security short. This would occur if the securities lender required the client to deliver the securities the client had borrowed at the commencement of the short sale and the client was unable to either purchase the security at a favorable price or to borrow the security from another securities lender. If this occurs at a time when other short sellers of the sale security also want to close out their positions, a “short squeeze” can occur. A short squeeze occurs when demand is greater than supply for the security sold short. Because the loss on a short sale arises from increases in the value of the security sold short, such loss is theoretically unlimited.
- **Non-publicly traded securities, private placements and restricted securities:** Investing in unregistered or unlisted securities may involve a high degree of business and financial risk that can result in substantial losses, due to the absence of a public trading market for these

securities and the absence of public disclosure and other investor protection requirements applicable if the securities were publicly traded.

- **Illiquid securities:** Certain strategies (e.g., multi-asset portfolios, private equity, real estate, infrastructure, etc.) may invest in illiquid assets, such as private equity, venture capital, real estate, infrastructure, etc. Exposure to an illiquid asset class will be made by purchasing interests in a privately offered pooled investment vehicle (“illiquid asset vehicle”). Investment in an illiquid asset vehicle poses similar risks as direct investments in illiquid securities. In addition, investment in an illiquid asset vehicle will be subject to the terms and conditions of the illiquid asset vehicle’s investment policy and governing documents which often include provisions that may involve investor lock-in periods, mandatory capital calls, redemption restrictions, infrequent valuation of assets, etc.
- **Investments in pooled investment funds:** To the extent a strategy invests in a pooled investment fund, there may be additional risks discussed in the fund’s offering documents or governing instruments which are not discussed in this Brochure. Prior to investing an account in a fund, HFS will assess whether it believes the investment is consistent with the client’s investment guidelines as well as applicable law and regulation (e.g., Investment Company Act, ERISA, etc.). A client will generally bear, indirectly, fund investment expenses (e.g., brokerage commissions to execute portfolio trades, etc.) and operating costs (e.g., administration, custody, audit, etc.). When a client’s account invests into another fund, the client will normally bear, indirectly, fees paid by the fund to its investment manager.
- **Frequent trading:** Certain strategies may involve frequent trading of securities. Frequent trading can impact a portfolio’s investment performance due to increased brokerage and other transaction costs. For taxable clients, frequent trading may also result in short-term capital gains which are taxed at a higher rate than long-term capital gains.

For the Hedge Fund Solutions Direct Trading strategy, the following are additional Risk Factors:

- **Lack of Prior Performance.** HFS has very limited direct trading experience and limited experience implementing the direct trading strategy. The past performance of HFS and its investment professionals in implementing multi-manager investment programs on behalf of HFS clients is not indicative of the likely performance of the UBS Hedge Fund Solutions direct trading strategy.
- **Rules-Based Trading Strategy.** HFS’s investment and trading decisions for the Metric Fundamental strategy are not determined by an analysis of the issuers of the securities to which HFS seeks exposure through the Metric Fundamental strategy, or by an analysis of the price behavior of such securities, but by a set of rules developed by HFS which seek to produce a portfolio with the return characteristics of a portfolio of portfolio funds managed by third-party sub-managers. The success of the Metric Fundamental strategy will depend, in large part, on the sub-manager and equities selection criteria and rules developed by HFS which incorporate assumptions that could prove over time to be incorrect. For example, equity selection rules may assume the existence of relationships among various performance factors within an equity portfolio that appear to hold true (or did hold true in the past) but that

may not exist in the future or may not hold true in certain market conditions resulting in a failure of HFS to realize the objectives of its Metric Fundamental strategy. Additionally, the Metric Fundamental strategy is based on SEC filings from sub-managers which may reflect stale positions (currently, SEC Form 13F is filed 45 days after the end of a quarter) and therefore HFS will not know if the sub-managers still hold the same positions at the time HFS creates or rebalances its Metric Fundamental strategy portfolio.

- **Delegation to Affiliates of Certain Operations.** HFS will delegate to one or more of its affiliates certain operational functions related to trade execution, certain reporting, and the management of relationships with its clients' brokers and dealers in connection with its direct trading strategy, and HFS has no means by which to monitor directly or control the operational risks assumed in doing so.
- **Systems Risks.** HFS relies on service providers to maintain appropriate systems to facilitate their activities. HFS may rely extensively on computer programs and systems to trade, clear and settle securities transactions, to evaluate certain securities based on real-time trading information, to monitor a portfolio fund's portfolio and net capital, and to generate risk management and other reports that may be critical to oversight of a portfolio fund's activities. In addition, certain of HFS's operations may interface with or depend on systems operated by third parties, including prime brokers, securities exchanges and other types of trading systems, market counterparties, custodians and other service providers. HFS may not be in a position to verify the risks or reliability of such third-party systems. Furthermore, these programs or systems may be subject to defects, failures or interruptions, including, without limitation, those caused by computer "worms," viruses and power failures. Any such defect or failure could have a material adverse effect on a portfolio fund. For example, such failures could cause the settlement of trades to fail, lead to inaccurate accounting, recording or processing of trades, and cause inaccurate reports, which may affect HFS's ability to monitor a portfolio fund's investment portfolios and risks.
- **Selection of Brokers.** HFS may be subject to conflicts of interest relating to their selection of brokers. Portfolio transactions are typically allocated to brokers on the basis of, among other things, best execution and in consideration of a broker's ability to effect the transactions, its facilities, reliability and financial responsibility, as well as the provision or payment by the broker of the costs of research and research-related services. In addition, brokers may provide other services that are beneficial to HFS, but not necessarily beneficial to portfolio funds, including, without limitation, capital introduction, marketing assistance, consulting with respect to technology, operations or equipment, and other services or items.
- **Lack of, and Dependence on Sub-managers for, Information on Opportunistic Investments.** As part of its due diligence activities, HFS attempts to assess the investment potential and risks of opportunistic investments and relies upon the accuracy and completeness of information provided by sub-managers or other agents of the applicable portfolio funds. HFS cannot guarantee the accuracy or completeness of such information and any due diligence activities based on inaccurate or incomplete information may impede HFS's ability to identify, select and monitor opportunistic investments. Furthermore, in most cases, the fund is not provided with detailed position level information regarding the

investments or the risks related to an opportunistic investment because the sub-manager may consider such information to be proprietary or otherwise confidential. This lack of access to information may make certain quantitative or qualitative risk analyses by HFS less effective or impossible. HFS's approach to risk analysis varies from sub-manager to sub-manager depending upon a variety of factors, including, but not limited to, the information available regarding the sub-manager's investments, the sub-manager's historic performance, the knowledge and experience of the sub-manager's personnel and economic trends and conditions.

Item 9 Disciplinary Information

Neither HFS nor its management personnel have any reportable disciplinary events to disclose.

Item 10 Other Financial Industry Activities and Affiliations

In addition to being a SEC registered investment adviser, HFS is registered as a commodity pool operator ("CPO") and commodity trading advisor ("CTA") with the National Futures Association. Associated Persons (as defined by NFA) of HFS are also separately licensed to provide advice regarding investing in commodities and futures contracts. Although a separate license is required to provide advice with respect to investing in commodities and futures contracts, there is no separate or additional fee for these recommendations.

UBS AG is a global financial institution which provides financial services directly and through its divisions and subsidiaries. UBS AG's business divisions include Investment Bank (equity, derivative, fixed income sales and prime brokerage services), Asset Management (investment advisory and administration services) and Wealth Management and Swiss Banking (customized investment advisory services for high net worth clients).

Among UBS's direct and indirect affiliates and related persons are various broker-dealers, investment advisers and banking organizations. HFS has, and it anticipates it will continue to maintain, arrangements with UBS and its affiliates that are material to its business. In addition, HFS has service level agreements with UBS AG and its affiliates pursuant to which the affiliates provide certain services including, but not limited to: technology development services, technology production services, premises/corporate services, human resources services, financial control services, market risk services, legal services, compliance services, and equity trading support services.

HFS engages in a variety of transactions involving its affiliates that are members of the UBS's Asset Management Business Group and Wealth Management Business Group in connection with the marketing and distribution of its investment products and services. These affiliates are compensated for these activities by HFS.

UBS Business Solutions US LLC is an affiliate of UBS Group AG that provides certain services to UBS Group AG's affiliates and subsidiaries that operate in the United States. Services currently include Finance, Risk Control, Compliance, Legal, Human Resources, Technology and Operations.

HFS has entered into a sub-advisory agreement with UBS Asset Management affiliates globally to provide investment advice to certain HFS clients. These services may include sub-advisory services to some products managed by HFS for the purpose of (i) providing advice and services when requested by HFS regarding, without limitation, (A) alternative asset managers (“sub-managers”) and the funds they operate (“portfolio funds”) for investment (B) direct investments, and (C) any other authority delegated to HFS by the funds and (ii) when requested by HFS, making decisions regarding, without limitation, (A) the selection of sub-managers and portfolio funds for investment, (B) the selection of direct investments, and (C) any other authority delegated to HFS by the funds in accordance with the investment program described in the relevant confidential memoranda. Although HFS does not presently intend to do so, HFS may enter into one or more sub-investment advisory relationships with other affiliates of UBS AG to provide investment advice to HFS’s clients.

The transactions and portfolio strategies of HFS and its affiliates used for other investment funds or accounts could conflict with the transactions and investment strategies employed by HFS in managing its funds and adversely affect the prices and availability of the portfolio funds in which the funds may invest and/or the financial instruments in which the funds, portfolio funds or advisory clients invest or may seek to invest. HFS and its affiliates are not under any obligation to share any investment opportunity, idea or strategy with its funds or advisory clients. As a result, other clients and HFS’s affiliates may compete for appropriate investment opportunities. Certain conflicts of interest may also arise from the fact that the investment banking and corporate finance activities of HFS’s affiliates may restrict the ability to purchase or sell certain financial instruments under applicable law, regulations or internal policies imposed by UBS AG. HFS and its affiliates will not be obligated to divest their proprietary or other clients’ positions or refrain from engaging in any transactions in order to permit clients to make any particular investment. Additionally, HFS may manage investment funds that are predominantly owned or seeded by its affiliates, which may create an incentive for HFS to allocate investment opportunities to such investment funds over other investment funds or clients it manages with similar investment objectives. Such other investment funds and other clients, together may own sufficient units to influence votes at the funds level, and the interests of such funds and other clients may differ from those of other members.

As previously noted, HFS primarily invests in portfolio funds for other clients which includes funds that are registered under the Investment Company Act (each, a “Registered Investment Company”). The Investment Company Act imposes certain investment limitations on a Registered Fund which may impact the funds and other clients when they want to invest in the same portfolio fund. The Investment Company Act prohibits affiliated transactions which would occur if a Registered Fund along with other certain clients of HFS own (or are deemed to own) in aggregate 5% or more of the voting securities of a portfolio fund. Once this threshold is reached, such Registered Fund, the fund and other clients may have to waive voting rights in the portfolio fund so the Registered Fund can comply with the Investment Company Act. The Investment Company Act also limits the amount of total equity a Registered Fund along with other clients of HFS may hold in a portfolio fund and therefore potentially limit the amount a Registered Fund, the funds and other clients invest in such portfolio fund. Prior to waiving any voting rights in a portfolio fund invested by the funds, other clients and a Registered Fund, HFS will assess whether to waive voting rights to increase the size of the aggregate investments in such portfolio

fund. To the extent voting rights are waived, the funds will not be able to vote on matters which at times may be adverse to the funds interests.

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

HFS has adopted a code of ethics (the “Code”) which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

HFS and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code but to the general principles that guide the Code.

The Code includes policies and procedures for the review of initial and annual securities holdings reports that must be submitted by HFS’s access persons. Among other things, the Code also requires the prior approval of certain acquisitions and sales of securities within personal trading accounts. The Code also provides for oversight, enforcement and recordkeeping provisions.

The Code further includes HFS’s policy prohibiting the use of material non-public information. All employees are reminded that such information may not be used in a personal or professional capacity.

The Code has been designed to help mitigate risks due to actual or potential conflicts of interest to HFS’s clients. HFS has established these procedures to ensure that it complies with its regulatory obligations and provides its clients and potential clients with full and fair disclosure of such conflicts of interest. A copy of our Code is available to our clients and prospective clients. You may request a copy by email sent to frank.pluchino@ubs.com, or by calling Frank Pluchino at 203-719-7681.

Employees of HFS, subject to personal trading rules, may choose to personally invest, directly and indirectly, in certain, but not all, of the funds advised by HFS. It is not expected that employees will pay fees for investing in such products. If such investments are made, the size and nature of these investments will change over time. Employees are not required to keep any minimum investment in any of the funds managed by HFS.

Item 12 Brokerage Practices

HFS is not a broker/dealer in securities or foreign exchange; its US affiliates, UBS Financial Services, Inc., UBS Securities, Inc. and UBS Asset Management (US) Inc are registered broker dealers with FINRA. Additionally, HFS utilizes the services of a number of UBS’s subsidiary companies that act as broker/dealers in securities and foreign exchange.

HFS is primarily an allocator to other pooled investment vehicles. As a consequence, it is not typical for HFS to engage on a frequent basis in securities-type transactions with broker/dealers. However, we have launched a direct trading program in late 2019 where the services of a broker/dealer is required.

Clients must include any limitations on this discretionary authority in writing. Clients may change/amend these limitations as required. Such amendments must be provided to us in writing.

HFS does have any soft-dollar arrangements and but uses these soft dollars solely for research services.

As a matter of policy and practice, HFS does not generally block client trades; it implements client transactions separately for each account. HFS may give advice or take action with respect to any clients which may differ from the advice given or the timing or nature of any action taken with respect to investments to other clients. It is the policy of HFS to allocate, to the extent possible, investment opportunities over a period of time on a fair and equitable basis. In cases where an investment opportunity may be limited, priority may be granted to one client over another for a variety of reasons including, but not limited to, instances where the funds or other clients, as the case may be, are below their respective minimum investment allocations, have been waiting to invest in a portfolio fund for more than a month, are making an initial investment in a portfolio fund or such an investment would have negative implications (legal or regulatory) on other funds/accounts managed by HFS. In circumstances when it is unsuitable, impractical or undesirable for investment opportunities to be allocated among the fund and other clients as described above, HFS will allocate such investment opportunities among the funds and other clients in a manner that HFS in its discretion determines is fair and equitable.

HFS has no obligation to invest in or withdraw from a portfolio fund for the funds or other clients even though HFS may invest in or withdraw from a portfolio fund for the accounts of its other clients if HFS believes in good faith that such transaction or investment would be unsuitable, impractical or undesirable. Likewise, an affiliated sub-manager will have no obligation to purchase, sell or exchange any financial instrument for an affiliated portfolio fund which the affiliated sub-manager may purchase, sell or exchange for the accounts of its other clients if the affiliated sub-manager believes in good faith that such transaction or investment would be unsuitable, impractical or undesirable for the affiliated portfolio fund.

The factors that HFS may consider in allocating investments among the funds and the other clients include, without limitation, the fund's or the other clients' investment strategies, concentrations and diversification within such entity's portfolios, tax and regulatory issues, the nature and size of existing portfolio holdings and cash positions, risk/return objectives and anticipated redemptions and subscriptions (liquidity). In certain circumstances, HFS may give special consideration if the funds or other clients has a substantial amount of available cash. With respect to new issues, HFS will determine whether the funds and any other clients are suitable and eligible to receive such issues taking into consideration the factors described above.

HFS may at times arrange transfers of interest in a portfolio fund from one Client to another (internally referred to as a "cross transaction"). Such transactions may be effected if HFS determines the transaction to be in the best interests of both Clients. Generally, the interest in a portfolio fund will be transferred at the NAV per share as of the close of the business day preceding the effective date of the transfer provided by the portfolio fund. HFS will not charge any fees to effect a cross transaction and any expenses incurred in the cross transaction will be allocated equitably between the transferee and the transferor. Notwithstanding the foregoing,

HFS may have a potentially conflicting division of loyalties and responsibilities with respect to both parties to such transactions.

Although HFS employees exercise due care in making and implementing investment decisions, HFS may, from time to time, make errors with respect to trades made on behalf its funds or clients. Trade errors can occur in connections with (i) the placement of orders (either purchases or sales) in excess of or less than the intended amount, (ii) the sale/purchase of the a security where the intent was to purchase/sell, (iii) the purchase or sale of the wrong security, or (iv) miscommunication among employees. The foregoing is not an exhaustive list.

As a general matter, if HFS commits a trade error that results in a net loss for a fund or a client, HFS will credit an amount equal to the net loss to that fund or client as soon as reasonably practical considering all relevant facts, which may include internal approvals. To the extent a net loss is caused by the mistake of a third party (such as a broker or other service provider), HFS will endeavor to recover such amounts from the responsible party.

Notwithstanding the foregoing, HFS has full discretion to resolve a particular trade error in a manner other than specified above after a complete investigation and evaluation of the circumstances surrounding the event.

With respect to the Direct Trading strategy:

Best Execution. When selecting brokers and dealers to execute transactions, HFS seeks to obtain best execution and may consider the following factors such as a broker's or dealer's willingness to commit capital, financial stability, systems including electronic trading systems, facilities and recordkeeping, proprietary research and experience in the handling of similar transactions (based on size, market conditions and type of security, among other factors). HFS may consider a broker or dealer's relative performance on industry surveys and studies of execution quality. In connection with HFS's policy to seek best execution, there may be occasions where HFS uses a broker or dealer that charges a higher transaction price if HFS determines in good faith that the amount of such cost is reasonable in relation to the value of the product and/or service provided by the executing broker or dealer. As a result of considering these factors, HFS may pay a broker or dealer a higher transaction price than the amount that would be charged by another broker or dealer to execute the same transaction.

Item 13 Review of Accounts

Each month or more frequently, all accounts are reviewed by HFS's portfolio management process which is led by our CIO. The CIO is supported by senior investment professionals and the investment risk team with oversight from compliance and market risk control.

All portfolios are also monitored by the Quantitative Strategies and Risk Team, Risk Control, Operations & Product Control, and Compliance, on a monthly basis in an attempt to ensure that each specific client investment guideline and limits are being met. Dedicated Portfolio Specialists are also assigned to each portfolio to provide assistance with monitoring and coordination with clients.

The “Review Committee” was established to serve as a final control for investment-related functions. The Review Committee reviews and approves the monthly trade blotter and open corporate actions. Members of the Review Committee include the CIO, Director of Portfolio Management, Director of Research, Regional Heads, Investment Risk, Investment Structuring and Operational Due Diligence (“OpDD”), Portfolio Specialists Group (“PSG”), General Counsel, Chief Compliance Officer, Product Control and Investment Operations. The Review Committee reviews month-end trade processes, the approval of new managers, pending open issues or risks, and various business topics. The CIO and Head of Investment Structuring and Operational Due Diligence (or an appointed delegate) have the ability to veto fund approvals and portfolio decisions.

With respect to the Direct Trading strategy, please refer to Item 8 for an overview of this program. On a periodic basis, HFS will rebalance the direct trading portfolio and may elect to add or remove positions, or adjust gross and net exposures in accordance with predetermined beta and volatility targets, or adjust the portfolio in response to current market conditions or to express a sector or style bias, by adjusting the portfolio parameters of HFS’s rule-based selection methodology.

The Direct Trading strategy is speculative and entails substantial risks. Additionally for the "Metric Fundamental" replication strategy there can be no assurance that HFS will achieve its objective to deliver a positive relative return versus traditional US Equity Long Short strategy benchmarks over a three to five year timeframe or not incur losses.

Several methods of communication are used with clients, such as direct email, phone conversations, in-person meetings and updates via the HFS website (<https://neo.ubs.net/am/home>). Note: Certain investors in our commingled products which are not registered with the SEC and other products subject to other regulatory requirements (e.g., UCIT compliant funds) may receive additional reporting, and thus, may receive more information than other investors in the respective fund. The decision to provide additional information is determined on a case by case basis. Below please find a list of standard reports available to clients:

Monthly Report

The report includes a commentary on recent performance, transparency on managers within the portfolio, information relating to the portfolio’s overall strategy and sub-strategy, and performance/statistical analysis.

Strategy and Exposure Report

Strategy and exposure reports provide quantitative details, dissecting the portfolio into several components including strategy, geographic, sector and exposure levels.

Quarterly Risk Report

This comprehensive report is available 45-days after quarter-end and covers numerous types of portfolio and manager-level analysis. Some examples (not an exhaustive list) of analyses included in the report:

- Historical strategy risk allocation
- Performance-based statistics
- Value at Risk (VaR) and Risk Contribution
- Leverage
- Liquidity
- Drawdown
- Beta
- Correlation
- Equity Hedged Portfolio Analysis - “Value Add”

Quarterly Hedge Fund Strategy Review and Outlook

For this quarterly report, the HFS investment team highlights the drivers of each hedge fund strategy’s current opportunity. It also includes HFS’s outlook for the upcoming quarter.

As it relates to product reviews, annual audits of the products’ financial statements are completed each year by Public Company Accounting Oversight Board (“PCAOB”) registered accounting Firm and are provided to investors.

Item 14 Client Referrals and Other Compensation

Funds managed by HFS may occasionally receive rebates from underlying funds in which they invest. Any rebate received will be placed into the affected client accounts. HFS may therefore receive a benefit in the form of management fees charged to the funds on the resulting higher asset base. HFS may also receive a benefit on the incentive side because the expenses to the hedge fund are less, resulting in better gross performance.

HFS has a policy in regard to the compensation of solicitors for new business as well as pay distributors a portion of any fees designed to comport with the Advisers Act.

Item 15 Custody

HFS does not maintain physical custody of any client assets as all of our clients’ assets are maintained by qualified custodians. The term custody, however, is broadly defined by the SEC, and HFS’s affiliates perform certain activities that may result in HFS being deemed to have custody pursuant to Rule 206(4)-2 under the Advisers Act.

An independent public accounting firm subject to inspection by the PCAOB audits the financial statements of certain of our investment vehicles and audited annual financial statements of these vehicles are distributed to their investors within 120 days of the accounts fiscal year end with the exception of fund of funds accounts which are distributed to investors within 180 days of the accounts’ fiscal year end

Item 16 Investment Discretion

In accounts where HFS has investment discretion, HFS will make investment related decisions without consulting the client, which decisions involve determinations regarding which securities are bought and sold for the account and the total amount of securities to be bought and sold.

HFS's discretionary authority in making investment related decisions may be limited by account guidelines, investment objectives and trading restrictions, as agreed between HFS and the client.

Item 17 Voting Client Securities

As noted above, HFS is primarily an allocator to other pooled investment vehicles. When possible, we allocate to non-voting share classes. However, where HFS has voting rights, the general policy is to vote proxy proposals, amendments, consents or resolutions relating to client securities, including interests in private investment funds, if any, (collectively, "proxies"), in a manner that serves the best interests of the clients managed by HFS, as determined by HFS in its discretion, taking into account relevant factors, including, but not limited to:

- the anticipated costs and benefits associated with the proposal;
- the effect on liquidity;
- impact on redemption or withdrawal rights;
- the continued or increased availability of portfolio information;
- customary industry and business practices; and
- the impact on the value of securities.

At times, conflicts may arise between the interests of the client, on the one hand, and the interests of HFS or its affiliates, on the other hand. If HFS determines that it has, or may be perceived to have, a conflict of interest when voting a proxy, HFS will address matters involving such conflicts of interest as follows:

- if a proposal is addressed by the specific policies herein, HFS will vote in accordance with such policies;
- if HFS believes it is in the best interest of the client to depart from the specific policies provided for herein, HFS will be subject to the requirements below, as applicable; and
- if the proxy proposal is (i) not addressed by the specific policies or (ii) requires a case-by-case determination by HFS, HFS may vote such proxy as it determines to be in the best interest of the client, without taking any action as described below, provided that such vote would be against HFS's own interest in the matter (i.e., against the perceived or actual conflict). HFS will memorialize the rationale for voting in writing.

HFS retains all proxy voting books and records for the requisite period of time, including a copy of each proxy statement received, a record of each vote cast, a copy of any document created by us that was material to making a decision how to vote proxies, and a copy of each written client request for information on how the adviser voted proxies.

Clients may obtain a copy of our complete proxy voting policies and procedures by contacting Frank Pluchino by telephone, email, or in writing. Clients may request, in writing, information on how proxies for his/her shares were voted.

Item 18 Financial Information

Under no circumstances do we require or solicit payment of fees in excess of USD 1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

As an advisor, HFS is required to disclose that it has no financial condition that is reasonably likely to impair our ability to meet our contractual obligations. HFS has not been the subject of a bankruptcy petition at any time during the past ten years.