

March 31 2021  
SEC File number 801-7163

Retirement Plan Consulting Program:  
– Retirement Plan Consulting Services Program (RPCS)

Retirement Plan Guided Solutions Programs:  
– Retirement Plan Advisor Program (RPA)  
– Retirement Plan Manager Program (RPM)

**This brochure provides information about the qualifications and business practices of UBS Financial Services Inc. and our Retirement Plan Consulting Services Program and Retirement Plan Guided Solutions Programs that you should consider before becoming a client of either Program.**

**If you have any questions about the content of this brochure, please contact us at 888-526-7454. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about UBS Financial Services Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](https://www.adviserinfo.sec.gov).**

**Please note that registration as an investment adviser does not imply a particular level of skill or training.**

**This Form ADV Disclosure Brochure applies to the Retirement Plan Consulting Services Program, Retirement Plan Advisor Program, and Retirement Plan Manager Program at UBS Financial Services Inc. We will not provide another copy of the Form ADV Disclosure Brochure during your program engagement unless there are material changes to the document we originally provided to you. Annually we will provide you with a copy of our updated Form ADV Disclosure Brochure or a summary of material changes from the brochure previously provided to you. The brochure is also available at [ubs.com/us/en/wealth/misc/AccountDisclosures.html](https://ubs.com/us/en/wealth/misc/AccountDisclosures.html).**

**Please retain this document for future references as it contains important information about our Retirement Plan Consulting and Retirement Plan Guided Solutions Programs. You may obtain a copy of the current Form ADV Disclosure at any time by contacting your Financial Advisor.**

## **Item 2. Material changes**

This section describes the material changes to our UBS Retirement Plan Consulting Services Program and Retirement Plan Guided Solutions Programs Form ADV Disclosure Brochure since the last amendment of our Form ADV on March 30, 2020.

### **Item 4 (Advisory Business), Section B.2 — Retirement Plan Investment Consulting**

This section has been updated to note additional education services that we can provide. Specifically, we can also evaluate an entity's existing education program for plan participants or employees and recommend strategies for improving education and participation in participant-directed retirement plans. We can work with your program provider to implement these strategies and to deliver materials.

### **Item 4 (Advisory Business), Section B.2,b – Retirement Plan Manager Program**

This section has been updated to reflect the following change to our Retirement Plan manager Program:

Effective on or about April 30, 2021, UBS Financial Services Inc. (UBS FSI) entered into a sub-advisory agreement with its affiliate, UBS Asset Management (Americas) Inc. ("UBS Asset Management") pursuant to which UBS-FS has delegated to UBS Asset Management the role of discretionary investment manager. Pursuant to that agreement, UBS Asset Management will exercise discretion over the selection, review and removal or replacement of investment options on the investment menu for each Plan. This means that on and after the effective date, the UBS FSI Investment Management Investment Committee ("IMIC") will discontinue its discretionary role with respect to the Retirement Plan Manager Program and will be replaced by UBS Asset Management.

Other references to IMIC and/or UBS Asset Management found elsewhere in the brochure have been modified to account for the delegation.

Please note: If your plan is enrolled in Retirement Plan Manager, you will receive the UBS Asset Management Form ADV Part 2A, Firm Brochure.

### **Item 5 (Fees and Compensation), Section A.2 – Retirement Plan Guided Solution Program Fees**

This section has been modified to note that UBS Financial Services will pay UBS Asset Management for its sub-advisory services in the Retirement Plan Manager Program from its own resources. Clients will not pay a separate investment management fee to UBS Asset Management.

### **Item 7 (Types of Clients), Section A. – Type of Clients**

This section has been modified to include plans in both the RPM and RPCS Programs that are participating in pooled employer plans, as that term is defined in ERISA or in some other collective group of plans as types of clients in the RPCS and RPM Programs.

### **Item 9 (Additional Information), Section B – Disciplinary History**

This section has been updated to add the following:

Date of Action: July 20, 2020

Entity: UBS Financial Services Inc.

Brought By: Securities and Exchange Commission

The SEC issued an order finding that UBS violated MSRB Rules G-11(k), G-17, G-27 and Section 15B(c)(1) of the Exchange Act between August 2012 and June 2016. The SEC alleged UBS did not comply with certain retail order period restrictions in new issue municipal bond offerings it distributed by allocating bonds intended for retail customers to certain customers, who immediately resold or "flipped" the bonds to other broker-dealers at a profit. The Order also found UBS, through certain registered representatives, improperly obtained negotiated new issue bonds for UBS's inventory by placing indications of interest with the flippers who then placed customer orders with the underwriting syndicate, instead of UBS submitting dealer orders directly with the syndicate on its own behalf. This practice was

found to have circumvented the priority of orders and given UBS access to a higher priority in the bond allocation process than it typically would have had.

Disposition: Cease and Desist; Censure; disgorgement of \$6,740,000, prejudgment interest of \$1,549,336, and a civil penalty in the amount of \$1,750,000 for a total of 10,039,336. This section describes the material changes to our Retirement Plan Consulting Services and Retirement Plan Guided Solutions business since the last amendment of our Form ADV on March 30, 2020.

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## References in this brochure to:

- **“AAC”** means the Firm’s Asset Allocation Committee responsible for establishing strategic asset allocations within the Risk-Based Model Portfolios and Target Date Model Portfolios for use in the RPCS Program.
- **“Affiliates”** or **“affiliates”** means any and all entities that, either directly or indirectly, control, are controlled by, or are under common control with, UBS Financial Services Inc.
- **“Agreement”** or **“Program Agreement”** means the Retirement Plan Consulting Services Agreement, Retirement Plan Advisor Agreement, or Retirement Plan Manager Agreement, as applicable.
- **“AM”** or **“UBS Asset Management”** means UBS Asset Management (Americas) Inc., which will assume a sub-advisor role with respect to RPM on or about April 30, 2021.
- **“Eligible Investments”** means the investments that are permitted in each respective Program for which a review has been conducted by UBS and which are available on the client’s plan provider platform. For the Retirement Plan Consulting Services Program, Eligible Investments include mutual funds, exchange-traded funds (“ETFs”), stable value funds, collective investment funds (“CITs”) and insurance program separate accounts that have been reviewed by UBS and are available on the client’s plan provider platform. For the Retirement Plan Advisor Program, Eligible Investments are limited to mutual funds, stable value funds, CITs and insurance program separate accounts that have been reviewed by UBS and are available on the client’s plan provider platform. For the Retirement Plan Manager Program, Eligible Investments are limited to open-end mutual funds that have been reviewed by UBS and are available on the client’s plan provider platform.
- **“ERISA”** is the Employee Retirement Income Security Act of 1974, as amended.
- **“Financial Advisor”** refers to the UBS Financial Advisor that provides services under the Programs. Financial Advisors provide other services to UBS clients outside of the Programs, including other advisory offerings and brokerage services.
- **“HSA Platform”** or **“Health Savings Account Investment Platform”** means an investment platform offered by an employer in conjunction with a company’s health care plan that allows employees to invest the funds in their individual health saving accounts.
- **“IMIC”** or **“Investment Management Investment Committee”** means the UBS committee of investment professionals in the Investment Management division of UBS’s Managed Solutions and Portfolio Guidance Group responsible for discretionary management of the Retirement Plan Manager investment menu. On or about April 30, 2021, the function of IMIC will be delegated to UBS Asset Management.
- **“IRPC”** or **“Institutional and Retirement Plan Consulting Investment Committee”** means the UBS committee of investment professionals and program management from the Investment Management Research group of UBS’s Investment Management division and the Workplace Wealth Services business, both businesses of UBS Financial Services Inc., that are responsible for managing the RPA Approved List and designating the status, including “On Watch” status, of Eligible Investments within the RPA Program.
- **“Model Portfolios”** means the Risk-Based Models and Target Date Models offered in the RPCS Program.
- **“Plan”** or **“plan”** means: a defined contribution retirement plan for self-employed individuals, a defined contribution employee benefit plan subject to ERISA, a nonqualified retirement plan, or nonqualified health savings account investment platform, as applicable.
- **“Plan Provider”** or **“plan provider”** means the third-party service provider(s) you have engaged to provide record-keeping and/or custodial services for your Plan.
- **“Program”** or **“programs”** means the Retirement Plan Consulting Services Program, Retirement Plan Advisor, and Retirement Plan Manager Program described in this brochure, as applicable.
- **“Program Fee”** means the fee payable under the RPCS Program, RPA Program, or RPM Program, as applicable.
- **“RPA”, “RPA Program”, “Retirement Plan Advisor”** or **“Retirement Plan Advisor Program”** means the UBS Retirement Plan Advisor program described in this brochure which offers non-discretionary investment advisory services through a UBS Wealth Management Financial Advisor or Retirement Plan Consultant.
- **“RPA Advisor”** or **“RPA Financial Advisor”** means your UBS Wealth Management Financial Advisor or Retirement Plan Consultant for clients with an RPA Program Agreement.
- **“RPA Approved List”** means the list of Eligible Investments managed by the UBS Institutional and Retirement Plan Consulting Investment Committee that are approved for use within the RPA Program.
- **“RPA Program Agreement”** means any UBS Retirement Plan Advisor Agreement that covers the RPA Program.

- **“RPCS”, “RPCS Program”, “Retirement Plan Consulting Services”, or “Retirement Plan Consulting Services Program”** means the UBS Retirement Plan Consulting Services program described in this brochure which offers tailored retirement plan consulting and investment advisory services through a select group of RPCS Consultants.
- **“RPCS Consultant” or “Retirement Plan Consultant” or “RPC”** means your UBS Retirement Plan Consulting Services, Retirement Plan Advisor, or Retirement Plan Manager Financial Advisor that has satisfied firm requirements and received the firm designation of a Retirement Plan Consultant.
- **“RPCS Fee” or “Retirement Plan Consulting Services Program Fee”** means the fee payable for clients in the RPCS Program under a Retirement Plan Consulting Services Agreement, a Retirement Plan Consulting Services with Investment Menu Discretion Services Agreement, or a Retirement Plan Consulting Services with Discretionary Models Agreement, as applicable.
- **“RPCS Investment Discretion Services”** means Retirement Plan Consulting Services where your Retirement Plan Consultant exercises discretion over your plan’s investment menu and/or Model Portfolios.
- **“RPCS Program Agreement” or “Consulting Agreement”** means the Retirement Plan Consulting Services Agreement covering any of the RPCS services in this brochure.
- **“RPCS with Discretionary Models Agreement”** means the Retirement Plan Consulting Services Agreement that authorizes your RPCS Consultant to exercise discretion in managing the Risk-Based Models or Target Date Models offered to your plan.
- **“RPCS with Investment Menu Discretion Agreement”** means the Retirement Plan Consulting Services Agreement authorizing your RPC to exercise investment discretion over your plan’s investment menu.
- **“RPCS with Investment Menu Discretion Services” or “Investment Menu Discretion Services”** means Retirement Plan Consulting Services where your Retirement Plan Consultant exercises discretion over your plan’s investment menu.
- **“RPGS”, “RPGS Program”, “Retirement Plan Guided Solutions”, “Retirement Plan Guided Solutions Program” or “Guided Solutions Program”** means the UBS Retirement Plan Guided Solutions programs described in this brochure which offer investment advisory services and include the Retirement Plan Advisor Program and the Retirement Plan Manager Program.
- **“RPGS Fee” or “Retirement Plan Guided Solutions Fee”** means the fee payable for all clients in the RPA Program or RPM Program under a Retirement Plan Advisor Agreement or Retirement Plan Manager Agreement, as applicable.
- **“RPGS Financial Advisor”** means your UBS Wealth Management Financial Advisor or RPC for clients with an RPA Program Agreement or RPM Program Agreement, as applicable.
- **“RPM”, “RPM Program”, “Retirement Plan Manager”, or “Retirement Plan Manager Program”** means the UBS Retirement Plan Manager program described in this brochure which offers a mutual fund investment menu that is managed by the Firm on a discretionary basis.
- **“RPM Advisor” or “RPM Financial Advisor”** means your UBS Wealth Management Financial Advisor or Retirement Plan Consultant for clients with an RPM Program Agreement.
- **“RPM Investment Menu”** means the investment menu of mutual funds used in the RPM Program that is selected by UBS’s Investment Management Investment Committee and implemented for plans in the RPM Program.
- **“RPM Program Agreement”** means any UBS Retirement Plan Manager Agreement that covers the RPM Program.
- **“UBS” or “UBS Financial Services Inc.”**, unless otherwise noted, means UBS Financial Services Inc.
- **“We”, “Us”, or the “Firm”**, unless otherwise noted, refers to UBS Financial Services Inc.
- **“You” and “Your”** refer to the plan, plan sponsor, or employer as appropriate.

## About UBS Financial Services Inc

UBS Financial Services Inc. ("UBS") is one of the nation's leading securities firms, serving the investment and capital needs of individual, corporate and institutional clients. We are a member of all principal securities and commodities exchanges in the United States including the New York Stock Exchange ("NYSE"). Our parent company, UBS Group AG is a global, integrated investment services firm and one of the world's leading banks. We are registered to act as a broker-dealer, investment adviser, and futures commission merchant.

As a registered investment adviser, we complete Part I of Form ADV, which contains additional information about our business and our affiliates. This information is publicly available through our filings with the US Securities and Exchange Commission ("SEC") at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

This information is current as of the date of this brochure and is subject to change at our discretion.

## Conducting Business with UBS: important distinctions between brokerage and advisory services

As a wealth management firm providing services to clients in the United States, UBS Financial Services Inc. is registered with the US Securities and Exchange Commission (SEC) as a broker-dealer and an investment adviser, offering both investment advisory and brokerage services.<sup>1</sup>

Our clients work with their Financial Advisors to determine the services that are most appropriate given their financial goals and circumstances. Based on the services you request, we act in our capacity as an investment adviser, as a broker-dealer, or as both. Most of our Financial Advisors are qualified and licensed to provide both brokerage as well as investment advisory services.

You may obtain information about your Financial Advisor, their licenses, educational background, employment history, and if they have had any problems with regulators or received serious complaints from investors through the FINRA BrokerCheck service available from FINRA at <http://www.finra.org>, or from the Securities and Exchange Commission at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

In addition, some of our Financial Advisors hold educational credentials, such as the CERTIFIED FINANCIAL PLANNER™ (CFP®)<sup>2</sup> designation. Holding a professional designation typically indicates that the Financial Advisor has completed certain courses or continuing education. While a Financial Advisor's professional designation may impose obligations on the Financial Advisor, those obligations are separate from and do not apply to UBS. Similarly, such designations do not change the obligations of UBS as a firm in providing investment advisory or brokerage services to you.

**It is important to understand that investment advisory and brokerage services are separate and distinct and each is governed by different laws and separate arrangements that we may have with you. The specific services we provide, our relationship with you and our legal duties to you in each arrangement are described in our applicable contracts with you.**

This section summarizes the key distinctions between brokerage and investment advisory services and our respective duties and obligations. We encourage you to review this information carefully, along with your applicable contracts, and discuss it with your Financial Advisor.

## Our Services as an Investment Adviser and Relationship with You

**We believe that professional investment advisory programs can help investors pursue their investment objectives. However, the fees and expenses associated with advisory services may exceed those that apply to brokerage services. Advisory products are not for everyone. Please speak with your Financial Advisor for additional information.**

- In our capacity as an investment adviser, we offer a number of investment advisory services and programs, including fee-based financial planning, discretionary account management and non-discretionary investment advisory

<sup>1</sup> Examples of our advisory programs and services include our fee-based financial planning services and our ACCESS, Portfolio Management Program, Managed Accounts Consulting, UBS Consolidated Advisory Program, UBS Institutional Consulting, Retirement Plan Consulting Services Program, UBS Strategic Advisor, UBS Strategic Wealth Portfolio, and Personalized Asset Consulting and Evaluation (PACE) programs. Examples of our brokerage accounts include our Resource Management Account® and the International Resource Management Account.

<sup>2</sup> Certified Financial Planner Board of Standards Inc. owns the certification marks CFP®, CERTIFIED FINANCIAL PLANNER™ and federally registered CFP (with flame design) in the US, which it awards to individuals who successfully complete CFP Board's initial and ongoing certification requirements.



programs, and advice on the selection of investment managers, mutual funds, exchange-traded funds and other securities offered through our investment advisory programs.

- The fees for these services and programs are calculated as a percentage of assets in the account or a flat or annual fee and are charged on an ongoing basis.
- When we act as your investment adviser, we will enter into a written agreement with you expressly acknowledging our investment advisory relationship with you and describing our specific obligations to you. At the beginning of our advisory relationship, we provide this Form ADV brochure which provides detailed information about, among other things: the advisory services we provide; our fees, personnel, other business activities and financial industry affiliations; and conflicts between our interests and your interests.

### **Our Responsibilities to You as an Investment Adviser**

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

- **Disclose** all material facts, including conflicts between our interests and your interests, to you.
- **Inform** you if we or our affiliates receive additional compensation from you or a third-party as a result of our relationship with you.
- **Seek best execution:** where we direct trading of your security transactions.
- **Obtain your informed consent for principal trades and agency cross trades** after providing appropriate disclosure before engaging in transactions with you for our own account or that of an affiliate (principal trades) or where we or our affiliates act as broker for parties on both sides of the transactions.
- **Treat you and our other advisory clients fairly and equitably**, without unfairly favoring one client to the disadvantage of another.
- **Act in your best interest** based on our reasonable beliefs and in the event of a conflict of interest, place your interests before our own.
- **Make informed recommendations** that we reasonably determine are appropriate for you given your individual financial situation, investment objectives and goals and that are consistent with any restrictions you have placed on us.

When we provide investment advisory services, our fiduciary status under the federal retirement laws depends on the nature of the specific services we have agreed to provide to you. Please see your applicable agreement and related disclosures for more information.

### **Ongoing advice and monitoring**

If specified in your client agreement:

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

Termination of your advisory account or agreement will end our investment advisory fiduciary relationship with you as it pertains to the terminated account or services.

### **Conflict of interest—asset-based compensation**

- When we act as your investment adviser, we and our representatives earn more when you invest more in your advisory account, and we earn the same advisory fee rate regardless of how frequently you trade. We also receive payments from third parties, including the investment products in which you invest, and their sponsors. These third-party fees are disclosed in our Form ADV Brochure and the prospectus and other offering documents for the applicable investment products.
- This creates an incentive for us to recommend that you:
  - Increase the assets in your advisory accounts to increase our fees;
  - Invest in investment products that result in greater compensation to us (including products and services provided by us and our affiliates or those for which we receive a portion of product-level fees that you pay); and
  - Maintain cash balances in a sweep investment.

### **Conflict of Interest—principal trades and underwriting**

- We may trade with you for our own accounts—a practice known as **“principal trading.”** This means that we can buy investments from you, or sell them to you, including securities that we buy in bulk (or in an underwriting/IPO) and then distribute to individual investors. But, we can only do this upon **written disclosure and with your specific consent to each transaction.**
- When we trade on a principal basis, we earn compensation by marking up the price of securities we sell to you, or by marking down the price of securities we buy from you, and from discounts and selling concessions for underwritings and IPOs.

- This creates a UBS **firm-level incentive** to:
  - Offer securities that we have in inventory or where we are participating in an underwriting syndicate; and
  - Execute your trade against our proprietary accounts.

Types of securities commonly traded on a principal basis include stock, fixed income securities, IPOs, certain closed-end funds and municipal securities.

**By choosing an investment advisory program for your personal assets, you understand these conflicts and limitations and that you will pay a separate ongoing asset-based fee for our services. You also acknowledge that this Form ADV Disclosure Brochure and "Your Relationship with UBS" disclosure at [relationshipwithubs](#) contain more detailed discussions of these conflicts, compensation practices and limitations. The Form ADV Disclosure Brochures for all of our advisory programs can be found at [ubs.com/accountdisclosures](#). If you have any questions or concerns, please talk to your Financial Advisor.**

**If you do not want to pay for fee-based ongoing investment advice and monitoring through an investment advisory program, then consider opening a brokerage account with us instead.**

Termination of your advisory account or agreement will end our investment advisory fiduciary relationship with you as it pertains to the terminated account or services. **Our Services as a Broker-Dealer and Our Relationship with You**

**Although a brokerage relationship can be a cost-effective way of investing your assets, it is not for everyone. As a brokerage client, you need to understand and agree to our service limitation and conflicts.**

- In our capacity as a broker-dealer, we provide a variety of services relating to investments in securities, including investment research, trade execution and custody services. We may also make recommendations to you as a client about whether to buy, sell or hold securities. and/or access banking-related services such as credit cards, mortgages, credit lines and margin for your accounts. We do not make investment decisions for you or manage your accounts on a discretionary basis. We will only buy or sell securities for brokerage accounts based on specific directions from you.
- We receive **transaction-based compensation** for trades you decide to enter into, which includes commissions, administrative fees and compensation from third parties all of which are disclosed to you.
- Unlike how we charge for investment advisory services, **we do not charge or receive a separate fee for our advice or recommendations** and our recommendations are provided solely as incidental to our brokerage services.

#### **Our Responsibilities to You as a Broker-Dealer**

When UBS acts as a broker-dealer, including when we recommend securities transactions and/or banking-related services in your account, recommend that you enroll in an investment advisory program or make any recommendation on an account that has terminated investment advisory services, **UBS does not act as a "fiduciary" under the federal securities laws nor, as a registered investment adviser.**

When we act as your broker-dealer, we are subject to the Securities Exchange Act of 1934, the Securities Act of 1933, the rules of self-regulatory organizations such as the Financial Industry Regulatory Authority (FINRA), the rules of the New York Stock Exchange and applicable state laws. When you have a brokerage account with us, we have the following responsibilities:

- **Fairness obligation** - We have a duty to deal fairly with you. Consistent with our duty of fairness, we are obligated to make sure that the prices you receive when we execute transactions for you are reasonable and fair in light of prevailing market conditions and that the commissions and other fees we charge you are not excessive.
- **Seek best execution** - Where we direct trading, to seek best execution of your securities transactions.
- **Suitability:** We must have a reasonable basis for believing that any securities recommendations we make to you are suitable and appropriate for you, given your individual financial circumstances, needs and goals.
- **Best interest** - If you are an "individual wealth management client"<sup>3</sup> we must have a reasonable basis for believing that a recommendation of any securities transaction or investment strategy involving securities is in your best interest, without placing the financial or other interest of the firm or Financial Advisor ahead of your interests. As part of our best interest obligation, we must provide written full and fair disclosure of all material facts relating to the scope and terms of our relationship with you.
- **Principal Trading** - We are permitted to buy securities from you or sell securities to you from our (or our affiliates) own inventory, known as "principal trading" and earn a profit on those transactions. When we engage in principal

<sup>3</sup> "Individual Wealth Management Client" is a natural person or the legal representative of a natural person who receives a recommendation from UBS and uses it primarily for personal, family or household purposes.

trades, we disclose the capacity in which we acted on your confirmation, though we are not required to communicate this or obtain your consent in advance or to inform you of the profit earned on the trades. Absent special circumstances, we are not held to the same legal standards that apply when providing investment advisory services to you. Our legal obligations to disclose detailed information to you about the nature and scope of our business, personnel, fees, conflicts between our interests and your interests and other matters are more limited than when we are providing investment advisory services to you.

- **No Monitoring** - We have no duty to provide ongoing recommendations or monitor your investments. We are not obligated to provide recommendations to you, or to update recommendations made previously, and not doing so should not be viewed as a recommendation to hold an investment.
- **Your Responsibility** - You are responsible for independently ensuring that the investments in your accounts remain appropriate given your investment objective, risk tolerance, financial circumstances and investment needs.
- **Transaction-Based Compensation** - We receive transaction-based compensation for trades you decide to enter into, which includes commissions, administrative fees and compensation from third parties that are disclosed to you.
- **No Separate Fee For Advice** - Unlike how we charge for investment advisory services, we do not charge or receive a separate fee for our advice or recommendations and our recommendations are provided solely as incidental to our brokerage services.

#### **Conflict of Interest: Transaction Compensation**

- When we act as a broker-dealer, we are compensated by the **commissions and fees you pay us** as well as through **revenue we receive from third-parties** that often include the sponsors of investment products on our platform. Your Financial Advisor does not receive a portion of all of these amounts so that some conflicts apply at the Financial Advisor level and some apply only to UBS at the firm level.

**Financial Advisor Conflicts** include incentives to recommend:

- Investments that result in greater compensation.
- That you trade more frequently.

**UBS Firm-Level Conflicts** include incentives to:

- Offer products and services that we or our affiliates create.
- Offer products and services from companies that offer us revenue.
- Maintain a sweep program for uninvested cash balances using our affiliate bank or money market funds of our affiliates.
- Route trades to our affiliate for execution.

#### **Conflict of Interest: Principal Trades and Underwriting**

- We may trade with you for our own accounts. This means that we can buy investments from you, or sell them to you, including securities that we buy in bulk (or in an underwriting/Initial Public Offering (IPO)) and then distribute to individual investors.
- When we trade on a principal basis, we earn compensation by marking up the price of securities we sell to you, or by marking down the price of securities we buy from you, and from discounts and selling concessions for underwritings and IPOs.

This creates a UBS firm-level incentive to:

- Offer securities that we have in inventory or where we are participating in an underwriting syndicate; and
- Execute your trade against our proprietary accounts.

Types of securities commonly traded on a principal basis include stocks, fixed income securities, IPOs, certain closed-end funds and municipal securities.

**It is important to note that when we act as your broker-dealer, we are not held to the same legal standards that apply when providing investment advisory services. Our legal obligations to disclose detailed information to you about the nature and scope of our business, personnel, fees, conflicts between our interests and your interests and other matters are more limited than when we have a fiduciary relationship with you.**

#### **Item 4. Advisory Business**

This brochure describes our UBS Retirement Plan Consulting Services Program and UBS Retirement Plan Guided Solutions Programs which provide fee-based investment advisory services to participant-directed defined contribution

plans and other Plans, as further described below. We will acknowledge our status as a fiduciary under the Investment Advisers Act of 1940 for investment advice or selection services provided under the Programs. In addition, we will acknowledge our status as a fiduciary under Section 3(21) of ERISA for any investment consulting services, we provide to Plans covered by ERISA and we will acknowledge fiduciary status as an investment manager under Section 3(38) of ERISA where we provide discretionary services to Plans covered by ERISA.

## **A. Our Firm and Corporate Structure**

UBS Financial Services Inc. was organized as a Delaware corporation on June 30, 1969. UBS Financial Services Inc. became a registered investment adviser on January 22, 1971. It is a wholly owned subsidiary of UBS Americas Inc., a Delaware corporation. UBS Americas Inc. is a wholly owned subsidiary of UBS Americas Holding LLC, which in turn is a wholly owned subsidiary of UBS AG, a Swiss stock corporation whose business purpose is the operation of a bank, with a scope of operations extending to all types of banking, financial, advisory, trading and service activities in Switzerland and abroad. UBS AG is in turn a wholly owned subsidiary of UBS Group AG, the holding company of the UBS Group.

## **B. Our Advisory Services**

The UBS Retirement Plan Consulting Services Program and Retirement Plan Guided Solutions Programs are designed to provide advisory services to participant-directed defined contribution retirement plans and other Plans, as applicable. The ongoing advice you receive from your Financial Advisor and/or UBS is one of the key components and services provided.

The RPCS Program offers advisory and plan consulting services through a select group of specialist Financial Advisors (designated by the Firm as Retirement Plan Consultants and referred to as RPCs) who provide tailored consulting services as part of a Consulting Agreement based on the specific needs of the plan. The Retirement Plan Guided Solutions Programs offer investment advisory services through UBS Wealth Management Financial Advisors or RPCs in the Retirement Plan Advisor Program ("RPA") or the Retirement Plan Manager Program ("RPM"). The RPA Program offers non-discretionary investment advisory services, education, and administrative support from your Financial Advisor. The RPM Program offers discretionary and non-discretionary investment advisory services, including education and administrative support from your Financial Advisor and a program investment menu that is managed by the Firm on a discretionary basis. **There are important differences among these Programs in terms of services, structure and administration, and Program Fees. Please review this brochure carefully as you decide which program is appropriate for your investment needs.**

### **1. Retirement Plan Consulting Services**

The RPCS Program provides advisory and consulting services through designated Retirement Plan Consultants. The RPCS Program offers the following services depending on the needs and type of the Plan:

#### **Plan Program Consulting**

- **Plan Provider Search.** We can assist plan sponsors with third-party record-keeper searches. This service may include an analysis of your current program; development of criteria used in selecting service providers; and evaluation of proposals received from prospective service providers. Searches may include plan providers who are available through UBS Retirement Plan Guided Solutions as well as plan providers who are not, subject to review by UBS.
- **Conversion Assistance.** We can assist plan sponsors with conversion to a new record-keeper, which may include investment fund mapping and planning employee education strategies with respect to the conversion.
- **Fiduciary Support.** We can provide you with the UBS Defined Contribution Plan Fiduciary Kit, as well as periodic newsletters and/or whitepapers which address retirement plan issues for plan fiduciaries.
- **Plan Feature Review.** We can assist you in benchmarking and reviewing various plan features including determining whether they are meeting the needs of the plan and the plan participants.
- **Fee Analysis and Benchmarking.** We can assist you in conducting a benchmarking analysis of your plan's fees and, at your direction, will utilize data obtained from your plan provider.
- **Plan Program Liaison.** We can assist you in communicating with record-keepers and other third-party service providers regarding plan features, investments, services and fees.
- **Additional Consulting.** As agreed between us, we may also consult on matters related to news and developments in the capital markets and asset classes based on information generally available from us or our affiliates, or more specifically prepared for you based on publicly available information.

#### **Retirement Plan Investment Consulting**

- **Investment Policy Statement ("IPS") Assistance.** We can assist you in the development and preparation, as well as periodic review, of an Investment Policy Statement or investment selection and review criteria for investments on the plan investment menu. The IPS describes your overall investment objectives and guidelines and

outlines the criteria utilized to review the investments offered in the plan. Certain minimum investment selection and review criteria will be required in order to receive RPCS Investment Discretion Services.

- **Investment Searches** - We can identify Eligible Investments consistent with your IPS criteria, which are offered by the Firm or for which the Firm has conducted a review. While we will assist the plan in its review of available share classes and plan expenses, UBS will recommend that the plan select the lowest cost share class available.
- **Investment Reviews, Evaluation and Reporting** - We can provide a review of the performance of mutual funds and other Eligible Investments held within your plan and assist you in evaluating the type and number of investments offered to plan participants. Our review may include graphic and tabular presentations of performance, and risk/return analyses. When evaluating the performance of the funds available to the plan, we will review the funds' performance and not the specific investment performance of plan participant accounts.
- **Non-Discretionary Model Portfolio Service** - We can provide risk-based asset allocation advice using strategic risk-based model portfolios ("Risk-Based Models") established by the Firm's Asset Allocation Committee (the "AAC") and can identify those investment funds offered on the plan investment menu that are consistent with the asset class components of each of the Risk-Based Models. Changes made by the AAC to the Risk-Based Models will be communicated to you within a reasonable time period. You may request that UBS provide education to plan participants regarding the Risk-Based Models and risk tolerance through various approved educational pieces, however, any such education will neither constitute UBS providing investment advice to participants, exercising discretion, nor expanding its fiduciary responsibilities.

### **Employee Education Consulting**

We can evaluate the plan's existing education program and recommend strategies for improving participation and education. We can work with your plan provider to implement these strategies and to deliver materials. We can provide general investment education, which may include educational newsletters, seminars and other materials which have been reviewed and approved for use by our Firm. Any material provided is intended to help the recipients understand financial topics including investing, saving for retirement, distribution planning and retirement planning and transitioning to retirement. Topics are generic in nature and do not contain recommendations to invest in a particular security. We can also evaluate an entity's existing education program for plan participants or employees and recommend strategies for improving education and participation in participant-directed retirement plans. We can work with your program provider to implement these strategies and to deliver materials.

Where requested, employee education seminars can be the only service provided under our contract. The seminar subjects offered cover topics such as investing, saving for retirement, distribution planning and retirement planning and transitioning to retirement. Additional seminar subjects may be offered if available. Seminars offered are generic in nature and do not contain recommendations to invest in any particular security or strategy.

### **Discretionary Investment Services**

The below services are offered by a limited number of Senior Retirement Plan Consultants and are available only to clients who meet eligibility requirements. See Item 7.B.1 below, *Requirements for participation in the Programs*.

- **Discretionary Investment Selection and Replacement (Investment Menu Discretion)** If you select our RPCS with Investment Menu Discretion Services, your Senior Retirement Plan Consultant will exercise full discretion over the search, selection, review and replacement of investments on the plan investment menu and direct the plan provider to implement plan investment menu changes. Your Senior Retirement Plan Consultant will exercise discretion in a manner reasonably consistent with the plan's IPS, including any reasonable restrictions you may impose. Certain minimum investment selection and review criteria will be required in order to receive Investment Menu Discretion Services. Our investment selections are limited to those that are offered by the Firm or for which a review has been conducted. Your execution of the RPCS with Investment Menu Discretion Agreement authorizes the Firm, through your Senior Retirement Plan Consultant, to take any actions necessary to implement changes to the plan investment menu. However, where the plan provider will not take direction from the Firm, we will require that you review, complete and execute agreements, documents, and forms necessary to implement plan investment menu changes. Failure to implement plan investment menu changes will result in termination of the RPCS with Investment Menu Discretion Agreement. If your plan includes UBS proprietary investments or investments which are not offered by the Firm and which the Firm has not otherwise reviewed, we will require that such investments be sold, redeemed or replaced within a reasonable time frame. We will not assume any fiduciary duty during the time any such investments are part of the plan investment menu or while effecting their sale, redemption or replacement. Until such time as those non-researched investments can be sold, redeemed or replaced, such investments will be included in periodic investment reviews of the investment options offered under the plan and in the calculation of the RPCS Program fee, described below. UBS proprietary funds will not be included in periodic investment reviews or the RPCS Program fee. UBS recommends that clients select the lowest

cost share-class for an investment option; however, at your direction, alternate share-classes can be used based on your preferences.

Your signature on the RPCS with Investment Menu Discretion Agreement appoints UBS to act as an investment manager as defined in Section 3(38) of ERISA and authorizes your RPCS Consultant to make, and direct the plan provider to implement, changes to the plan investment menu without obtaining your approval in advance. Once the plan is receiving services under the RPCS with Investment Menu Discretion Agreement, you can no longer make changes to the plan investment menu. In addition to discretionary investment services, you may receive non-discretionary investment and plan program consulting, employee education services, and additional consulting services, as described above.

- **Discretionary Model Portfolio Services** - We offer discretionary services for the Risk-Based Models described above and for certain target date asset allocation model portfolios ("Target Date Models") (collectively "Model Portfolios"). There are three Target Date Models established by the AAC, which are available at the plan level: conservative, moderate, and aggressive. Each of those Target Date Models consist of glide-paths that define asset allocations in 5-year increments which become more conservative as the model approaches the target retirement year. Your Senior Retirement Plan Consultant will work with you to provide information to help identify the most appropriate plan-level Target Date Model; however, selection of the plan-level model ultimately remains your decision as a plan fiduciary. You may also decide to incorporate certain investments on your investment menu for use in the Target Date Models (should UBS decide to use those investments in its exercise of discretion) that are not otherwise available to participants outside of the Target Date Models. If you do so, your plan provider must have the ability to keep those investments from being selected by participants outside of the Target Date Models.

If you delegate authority to us by executing the RPCS with Discretionary Models Agreement (risk-based or target date), your RPCS Consultant will exercise discretion for the creation and implementation of asset allocation models, the selection of funds from the investment menu to be included, removed or replaced in the Model Portfolios, and directing the implementation of the Model Portfolios by the plan provider. Your RPCS Consultant will also review and evaluate the investment results of the asset allocation models at least on a quarterly basis. Your execution of the RPCS with Discretionary Models Agreement (risk-based or target date) authorizes the Firm to take any actions necessary to implement the Model Portfolios. Where the Plan's provider will not take direction from the Firm, we will require you to take any action necessary to implement the Model Portfolios. Failure to implement the Model Portfolios will result in termination of the RPCS with Discretionary Models Agreement. Only researched or otherwise reviewed investments can be part of the Model Portfolios when discretionary services are provided. Other than employer stock, participant loans and self-directed brokerage accounts, all plan investments that are not researched or reviewed must be sold, redeemed or replaced within a reasonable time after the effective date of the RPCS with Discretionary Models Agreement (risk-based or target date). We will not assume any fiduciary duty for the non-researched/reviewed investments during the time such investments are part of the plan investment menu or while effecting their sale, redemption or replacement although they will be included in periodic investment reviews of the plan investment menu and in the calculation of the RPCS Program fee, described below. We will communicate investment decisions to the fiduciary named in the RPCS with Discretionary Models Agreement, who will be responsible for the provision of all required participant notices, disclosures and communications.

Your signature on the RPCS with Discretionary Models Agreement appoints UBS to act as an investment manager as defined in Section 3(38) of ERISA and authorizes your RPCS Consultant to make, and direct the plan provider to implement, the investment selections for the Model Portfolios without obtaining your approval in advance. In addition to discretionary models services, you may receive Investment Menu Discretion Services, non-discretionary investment and plan program consulting, employee education consulting, and/or other consulting services as outlined above.

### **Health Savings Account Platform Investment Consulting**

UBS provides the following investment consulting services to employers that offer a Health Savings Account investment platform ("HSA Platform") that allows employees to invest the funds in the employees' individual Health Savings Accounts ("HSAs"):

- **Investment Searches** - We can help you identify investment options that can be offered on a health savings account investment platform to allow employees to invest the funds contributed to their HSAs. We will identify investments that are consistent with your overall investment objectives and guidelines for the HSA Platform, including any investment policy that you have adopted that is applicable to the HSA Platform. Our investment recommendations will be limited to those investments which are offered by the Firm or for which the Firm has

conducted a review. Our investment consulting services are provided to employers that offer an HSA Platform to its employees and we will not provide advice to individual employees regarding their individual HSAs.

- **Investment Reviews, Evaluation and Reporting** - We can provide a review of the performance of mutual funds and other Eligible Investments available on the HSA Platform and assist you in evaluating the type and number of investments offered on the HSA Platform. Our review may include graphic and tabular presentations of performance, and risk/return analyses. When evaluating the performance of the funds available on the HSA Platform, we will review the funds' performance and not the specific investment performance of individual participant's HSA.

Our consulting services do not include a review of or advice regarding the design of an employer's health benefits program or HSA offering, including advice regarding whether an employer should offer or continue to offer HSAs to their employees, the selection of, or appropriateness of, an HSA provider, or advice regarding the applicability of, or compliance with, any laws or regulations applicable to you or your HSA Platform. Employment-based HSAs are generally deemed to be "employee welfare benefit plans" within the meaning of Section 3(1) of ERISA. Thus, the employer and the HSA will be subject to the rules and requirements of ERISA. Employers should consult with their legal and tax advisors for advice regarding the applicability of ERISA prior to implementing any investment advice related to their HSA Platform. UBS and its representatives do not provide legal or tax advice, including advice regarding the applicability of, or compliance with, ERISA and other applicable laws.

## 2. Retirement Plan Guided Solutions Programs

The Retirement Plan Guided Solutions Programs offer advisory services through UBS Wealth Management Financial Advisors and Retirement Plan Consultants. The Retirement Plan Guided Solutions Programs include the RPA Program and the RPM Program, which are available to participant-directed defined contribution retirement plan clients depending on their needs and preferences. Clients that want to retain investment decision making can receive non-discretionary investment advice, educational support, and administrative support from a UBS Financial Advisor or RPC in the RPA Program described below. Clients that want to delegate investment decisions regarding their plan investment menu can receive discretionary investment menu management services from UBS and educational and administrative support from a Financial Advisor or RPC through the RPM Program described below.

### a. Retirement Plan Advisor Program

The RPA Program is a non-discretionary advisory program which is available to participant-directed retirement plan clients and offers investment advice, education, and administrative support from an Financial Advisor for RPA . The RPA Program offers the following services depending on the needs of the plan:

#### Non-Discretionary Investment Advisory Services

- **Investment Policy Review** - We will aid you in understanding the RPA Program and the RPA Program's investment policy ("RPA Program Investment Policy"), which describes the overall investment objectives and guidelines for plans in the RPA Program, including minimum asset class requirements and the investment selection and review criteria that will be used to review the investment options offered on your plan's investment menu. The RPA Program and RPA Program Investment Policy are designed for plans seeking to construct an investment menu that offers a range of investment options covering various asset classes. It allows participants with different time horizons and risk tolerances to diversify their investments and achieve a portfolio with risk and return characteristics reasonably appropriate for that individual. You must confirm that your plan's objectives and demographics align with the RPA Program and must adopt the RPA Program Investment Policy in order to receive services under the RPA Program. We will review the RPA Program Investment Policy with you on a periodic basis to confirm that it continues to reflect your plan's objectives.
- **Investment Recommendations** - We will work with you to help identify Eligible Investments that align with your plan's needs and preferences and which may be selected by you for inclusion on your plan's investment menu. UBS will only recommend Eligible Investments that have been reviewed by the Firm and are available through your selected plan provider; plans may only maintain investment options that are Eligible Investments within the RPA Program. UBS will recommend that the plan select the lowest cost share class available within the RPA Program.
- **Investment Reviews, Evaluation and Reporting** - We can provide a review of the performance of investment options held within your plan and assist you in evaluating the type and number of investments offered to plan participants. We will provide quarterly investment reports, which will include information on the performance of your Plan's investments on both absolute and relative bases. The investment report will provide relevant investment analytics and information on the funds in the plan's investment menu, as well as any fund eligibility status changes and proposed actions, if applicable. When reviewing the performance of the funds on

the plan's investment menu, we will review the funds' performance and not specific investment performance of plan participant accounts.

#### **Plan Program Support**

- **Plan Provider Search** - We can assist plan sponsors with service provider searches to retain third-party record-keepers. This service may include an analysis of your current program; development of criteria used in selecting service providers; and evaluation of proposals received from prospective service providers. Searches will be limited to plan providers who are eligible to participate in the RPA Program. You must select a plan provider that is participating in the RPA Program in order to receive RPA Program services.
- **Conversion Assistance** - We can provide non-fiduciary administrative support and education services to assist you in transitioning your plan to a new plan provider. These services may include coordinating with plan providers and providing general non-fiduciary information and education regarding investment fund mapping.
- **Liaison Services**. We can assist in communicating with plan providers and other third-party service providers regarding plan features, investments, services and fees.

#### **Market Information and Educational Support**

- Where requested, your RPA Advisor may provide general financial information and educational services, including commentary on matters related to financial news and developments and general employee education. General financial insights may include information regarding capital markets, sectors and industries based on information generally available from various UBS investment research groups or publicly available information. Employee education may include material, newsletters or general employee education seminars based on information reviewed and approved by our Firm for use with plan participants regarding such generic topics as asset allocation, investing, retirement planning and transition, distribution planning, potential risks and rewards and similar subject matter intended to be consistent with applicable law including ERISA and US Department of Labor regulations and guidance.

#### **b. Retirement Plan Manager Program**

- The RPM Program is a discretionary program which offers a mutual fund investment menu managed by UBS. Effective April 30, 2021, UBS Financial Services Inc. and UBS Asset Management entered into a sub-advisory agreement pursuant to which UBS-FS has delegated to UBS Asset Management the role of discretionary investment manager. Pursuant to that agreement, UBS Asset Management will exercise discretion over the selection, review and removal or replacement of investment options on the investment menu for each Plan. . RPM includes program support, guidance and education from your RPM Advisor. The RPM Program offers the following services depending on the needs of the plan.

#### **Non-Discretionary Investment Advisory Services**

- **Investment Policy Review** - We will aid you in understanding the RPM Program and the RPM Program's investment policy, guidelines and criteria ("RPM Program Investment Policy") that will be used to select, review, and remove or replace investment options offered on your plan's investment menu. The RPM Program and RPM Program Investment Policy are designed to provide an investment menu which consists of a range of mutual funds covering various asset classes and which allows participants with different time horizons and risk tolerances to diversify their investments and achieve a portfolio with risk and return characteristics reasonably appropriate for that individual. You must confirm that your plan's objectives and demographics align with the RPM Program and must adopt the UBS RPM Program Investment Policy in order to receive services under the RPM Program. We will review the RPM Program Investment Policy with you on a periodic basis to confirm that it continues to accurately reflect your plan's objectives.

#### **Investment Reporting**

- We will provide quarterly investment reports which will include information on the performance of your Plan's investments on both absolute and relative bases. The investment report will provide relevant investment analytics and information on the funds in the investment menu, as well as information regarding any fund changes, if applicable. Only investments on the RPM Investment Menu will be included within quarterly investment reports. When reviewing the performance of the funds on the RPM Investment Menu, we will review the funds' performance and not specific investment performance of plan participant accounts.

#### **Plan Program Support**

- **Plan Provider Information** - UBS has entered into contractual arrangements with a number of third-party plan providers to participate in the RPM Program, based on the plan provider's ability to adhere to RPM program requirements. Where requested, we will provide information or otherwise assist you in the selection of an eligible RPM Program third-party plan provider . We may also provide non-fiduciary administrative support for



requesting proposals from eligible prospective plan providers. You must select a plan provider that is eligible for the RPM Program in order to receive RPM Program services.

- **Conversion Assistance** - Where requested, we will provide non-fiduciary administrative support and education services to assist you in transitioning your plan to a new plan provider. These services may include coordinating with plan providers and providing general non-fiduciary information and education regarding investment fund mapping.
- **Liaison Services** - We will provide assistance in communicating with plan providers and other third-party service providers regarding plan features, investments, services and fees.
- **Target Date Fund Information** - We will provide non-fiduciary educational information to assist you in the selection of a glide-path strategy for the target date fund included within the plan investment menu. Your RPM Advisor will work with you to help identify the glide-path strategy that is most appropriate for your plan; however, that ultimately remains your decision as a plan fiduciary. After you have selected a glide-path strategy, UBS will select specific target date funds that correspond to that strategy to be included within the investment menu.

#### **Market Information and Educational Support**

- Where requested, your Financial Advisor may provide general financial information and educational services, including commentary on matters related to financial news and developments and general employee education. General financial insights may include information regarding capital markets, sectors and industries based on information generally available from various UBS investment research groups or publicly available information. Employee education may include material, newsletters or general employee education seminars based on information reviewed and approved by our Firm for use with plan participants regarding such generic topics as asset allocation, investing, retirement planning and transition, distribution planning, potential risks and rewards and similar subject matter intended to be consistent with applicable law, including ERISA and US Department of Labor regulations and guidance.

#### **Discretionary Investment Advisory Services**

**Investment Menu Discretion** - If you select our RPM services, UBS will exercise full discretion over the search, selection, review and replacement of investments on the plan investment menu and direct your plan provider to implement plan investment menu changes. We will exercise discretion in a manner reasonably consistent with the RPM Program Investment Policy adopted by the plan. The RPM Investment Menu, which until April 30, 2021 is managed by IMIC will thereafter be delegated to UBS Asset Management. UBS-FS can rescind this delegation at any time and can delegate to another affiliate or third-party investment manager or exercise discretion itself, upon notice to you.

Our investment selections for the RPM Program Investment Menu are limited to mutual fund investments that are offered by the Firm or for which a review has been conducted by UBS-FS or by UBS Asset Management and are available on your plan provider's platform. Your execution of the RPM Program Agreement authorizes the Firm to take any actions necessary to implement changes to the plan investment menu. However, where the plan provider will not take direction from the Firm, we will require that you review, complete and execute any agreements, documents, and forms necessary to implement changes to the plan investment menu. Failure to implement plan investment menu changes will result in termination of the RPM Program Agreement. If your plan includes investments which are not included on the RPM Investment Menu, we will require that such investments be sold, redeemed or replaced within a reasonable time after execution of the RPM Agreement (except for employer securities, certain frozen assets that are not able to be immediately liquidated or converted, and self-directed brokerage accounts, all of which are excluded from the RPM Program). With respect to any investments that are not on the RPM Investment Menu, we will not assume any fiduciary duty during the time they are part of the plan investment menu or while effecting their sale, redemption or replacement. Investments that are not included on the RPM Investment Menu will not be included in periodic investment reports of the investment options offered under the plan.

Your signature on the RPM Program Agreement appoints UBS to act as an investment manager as defined in Section 3(38) of ERISA and authorizes UBS to make, and direct the plan provider to implement, changes to the plan investment menu without obtaining your approval in advance. Discretionary services will not begin until the RPM Program Agreement is accepted by the Firm. Once the plan is receiving services under the RPM Program Agreement, you can no longer make changes to the plan investment menu. In addition to

discretionary investment services, you may receive non-discretionary investment advisory services, plan program support services, or plan consulting service, as described in this section.

### c. Plan Consulting Services for RPA and RPM Clients

As agreed between us, we may also provide additional plan consulting services to eligible clients in the RPA or RPM Program through a UBS Retirement Plan Consultant, which may include the following:

- **Plan Feature Review** - We can review various plan features to determine whether they are meeting the needs of the Plan and Plan participants.
- **Fee Analysis And Benchmarking** - We can assist in conducting a benchmarking analysis of the Plan's fees and provide a review of your Plan's fees in relation to other retirement plans. As part of this service, we can provide a report that may include the following information: Plan fees summary; investment line-up summary; investment fees paid to various service providers; relative Plan complexity; and participant success measures. Information used in this report is obtained from your plan provider and other third-party sources that we believe to be accurate, but have not been independently verified.
- **Fiduciary Support** - We can provide information to assist you in carrying out your responsibilities as a plan fiduciary, including providing you with the UBS Defined Contribution Plan Fiduciary Kit and periodic newsletters and/or whitepapers addressing retirement plan issues for plan fiduciaries. We can also provide ancillary market information upon reasonable request, including general insights on matters related to financial news and developments. General financial insights may include information regarding capital markets, sectors and industries based on information generally available from various UBS investment research groups or publicly available information.
- **Employee Education Consulting** - We can evaluate the Plan's existing education program, recommend strategies for improving participation and education, and work with your Plan Provider to implement these strategies. We can provide general investment education, which may include educational newsletters, seminars and other materials based on information generally available from us or our affiliates, or more specifically prepared for you based on publicly available information.

### 3. Limitations On Our Services

- **We do not provide legal, tax or actuarial advice**  
We are not responsible for ensuring that your investment policy statement, asset allocation, investment choices and/or your Plan complies with specific legal requirements, including ERISA, federal, state or municipal law, or other regulations, actuarial or other requirements that apply to you. That responsibility rests solely with you, and you should consult with your legal and tax advisors regarding those matters.
- **Investment Searches and Selection** - While we can identify investments from a broad range of options, our investment searches and any discretionary selections are limited to those Eligible Investments which are offered by the Firm or for which a review has been conducted and are available on the plan's record-keeper platform. Our investment searches therefore do not include every investment option available in the industry.
- **Affiliated/Proprietary Products** - Our investment searches and discretionary selections will not include UBS affiliated/proprietary mutual or sub-advised funds. Inclusion of affiliated or proprietary mutual or sub-advised funds in our investment searches raises a conflict of interest as purchasing those funds will result in increased compensation to UBS and/or a member of the UBS organization. If our fees are based on the value of assets in your plan, we will exclude the value of the plan's investments in any UBS affiliated/proprietary fund when calculating the Program Fee.
- **Employer Securities** - Our services do not include a review of the performance or recommendations regarding whether a plan should offer or continue to offer employer securities as an investment option under the plan. If our fees are based on the value of the assets in your plan, we will not include the value of the employer securities when we calculate the Program Fee.
- **Excluded Plan Assets And Investments** - Our services do not include a review or recommendations regarding whether a plan should offer or continue to offer investment options and services under the plan that are not part of the Programs, such as participant loans and participant-directed brokerage account windows. Our services also do not include a review of the performance of or recommendations regarding whether a plan should offer or continue to offer insurance products or certain frozen assets that are not able to be immediately valued, liquidated, or converted. If our fees are based on the value of the assets in your plan, we will not include the value of any such excluded assets when we calculate the Program Fee.
- **Program Requirements And The Impact Of Ineligible Assets in Your Accounts** - Neither UBS nor your Financial Advisor will act as your investment advisor with respect to assets that are not Eligible Investments, including investments and securities that UBS makes ineligible after your account is enrolled in a Program. Plans may not maintain investment options on their plan menu that are not Eligible Investments within the applicable Program and must remove or replace investment options that are subject to a Program Agreement

and are not Eligible Investments (or excluded above); exceptions may be made in certain circumstances within the RPCS Program. UBS may terminate your Program relationship if you fail to meet Program requirements for your applicable Program.

- **Model Portfolio Service** - When discretionary Target Date Model Portfolio services are provided by your RPCS Consultant within the RPCS Program, you are responsible for selecting the most appropriate target date asset allocation model for your plan. UBS is not responsible for moving plan participants along the glide-path of the Target Date Model you choose for your plan. Generally, the plan provider is in the best position to move the plan participants along the glide-path. When non-discretionary Risk-Based Model Portfolio Services are provided within the RPCS Program, you are responsible for the final choice of funds to populate each component of the Model Portfolios which you can then make available to plan participants. Our non-discretionary services do not include ensuring that Model Portfolios can be implemented on the plan recordkeeping platform. UBS may assist in determining the capabilities of your plan provider; however, you are responsible for ensuring that Model Portfolios are implemented, updated and offered to participants in a manner that is consistent with your overall goals and objectives. Performance reporting for the non-discretionary Model Portfolios, including model performance comprised of the fund performance within the model, must be provided by your record-keeper. We do not rebalance Model Portfolios used by participants. It is the responsibility of plan participants using the Model Portfolios to elect to rebalance to the extent the plan provider is able to rebalance.
- **Discretionary Services** - Once the plan is receiving discretionary services over the plan investment menu under the RPM Program or RPCS Program, you can no longer make changes to the plan investment menu.
- **Qualified Default Investment Alternatives** - If you intend to offer a Qualified Default Investment Alternative ("QDIA") as part of the plan investment menu, you will be responsible for designating the QDIA and ensuring that it meets the criteria as established under ERISA for a QDIA and that all required notices, disclosures and communications are provided to participants. UBS does not provide legal advice with respect to the plan's compliance with ERISA or other applicable rules and regulations.
- **Third-Party Information** - In connection with the provision of our services we rely on third-party information, including information received when assets are held at other institutions. We obtain this information from publicly available sources or from your plan providers. While we believe the information and reports obtained from external sources are accurate, we do not independently verify or guarantee the information presented or its accuracy.
- **Health Savings Account Platforms** - The consulting services we provide to employers regarding health savings account investment platforms are limited to non-discretionary investment consulting services. We do not provide plan consulting, employee education, discretionary investment services, fiduciary support, or administrative support with respect to HSA Platforms or health benefit programs. Employment-based HSAs are generally deemed to be "employee welfare benefit plans" within the meaning of ERISA, subject to its rules and requirements. UBS and its representatives do not provide legal or tax advice and will not be responsible for ensuring that your HSA Platform complies with ERISA, state or local laws, or other regulations or other requirements that apply to you. The responsibility for your HSA Platform's compliance with applicable laws rests solely with you, and you should consult with your legal and tax advisors regarding those matters.
- **Service Provider Searches** - The service provider searches we provide to plan sponsors are administrative services based on your stated guidelines and criteria and are not intended to be, and should not be construed as, explicit recommendations. Service provider searches are limited to those service providers that have been identified by you or third-party data providers and have responded to requests for information.

#### 4. Termination

Clients may terminate Program services within five business days of executing a Program Agreement and receive a full refund of all fees paid to us. Thereafter, unless otherwise agreed, either we or you may terminate the Program Agreement by written notice, and termination will become effective upon receipt of the notice. Upon termination, we will have no further obligation to act or advise the plan or the plan fiduciaries with respect to the plan assets. Note that termination of the Program Agreement will end our investment advisory fiduciary relationship with the plan as it pertains to the plan assets covered by the Program Agreement.

#### 5. Other Investment Advisory Services

We offer other advisory services not described in this brochure. We do not hold ourselves out as specializing in a particular type of advisory service or strategy. Instead, our advisory programs and services cover a broad variety of strategies, investment options and asset allocations and features. If you would like more information, please ask your Financial Advisor for the Form ADV Disclosure Brochure for those programs and services.

## 6. Education and Business Standards of Financial Advisors Who Provide Program Advisory Services

Most of our Financial Advisors are registered as broker-dealer and investment adviser representatives. Financial Advisors that provide services under the Programs must be registered investment adviser representatives.

Financial Advisors that provide investment advisory services under the Retirement Plan Guided Solutions Programs are not required to meet any special education or qualification requirements (other than required registrations).

Financial Advisors who provide advisory and consulting services as part of the RPCS Program are given the UBS firm designation of Retirement Plan Consultant and are generally required to have at least three years of industry experience, meet certain client asset thresholds at UBS and complete education requirements. These education requirements may include (1) the Chartered Retirement Plans Specialist<sup>SM4</sup> designation from the College for Financial Planning; and (2) Essentials of Investment Consulting from the Investments and Wealth Institute (formerly the Investment Manager Consultants Association). Waivers of the education requirements are granted for Financial Advisors who hold similar designation and training experience. The timeframe to meet the requirements may be extended under certain circumstances including recruitment situations.

When you enter into a Program Agreement, we will provide to you a Form ADV Brochure Supplement for your Financial Advisor(s). The Brochure Supplement includes information regarding your Financial Advisor's education, business experience, disciplinary history, outside business activities, compensation and supervision. You may also obtain information about your Financial Advisor, their licenses, educational background, employment history, and if they have had any problems with regulators or received serious complaints from investors through the FINRA BrokerCheck service available from FINRA at <http://www.finra.org>, or from the Securities and Exchange Commission at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

You can also contact your state securities regulator through the North American Securities Administrators Association's website at <http://www.nasaa.org> and request information about our firm and your Financial Advisor.

### C. How We Tailor Our Advisory Services

Our Program services are tailored to the needs of your plan as follows:

**Retirement Plan Consulting Services** - Our RPCS Program advisory services are tailored based on the information you provide and are tailored to your investment objectives, goals and circumstances in various ways, which may include the following:

- Search for a plan provider can be customized based on the complexity of the services requested and the needs of the plan participants and fiduciaries.
- Investment Policy Statement Assistance. We can work with you to identify and review the criteria which will be used to select and monitor investments based on your needs and preferences.
- Model Portfolios. UBS can identify which of the plan's existing investment options are consistent with the components of the asset allocation models provided. You may then make these customized asset allocation models available to participants.
- Investment searches and reviews can be customized for your particular needs and goals. You and your financial advisor can determine which types of analysis to include in your reports.
- You may impose reasonable restrictions on investing in or receiving certain securities or types of securities in the RPCS Program.

**Retirement Plan Advisor** - Our RPA Program advisory services are designed for participant-directed defined contribution plans seeking to construct an investment menu with a range of investment options covering various asset classes that allow participants with different time horizons and risk tolerances to diversify their investments and achieve a portfolio with risk and return characteristics reasonably appropriate for that individual. Clients in the RPA Program must maintain at least one investment option in each key asset categories designated by UBS and may only select investment options that are Eligible Investments in the RPA Program. Your RPA Advisor will recommend a menu of investments that is consistent with the RPA Program guidelines and can tailor their advice based on the plan's individual

<sup>4</sup> Individuals who hold the CRPS® designation have completed a course of study encompassing design, installation, maintenance and administration of retirement plans. Additionally, individuals must pass an end-of-year course examination that tests their ability to synthesize complex concepts and apply theoretical concepts to real-life situations.

needs and preferences. Clients may impose reasonable restrictions on investing in or receiving certain securities or types of securities in the RPA Program. Plan provider searches are limited to those plan providers that are approved to participate in the RPA Program, but the search for a plan provider can be customized based on the complexity of the services requested and the needs of the plan participants and fiduciaries. Additional support, education, and consulting services provided in the RPA Program can be tailored based on the needs and preferences of the plan and the plan fiduciary. The RPA Program does not permit investment options or strategies that are not Eligible Investments within the RPA Program and is not appropriate for plans that want to develop and receive advice pursuant to a custom investment policy statement, particularized plan program designs, or a specific participant demographic.

**Retirement Plan Manager** - Our RPM Program advisory services are designed for plans that want a professional investment manager to manage their investment menu to offer a range of investment options that allow participants with differing timeframes and risk tolerances to diversify their investments and achieve a portfolio with risk and return characteristics appropriate for that individual. The RPM Program does not permit customized investment options or strategies and is not appropriate for plans that want investments tailored to their individual preferences or a specific participant demographic. Clients may not impose restrictions on the RPM Investment Menu and may not restrict investing in certain securities or types of securities. Clients may tailor their investment menu by selecting from available glide-path options for the target date funds in their RPM Investment Menu based on the demographics of their plan. When making investment decisions regarding the RPM Program's Investment Menu, UBS will not consider the individualized needs of clients, but rather seeks to maintain a menu that is in line with the Program's objectives. Additional support, education, and consulting services provided in the RPM Program can be tailored based on the needs and preferences of your plan and the plan fiduciary.

#### **D. Provision of Portfolio Management Services in Wrap Fee Programs**

Our RPCS and RPGS Programs do not include the participation in or offering of portfolio management services in wrap fee programs.

Outside of the RPCS and RPGS Programs, UBS provides portfolio management services, and in some programs our Financial Advisors act as discretionary portfolio managers in the wrap fee programs we sponsor. We receive a wrap fee for those services and share a portion of that fee with Financial Advisors who participate in the wrap programs. Details of the programs are available in our Wrap Fee Disclosure Brochure which is available from your Financial Advisor.

Our activities as portfolio manager and sponsor of wrap fee programs are separate from our RPCS Program and RPGS Program services.

#### **E. Assets under Management**

Our regulatory assets under management as of December 31, 2020 are listed below. These figures include asset values for DVP accounts as of 12/31/20 (where data is available), but excludes other assets held away from UBS for which we don't have discretionary authority or are not traded through UBS, and assets in separately managed accounts for which we do not have the authority to hire and fire managers.

– Non-discretionary Programs:	<b>\$303,047,138,388</b>
– Discretionary Programs:	<b>\$269,423,487,311</b>
– Total:	<b>\$572,470,625,699</b>

### **Item 5. Fees and Compensation**

#### **A. Program fees**

##### **1. Retirement Plan Consulting Services Program Fees**

The RPCS Fee is negotiable and the Financial Advisor servicing your account will receive a portion of that fee. The RPCS Fee is generally expressed as a flat hard-dollar fee for services or as a percentage of plan assets or as a break-point fee schedule, although other fee structures are possible. The RPCS Fee may be for a specific project or for ongoing services. The RPCS Fee covers the specific services agreed upon in your RPCS Agreement and is paid for in the manner agreed to in your RPCS Agreement.

With a percentage of assets fee option, the agreed-upon annual fee is a fixed percentage of the eligible assets in the Plan; that percentage does not change as the value of the Plan changes. With a break-point fee schedule, the negotiated fee, also a percentage of the Plan assets, varies based on eligible asset levels and changes as the eligible assets in the Plan increase or decrease across established breakpoints. Specific "break-points" for each

asset level are defined in your RPCS Agreement. With a flat hard-dollar fee, the fee remains the same dollar amount regardless of changes in assets in the Plan.

We may customize the RPCS Fee structure so that some services may be obtained under one payment option and other services under a different option or a combination thereof.

Your fee can be invoiced to the plan sponsor or you can instruct your plan provider to automatically calculate and remit your RPCS Fee to UBS. The RPCS Fee is calculated and remitted to UBS in arrears in installments no less frequently than quarterly. Your agreement with your plan provider will determine the fee calculation methodology and UBS will not independently verify your plan provider's calculation of the RPCS Fee; your plan provider is responsible for providing you with payment details regarding payments remitted to UBS.

**RPCS Fee Schedule** - RPCS Fees are negotiable and, if ongoing services are being provided, are expressed as an annual rate. Generally, the minimum annual RPCS Fee is \$6,000. The maximum annual RPCS Fee is 2.00% based on the amount of eligible plan assets. Notwithstanding the foregoing, start-up plans seeking ongoing services in the RPCS Program are subject to an annual flat dollar RPCS Fee no greater than \$40,000. Plans will be considered start-ups where they have total billable plan assets of \$0 to \$2,000,000.

## 2. Retirement Plan Guided Solutions Program Fees

The Retirement Plan Guided Solutions Fee applies to the Retirement Plan Advisor Program and Retirement Plan Manager Program. The RPGS Fee is negotiable and the Financial Advisor servicing your account will receive a portion of that fee. The home-office professionals in the UBS Investment Management Group ("IM Group") providing services to your account through April 30, 2021 in the RPA Program and RPM Program do not receive a portion of the RPGS Fee. The home-office professionals in the UBS Asset Management who will be providing services to RPM after April 30, 2021, also will not receive a portion of the RPM Fee. UBS Financial Services will pay UBS Asset Management for its sub-advisory services from its own resources. Clients will not pay a separate investment management fee. The RPGS Fee will generally be expressed as an annual fixed percentage of plan assets; that percentage does not change as the value of the Plan assets change. The RPGS Fee will cover the services agreed to in the RPA Program Agreement or RPM Program Agreement, as applicable.

In order to participate in the RPGS Programs, you must instruct your plan provider to automatically calculate and remit your RPGS Fee to UBS. The RPGS Fee is calculated and remitted to UBS in arrears in installments no less frequently than quarterly. Your agreement with your plan provider will determine the fee calculation methodology and UBS will not independently verify your plan provider's calculation of the RPGS Fee; your plan provider is responsible for providing you with payment details regarding payments remitted to UBS.

**RPGS Fee Schedule** - The RPGS Fee applies to the RPA Program and RPM Program. RPGS Fees are negotiable and generally expressed as an annual rate. The maximum annual RPGS Fee is 2.00% based on the amount of eligible plan assets. There is no minimum annual RPGS Fee.

## 3. Fee Waivers, Discounting and Pricing Policies

At our sole discretion RPCS Fees and RPGS Fees may be waived and they differ from client to client based on a number of factors including, but not limited to:

- Type and size of the plan.
- The number of plans for the client.
- The number and type of services selected.
- The scope of the engagement.
- The complexity of the services provided and preferences of the plan fiduciaries.
- The expected frequency with which services may be needed.
- The nature and amount of client assets involved.

RPCS Fees and RPGS Fees, as well as other requirements, may vary as a result of the application of prior policies depending upon when you engaged us to provide advisory services. In addition, we reserve the right, in our sole discretion, to institute special pricing features, to waive or discount fees, or increase any applicable minimum asset requirements.

Our ability to discount fees, charge a fee less than the maximum or minimum or waive the fee may result in one client paying for the same set of services provided to another client at a lower fee or free of charge.

## B. Billing Practices

The billing process described below is subject to change upon prior written notice to you.

**Valuation and Fee Calculation** - We rely on the value of the plan's assets provided by the plan's custodian or plan provider for purposes of determining or calculating your Program Fees. We do not review or verify the valuation information provided to us.

Generally, Program Fees are calculated in arrears on a calendar quarter basis. If the fee is based on the percentage of assets, the fees are calculated based on the asset value of the account at the end of the preceding quarter and prorated for the number of days in the quarter. If the fee is an annual flat dollar amount, the fee will be calculated in four equal amounts. The first fee will be prorated from the date that your Program Agreement is effective or as otherwise agreed. In instances where you have directed your custodian or plan provider to auto-remit payments to UBS, your custodian or plan provider may calculate the fee using a different methodology, and, in such cases, Program Fees will be calculated and remitted based on your agreement with your custodian or plan provider.

RPCS Fees and RPGS Fees for projects (e.g., plan provider searches, fee benchmarking services, etc.) will be billed once we complete the agreed upon project services.

We will exclude, and advise your plan provider to exclude, the following from the value of the plan assets for purposes of calculating our fees:

- The value of the plan's investments in any UBS affiliated/proprietary fund,
- The value of investments which are not eligible for the applicable program,
- The value of any employer securities,
- The value of any self-directed brokerage accounts, and
- The value of participant loans.

**Billing/Invoicing** - We can invoice you for RPCS Fees in the RPCS Program. We will not bill the custodian or plan provider directly for our RPCS Fees. We generally will not invoice you for RPGS Fees in the RPGS Programs, unless otherwise agreed upon.

**Automatic Fee Deduction** - Depending on your plan provider, the plan fiduciaries may be able to direct the plan provider to automatically calculate and pay our fees from the assets of, or generated by, the plan. For clients in the RPGS Programs, we require you to direct your plan provider to automatically calculate and pay RPGS Fees.

In those situations in which your plan provider automatically calculates and remits the Program Fees to us, your plan provider will calculate and remit Program Fees in accordance with your direction and agreement; UBS will not independently verify the plan provider's calculation of your fees, nor will we provide an invoice for such payments. However, where required by law we will provide you with an annual statement, rather than an invoice, with details on the amount of fees we have received from the plan.

### Billing Amendments:

**Other Fees from Plan Investments** - We will not accept 12b-1 fees, transaction-based compensation, finder's fees or other revenue directly from the investments offered in the plan.

**Potential Conflicts of Interest** - As is the case with all our Financial Advisors who are duly licensed to conduct advisory business, RPCS Financial Advisors ("RPCs") and RPGS Financial Advisors (in their capacity as brokers/Financial Advisors) can provide clients with brokerage services outside of the Programs described in this brochure. Since services similar to those available in the Programs may also be available to you through our brokerage services, your RPC or RPGS Financial Advisor has an incentive to recommend to you the Programs in instances where the Program Fees result in increased compensation to them. Depending on the services you select, you may find that those services are available to you in either the RPCS Program or the RPGS Programs and that you may pay more or less for such services depending on the Program you select. Also, depending on the services you select, you may find that variations of the individual RPCS services or RPGS services are available to you outside of the Programs and may be available for more or less than you would pay in the Programs. Because Financial Advisors that have not received the RPC designation must partner with an RPC if RPCS services are selected, those Financial Advisors have an incentive to recommend RPGS services to avoid sharing compensation with the partnering RPC. **Please discuss our various product offerings, their features and costs with your Financial Advisor.**

You should consider these factors carefully before participating or engaging in the Programs for a fee.

### **C. Fees/other Charges Not Covered By Your Program Fee**

The fee you pay covers only our advice and services provided in the Programs. The Program Fee does not cover:

- Any other services, accounts or products we provide to you outside of your RPCS or RPGS Program,
- Transaction-based charges or commissions, account maintenance fees or other charges you may incur in implementing our advice,
- Custody fees imposed by other financial institutions,
- Fees for recordkeeping, trust and plan administration charges,
- Precious metals custody fees imposed by affiliates, or other financial institutions,
- Mark-ups/mark-downs on principal transactions with us or other broker-dealers,
- Internal trust fees,
- Costs relating to trading in foreign securities (other than commissions otherwise payable to us),
- Internal administrative, management, redemption and performance fees that may be imposed by collective investment vehicles such as open-end and closed-end mutual funds, UITs, hedge funds and other alternative investments, exchange-traded funds or real estate investment trusts,
- Redemption fees for active trading imposed by mutual fund sponsors, and
- Other specialized charges, such as transfer taxes, and fees we charge to customers to off-set fees we pay to exchanges and/or regulatory agencies on certain transactions.

**Please review the applicable prospectus and offering documents for the investment vehicles we offer carefully for a detailed description of the additional fees associated with such investments.**

### **D. Refund Of Fees paid**

Clients may cancel the Program Agreement and receive a full refund of fees paid by contacting their Financial Advisor within five (5) business days from the date the Agreement is accepted by us. After that period, the fee is non-refundable.

Compensation to Financial Advisors who recommend Program Services Our standard compensation plan for Financial Advisors consists of: (1) a guaranteed monthly minimum draw required by applicable law; and (2) a payout based on the Financial Advisor's production if it is greater than the monthly minimum draw.

The payout is a percentage (referred to as grid rate) of the production (generally, transaction revenue and investment advisory program fees) that each Financial Advisor generates during that month with respect to the clients he or she serves, minus certain adjustments that are specified by our Financial Advisor Compensation Plan. The grid rate percentage ranges from 28% – 50% and increases as a Financial Advisor's production increases. Financial Advisors working as part of a team that meets minimum production requirements can qualify for a higher grid rate (but not above 50%) than they would receive working as an individual.

**We reserve the right, at our discretion and without prior notice, to change the methods by which we compensate our Financial Advisors and employees, including reducing and/or denying production payout and/or awards at our discretion for any reason.**

**Investment Advisory Programs** - For our Investment Advisory Programs (asset-based fee programs) the payout rate is applied to the program fees credited to the Financial Advisor by the Firm, but the payout is generally reduced for accounts priced below certain thresholds. Advisory accounts in relationships with assets over certain thresholds may have customized pricing and/or payout rates as approved by the Firm.

The differences in the way we compensate Financial Advisors for the products we offer creates financial incentives for financial Advisors to recommend certain products and account types over others, to encourage clients to purchase multiple products and services and to choose a payment structure for products and services that generates greater compensation.

We reduce or terminate the payouts described above to Financial Advisors in connection with accounts they service that do not meet certain prescribed asset levels on a household basis or for transactions or fees below specified amounts.

The standard compensation structure creates financial incentives for Financial Advisors to encourage clients to purchase multiple products and services and to choose payment structure for products and services that generates greater compensation.



Financial Advisors are also eligible to receive certain awards based on their production, length of service with UBS, and net new business (see *Awards* section below).

Under certain circumstances (e.g., acquisitions and recruitment; or particular designations, such as Wealth Advice Center, Wealth Planning Associate, Financial Advisor Associates; or particular programs, such as the Institutional Consulting ("IC"), RPCS, RPA, and RPM programs), some Financial Advisors or producing Branch Managers may be compensated differently.

**Production for Retirement Accounts in Investment Advisory Consulting Programs** - With respect to retirement account clients enrolled in the RPCS, RPA, RPM, or IC programs who also have brokerage accounts at UBS or accounts opened in another investment advisory program at UBS, including those that are included in IC Program services only as an accommodation, the production payout rate for the Financial Advisor related to the RPCS, RPA, RPM, or IC relationship will be applied to all retirement assets and accounts the client has at UBS ("Retirement Account Production"). However, on an exception basis, the Retirement Account Production payout rate for the Financial Advisor can be the weighted average production rate generated by that client's retirement accounts at UBS.

**Compensation for Financial Advisors Recruited From Other Firms** - In general, if your Financial Advisor is joining UBS from another firm, you should discuss the reasons your Financial Advisor decided to change firms and any costs or changes in services you may incur by transferring your accounts to UBS. Typically, UBS pays Financial Advisors financial incentives when they join and on an ongoing basis as described below.

Financial Advisors who were recruited to UBS prior to November 1, 2016, were eligible to receive incentives, including loans, bonuses and/or other compensation, if they reach certain minimum asset and/or production levels or other targets. The amount paid to Financial Advisors under these arrangements is largely based on the revenue generated by the Financial Advisor at their prior firm and/or asset levels within a specific time period after joining UBS. Recruiting offer letters issued by UBS after November 1, 2016, do not include recruitment incentives triggered by production, but include baseline revenue thresholds, assets under management or net new asset levels in order to continue receiving incentives.

Generally, these incentives are the continuance of monthly payments for up to 10 years, unless threshold/levels are not met.

These payments can be substantial and take various forms, including salary guarantees, loans, transition bonus payments and various forms of compensation to encourage Financial Advisors to join UBS, and are also contingent on your Financial Advisor's continued employment. Therefore, even if the fees you pay at UBS remain the same or are less, the transfer of your assets to UBS contribute to your Financial Advisor's ability to meet such targets and to receive additional loans and/or compensation even if not directly related to your account or the fees you pay to us.

Effective after June 9, 2017, for purposes of all existing arrangements within the IC, RPCS, RPM, and RPA Advisory Programs, including those entered into prior to November 1, 2016, production for retirement accounts will be calculated based on the applicable Retirement Account Production rate described above.

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

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

**New Financial Advisor Compensation** - Financial Advisor Associates in the Development Program ("FAA") are eligible for a 48 – 60 month compensation structure that combines base compensation, production payout and potential awards. Production payout is based on a payout rate that is applied to the production credited to the FAA and there is a minimum grid rate of 45% for those with production start dates prior to June 1, 2018. FAAs in the Development

Program with firm determined and approved production start dates after June 1, 2018, have a minimum grid rate of 35%.

**Compensation for Financial Advisors Transitioned From the New York and Miami Branches of UBS AG New York Branch** - Financial Advisors who moved from the New York and Miami Branches of UBS AG New York Branch received a change of compensation structure from salary and bonus to the standard compensation plan for our Financial Advisors described above, but with grid rate percentages that range from 18% to 50%.

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

**Compensation to Financial Advisors in the UBS Wealth Advice Center** - UBS Wealth Advice Center Financial Advisors receive an annual salary and are also eligible to earn both quarterly incentive awards and an annual discretionary incentive compensation award. The total amount of the incentive awards generally ranges between 15% – 120% of the average salary, the most common awards are approximately 50% of the average salary.

**-Annual Discretionary Incentive Compensation Award** - The annual discretionary compensation award is determined by management in its discretion considering the Financial Advisor's earned credits (as described below) and overall job performance.

**-Quarterly Incentive Award** - The quarterly incentive award is based on production credits earned for transactions and enrollments, as described below, and additional credits for specified activities that are designed to deepen client relationships and improve the client experience. These credits are applied to a pre-determined formula which is used to determine the quarterly incentive award payout.

-Production credits are based on client transactions in brokerage accounts and enrollments in, and additional investments into existing advisory accounts.

-Production credits are variable, depending on the type of investment purchased, and for brokerage accounts are only earned for: (1) mutual fund purchases; (2) ETF purchases; and (3) annuity purchases. In addition, annuity purchases provide higher production credits than mutual fund or ETF purchases. This creates a conflict of interest and an incentive for Financial Advisors to recommend mutual funds, ETFs, and annuities over other investments.

**Production Credits are Earned for Investment Advisory Accounts on** - new enrollments into advisory programs (Advice Portfolio); additional investments into existing advisory accounts; account conversions from Pace to Advice Portfolio.

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

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

### **Compensation to Branch Managers**

Our compensation plan for Branch Managers consists of (1) a base salary that is based on the level of revenue for the branch in the prior year, and (2) an incentive compensation award consisting of two components: a formulaically driven calculation and "discretionary overlay." The formulaically driven component is an amount based on the economic profit of the branch (net income less the cost of capital). The discretionary overlay is determined in the firm's sole discretion after consideration of overall performance, risk and other factors, including:

- UBS Behaviors—Integrity, Collaboration and Challenge

- Net new business (net new assets plus positive lending balances)
- Retention of Financial Advisors
- Wealth management revenue (which includes revenue from advisory business, banking-related business and the Wealth Advice Center)

The formulaically driven calculation will generally be adjusted (upward or downward) by up to 30% of the total sum of the base salary and the formulaically driven calculation.

In addition to the compensation above, Branch Managers are eligible for payouts under the standard Financial Advisor compensation plan described above at the applicable Financial Advisor compensation plan grid rate (28% to 50% as noted above) or 40%, whichever is greater. Branch Managers can also qualify for the additional bonuses and rewards described in the *Bonuses and Rewards* section below.

Elements of our management compensation are based on revenues and sources of profit to the firm. This creates an incentive for our management team to encourage Financial Advisors to recommend products and services that result in more revenue and/or are more profitable to the Firm and can create a conflict of interest. Regardless of these incentives, we maintain policies and procedures and supervisory processes designed to ensure that Financial Advisors meet the standard of conduct applicable to each client.

### **Bonuses and Rewards**

Financial Advisors are generally eligible to qualify for strategic objective awards and recognition programs, which are based on production, length of service at the Firm and net new business brought to the Firm by the Financial Advisor. These awards are subject to various caps and deferrals. Additionally, we may reduce or deny any such awards for any reason at our discretion. The Retirement Account Production described above will impact the annual awards for advisors with accounts in the RPCS, RPA, RPM and IC and programs to the extent that the adviser's overall production includes Retirement Account Production.

- **Net New Business Award** - This award is granted to a Financial Advisor based on their year-end result for net new business, defined as the sum of net new assets gathered over the calendar year and positive lending balances, subject to minimum requirements and overall caps. It includes assets in new UBS accounts referred by Financial Advisors directly to the Wealth Advice Center. Financial Advisors receive less credit toward the Net New Business Award for assets enrolled in the IC, RPCS and RPGS Programs when those accounts are priced below certain levels as contractually defined. This creates an incentive for Financial Advisors to price accounts at or above those levels in those programs.
- Award values range from 1% to 6% of year-end trailing 12-month revenue, and awards are capped at \$250,000. Financial Advisors designated by UBS as Consultants and who provide services in the IC/RPCS/ RPGS Programs ("Consultants") can earn 1% greater than the net new business value ranges if they meet net new business requirements within the IC/RPCS/RPA Programs (the "Net New Business Consulting Award"). The Net New Business Consulting Award is still subject to the overall \$250,000 cap.
- **UBS Length of Service Award** - This award is based on a Financial Advisor's current year production and length of service with UBS. It is subject to minimum production and length of service requirements. Eligibility requirements are a minimum year-end trailing 12-month production of \$750,000 and length of service requirements of five years or greater. Award values range from 1.5% to 10% of year-end trailing 12-month revenue.

The payment structure of the awards generally consists of deferred cash awards paid annually over a specified time frame, (provided the Financial Advisor is employed with UBS on the payment date) and restricted equity/notional shares subject to the plan's vesting and forfeiture rules, or some combination thereof. Total awards below a certain threshold will be paid in cash.

- **Recognition Councils** - At UBS, there are four Recognition Councils for top-performing Financial Advisors. They are Pinnacle Council, Chairman's Council, President's Council and Director's Council. Membership is based on a combination of production and net new business rankings and other eligibility factors set by the firm, including disciplinary history and compliance with firm rules, standards and policies. Recognition Council members participate in training and education events that involve travel paid for by the firm.
- **The Expense Allowance Program** - Recognition Council members and other Financial Advisors meeting minimum production levels are generally eligible to participate in the Expense Allowance Program, which provides an expense allowance for the purpose of promoting business. The amount of the expense allowance awarded is based on production level and Recognition Council Membership.

Defined contribution plan clients must provide permission for their recordkeeping providers to provide asset data to UBS. If the client does not provide permission, these assets will not be included for compensation or awards.

## **Item 6. Performance Based Fees and Side by Side Management**

The RPCS and RPGS Programs do not offer or impose performance fees.

## **Item 7. Types of clients**

### **A. Type of clients**

The Programs are designed to provide advisory services to sponsors of participant-directed defined contribution retirement plans. With respect to RPM and RPCS this may include, in certain instances, plans that are participating in a pooled employer plan as defined in ERISA or other collective group of plans. The RPCS Program also provides advisory services to other type of Plans, including employers that sponsor employment-based health savings account programs.

### **B. Requirements for Participation in the Programs**

#### **1. a. Minimum Asset Requirement**

Typically, the minimum asset requirement to receive RPCS Investment Menu Discretion Services in the RPCS Program is \$5 million in billable plan assets, although we may provide discretionary services to clients with less than \$5 million in billable plan assets under certain circumstances. There is no minimum asset requirement for participation in non-discretionary RPCS services or the Retirement Plan Guided Solutions Programs.

#### **b. Maximum Asset Requirement**

Subject to limited exceptions, initial participation in both the RPA and RPM programs is limited to plans with under \$5million in billable plan assets.

We reserve the right, in our sole discretion, to change account minimums for new accounts.

#### **2. Custody and Other Account Services**

Plans in the Programs described in this brochure may not implement our advice or investment recommendations through UBS. All trading and custody activity must be conducted through other firms.

#### **3. Plan Information**

Our Program Services are based upon the information and selection criteria you provide to us including plan goals, risk tolerance, and objectives. We rely on this information in providing our advisory services, so we require you to review the information and notify us promptly if there are any discrepancies or if your objectives have changed. You agree to review this information and provide us with updates as necessary or of any material change in your circumstances which may affect our services and investment recommendations.

You are responsible for providing us with a current mailing address and/or electronic mailing address for both the plan and fiduciaries of the plan. In the RPCS Program, if we are unable to invoice the plan fiduciaries by mail, we will be required to terminate the relationship from the RPCS Program.

#### **4. Program Agreement**

As an advisory UBS client, the plan fiduciaries will enter into a written agreement with us. The Agreement will identify the service(s) you selected, the fees charged, and our respective rights and obligations under the Agreement. The Agreement to participate in the RPCS Program or RPGS Programs will not be effective until accepted by an authorized member of UBS Program management.

#### **5. Investments**

Except for providing assistance in the selection of funds for inclusion in a plan's investment menu, or the actual selection of funds when exercising investment menu discretion, our services do not include the recommendation or solicitation of any other types of securities. Also, we do not advise plan participants regarding their investment options in the plan or HSA owners regarding their investment in an employer-sponsored HSA.

#### **6. Broker of Record**

Neither UBS nor any of our Financial Advisors may be listed as broker of record for any of the mutual funds you select to make available as investment options for your plan. You must confirm with your plan provider that neither UBS nor any of its Financial Advisors are listed as broker of record for the plan's investments.

## **7. Reliance of Plan Fiduciaries and Limits of Program Advisory Responsibility**

In making the services described in this brochure available to the plan and the plan fiduciaries, we rely on the information provided to us by the plan fiduciaries. This means that:

- It is the responsibility of the plan fiduciaries to provide us with all material and pertinent information as well as any other relevant information that we may request from time to time.
- We will rely on the information provided to us by the plan fiduciaries without further verification.
- The plan fiduciaries should notify us promptly of any material changes in the financial condition, risk tolerance, needs or objectives of the plan.

## **As it Pertains to Our Services**

- Other than discretionary investment menu services and discretionary models services, Program services are recommendations or educational information, are not binding on the plan, and the plan fiduciaries retain absolute discretion over, and responsibility for, the implementation of any recommendation and the actions taken pursuant to any information provided by your RPCS Consultant or RPGS Financial Advisor
- RPCS, RPA and RPM are not portfolio management programs. Neither we, nor our Financial Advisors:
- Manage plan participant assets or exercise any investment discretion or control over the plan participant's asset allocations, except as specifically provided for in the Program Agreement,
- Assume any responsibility or liability for the conduct or investment performance, either historical or prospective, of any investment fund suggested by your RPCS Consultant or RPA Financial Advisor and selected by the plan fiduciaries or selected by UBS or a RPCS Consultant when exercising investment menu discretion, or
- Provide any tax, legal, accounting or actuarial advice or prepare any legal, accounting or actuarial document.

## **8. Implementing Our Advice**

Other than discretionary investment menu services and discretionary models services, it is your responsibility to determine if, and how, the advice we provide to you in the Programs should be implemented or otherwise followed. You should carefully consider all relevant factors in making these decisions, and we encourage you to consult with your legal counsel, accountant or tax professional regarding the legal or tax implications of a particular recommendation.

## **9. Electronic Delivery of Documents**

To the extent permissible by applicable law, we may, with your prior consent, deliver trade confirmations, Form ADV Disclosure brochures, performance reports, prospectuses, offering documents and other documents and notices related to your accounts, trades and relationship with us via electronic delivery.

UBS offers certain communications through electronic delivery. Examples include: statements, trade confirmations and notices; shareholder communications, including fund reports, prospectuses and proxies; all account documents related to investment advisory accounts and fee-based financial planning services; investment performance reports; tax reporting documents; Client and account information documents; and other firm documents that may be available now or in the future.

We may deliver documents relating to investment advisory accounts as a link to a UBS website or as an attachment to an e-mail. When sending attachments to e-mails, for your protection, we will exclude and/or mask certain personal information such as name, address, and account number. We may also include important notices, disclosures and updates relating to your investment advisory accounts in or with your quarterly performance reports.

## **Item 8. Methods of Analysis, investment strategies and risk of loss**

All investments carry the risk of loss. Please review the documents, profiles and/or investment proposals we provide to you for a description of the specific risks associated with the funds selected. Please see the end of this section for risks associated with investments offered in the Programs.

### **A. Methods of Analysis and Investment Strategies**

Your Financial Advisor uses the information provided by you to make recommendations regarding the Programs. We do not independently verify such information. Accordingly, you must ensure that the information provided is accurate and complete and you should promptly notify your Financial Advisor if there are any changes to the financial condition, risk tolerance, needs or objectives of your Plan.

## 1. Retirement Plan Consulting Services

Your RPCS Consultant will use the information provided by you (including your Plan's Investment Policy Statement, where applicable) to make recommendations within the RPCS Program. RPCS Consultants generally rely on a variety of quantitative, qualitative, statistical, and benchmarking tools and methodologies to make recommendations in the RPCS Program.

When making investment recommendations within the RPCS Program, RPCS Consultants generally consider quantitative factors of a fund such as the funds' performance relative to its peer group, performance against its category benchmark, risk and return measures, fund expenses, and tracking error (where applicable), as well as certain qualitative factors such as the funds' investment philosophy and general organizational, operational, and administrative factors. In recommending target date funds, your RPCS Consultant will generally consider additional factors such as the fund's glide-path, asset allocation strategy, level of diversification, and overall structure and operations. In recommending stable value funds, your RPCS Consultant generally considers factors such as: the current market-to-book ratio of the portfolio, current credit quality of the underlying investments, claims-paying ability of each traditional guaranteed investment contract and wrap contract issuer, whether a waiting period is enforced for plan level withdrawals, and any other circumstances that may affect the ability of the fund to make participant-initiated withdrawals at book value.

RPCS Consultants use a variety of research sources in making their investment recommendation for your account, including research issued by various investment research groups within the Firm and/or its affiliates and independent third-party sources. Your RPCS Consultant will generally be limited to recommending or selecting those securities classified by the Firm as eligible for the RPCS Program. The investments available in the RPCS Program are subject to varying degrees of due diligence (quantitative and/or qualitative) and depth of research by the Firm and your RPCS Consultant. All investments available in the RPCS Program will be subject to some level of quantitative and/or qualitative due diligence review by the Firm, including potentially conducting a research survey or reviewing a fund through a quantitative screen. Certain investments available in the RPCS Program may be subject to higher degrees of due diligence by the Firm. For example, the Firm conducts enhanced research on a select group of mutual funds and makes that research available to RPCS Consultants. These "Select Lists" represent a diversified selection of mutual funds within various investment categories with different investment philosophies. The Select Lists are published for internal use only and can be, but are not required to be, used as a resource by RPCS Consultants when recommending mutual funds within the Program. These Select Lists are updated periodically. RPCS Consultants also have access to various internal and external resources to review and select the investments and managers they recommend and are not required to follow the research or opinions issued by the Firm or its affiliates, except in limited circumstances. As such, the investments in which you invest may or may not be part of these Select Lists and your RPCS Consultants may, in their discretion, make recommendations or take positions in your account that differ from the research issued by the Firm and its affiliates. We will not notify you regarding the research status of the investments you select, including if the investment you select is on one of the Select Lists or if it is removed after you invest.

### **RPCS Model Portfolios**

The asset allocations in the Model Portfolios are established by UBS Wealth Management Americas Asset Allocation Committee based on a proprietary methodology. In developing the asset allocations, UBS considers asset class risk and return results that are based on estimated forward-looking return and risk (measured by standard deviation) assumptions ("Capital Market Assumptions" or "CMAs"). These CMAs are based on UBS proprietary research with the development process including a review of a variety of factors, such as the return, risk, correlations and historical performance of various asset classes, inflation and risk premium. The CMAs have two sets of return assumptions, designed for different investment time horizons, but a single set of risk assumptions. The "strategic" return assumptions are used for investing over one full economic cycle, whereas the "equilibrium" returns have an investment horizon of multiple economic cycles. The strategic returns have multiple uses, including developing strategic asset allocations, custom portfolio analysis, and risk monitoring. The equilibrium CMAs are used for financial planning purposes and can be used, under certain circumstances, with institutional clients. UBS periodically reviews the economic or market conditions or other general investment considerations that it believes may impact the capital market assumptions. The capital market assumptions may change from time to time at the discretion of UBS. UBS has changed its risk and return assumptions in the past and may do so in the future. Changes in the assumptions may affect the target allocation in the Model Portfolios on the broad, subclass or style level. We may also add or remove asset classes, subclasses and styles from our allocation methodology at any time. We will notify you if changes in our capital market assumptions result in a change to the Model Portfolios. UBS employs a variety of asset allocation models and tools. As a result, our modeling outside of the RPCS Program may vary depending upon the asset allocation model and software program used for analysis. Your RPCS Consultant may make recommendations

of investments offered on the plan investment menu that are consistent with the asset class components of each of the Risk-Based Models or may exercise discretion over the implementation of the Model Portfolios, including selection of investments in the Model Portfolios, based on the RPCS Agreement and the methodology described below.

### **RPCS Investment Discretion Services**

When providing discretionary investment menu services, your RPCS Consultant will select, review, and replace plan investments on your Plan's investment menu according to the criteria established by the plan fiduciary as part of the RPCS Agreement. You must establish the criteria upon which your RPCS Consultant will select, monitor, and replace funds on the plan investment menu, including, for example, the funds' required performance relative to its peer group, performance against its category benchmark, risk and return measures, and other general organizational, operational, and administrative factors. To the extent the criteria selected by you as part of the RPCS Agreement conflicts with your Investment Policy Statement or other investment guideline document of the plan, the criteria established in the RPCS Agreement will prevail. UBS generally recommends that clients select the lowest cost share-class for an investment option; however, at your direction, alternate share-classes can be used based on your preferences.

In selecting target date funds (if applicable), your RPCS Consultant will take into account additional factors such as the fund's glide-path, asset allocation strategy, level of diversification, and overall structure and operation.

In selecting stable value funds (if applicable), your RPCS Consultant will consider certain factors, including: the current market-to-book ratio of the portfolio, current credit quality of the underlying investments, claims-paying ability of each traditional guaranteed investment contract and wrap contract issuer, whether a waiting period is enforced for plan level withdrawals and any other circumstances that may affect the ability of the fund to make participant-initiated withdrawals at book value.

Periodic review may identify investment options that fall short of expectations and may appear to be candidates for replacement. If your RPCS Consultant determines that an investment option has fallen short of expectations and should be removed from the plan investment menu, they will determine whether the investment option should be replaced by a similar investment option or if the overall scheme of investment alternatives in the plan menu should be modified and the investment option removed or replaced by a different type of investment option.

### **RPCS Benchmarks**

Benchmarks identified by UBS and/or your RPCS Consultant for the various funds and asset categories will be used for evaluation purposes. Because benchmarks available for target date funds do not generally account for variations in glide-path, asset allocation, diversification, structure and operations that are considered in selecting such funds, your RPCS Consultant will review such benchmarks in light of these considerations. Your RPCS consultant may consider a variety of fund benchmarks when evaluating a fund's performance and may consider benchmarks in addition to, or in the place of, the benchmarks displayed on any investment reports provided to you.

## **2. Retirement Plan Advisor**

Your RPA Advisor will review with you the information you provide and the features of the RPA Program to help you determine whether the RPA Program is appropriate for your Plan. Your RPA Advisor will make recommendations within the RPA Program based on the information provided by you and the investment guidelines and criteria adopted by you as part of the RPA Program Agreement.

When making investment recommendations within the RPA Program, RPA Advisors generally rely on a variety of quantitative, qualitative, statistical, and benchmarking tools and methodologies and generally consider quantitative factors of a fund such as a funds' performance relative to its peer group, performance against its category benchmark, risk and return measures, fund expenses, and tracking error (where applicable), as well as certain qualitative factors such as the funds' investment philosophy and general organizational, operational, and administrative factors. In recommending target date funds, your RPA Advisor will generally consider additional factors such as the fund's glide-path, asset allocation strategy, level of diversification, and overall structure and operations. In recommending stable value funds, your RPA Advisor generally considers certain factors such as: the current market-to-book ratio of the portfolio, current credit quality of the underlying investments, claims-paying ability of each traditional guaranteed investment contract and wrap contract issuer, whether a waiting period is enforced for plan level withdrawals and any other circumstances that may affect the ability of the fund to make participant-initiated withdrawals at book value. RPA Advisors use a variety of research sources in making their investment recommendations for your account, including research issued by third-party investment research groups;

research issued by various investment research groups within the Firm and/or its affiliates; and other independent third-party sources.

When making investment menu design recommendations within the RPA Program, your RPA Advisor will recommend that the plan select at least one investment option in each of the key asset class categories required in the RPA Program and may recommend other investment options in the required asset class categories or in other asset class categories based on your plan's preferences and objectives.

When making investment recommendations within the RPA Program, RPA Advisors may only recommend Eligible Investments that are approved within the RPA Program (the "RPA Approved List"). The RPA Approved List is constructed and managed by the UBS Institutional and Retirement Plan Consulting Investment Committee ("IRPC"), a committee of investment professionals in the Investment Management Research Group ("IMR") and Workplace Wealth Services group of UBS Financial Services Inc. The RPA Approved List will include active and passive mutual funds, CITs, and insurance program separate accounts and seeks to provide a platform of investment options for Clients to construct an investment menu covering various asset classes that allows participants a reasonable opportunity to affect the potential return and risk characteristics of their portfolio, as well as to diversify their investments.

The RPA Approved List will include the lowest cost share-class available for a given product; however, there may be instances where an identical strategy is offered under a different product structure and fee structure (e.g., a mutual fund may be included on the RPA Approved List even though a less expensive CIT is also available on the RPA Approved List). Additionally, in the event that a new lower cost share-class of a fund on the RPA Approved List becomes available, the new share-class will be added to the RPA Approved List and recommended by the Firm; however, clients currently holding the legacy share-class may continue to maintain the investment and it will be designated as available on the RPA Approved List only for these clients.

Investments on the RPA Approved List are screened and evaluated based on a number of established criteria; however, investments are not required to meet all established criteria (including the initial screening criteria thresholds) in order to be included on the RPA Approved List; IRPC may consider the overall quality of the fund based on quantitative and qualitative factors in addition to the initial screening threshold criteria. UBS has engaged a third-party firm, Morningstar Investment Management LLC, and its affiliates (collectively, "Morningstar") to perform certain research, due diligence and monitoring functions on behalf of IRPC for investments on the RPA Approved List. Morningstar identifies potential investment options for IRPC to consider by screening the universe of investments in a given asset category based on certain threshold criteria established by IRPC such as strategy size, track record and performance versus peer group. Once the universe of investments has been narrowed, Morningstar conducts in-depth reviews of various quantitative and qualitative factors, including absolute and risk-adjusted performance, expense ratios, tracking error (where applicable), investment philosophy, style consistency, and other organizational, operational, and administrative factors. Morningstar reviews additional factors for target date funds, including the fund's glide-path, asset allocation strategy, level of diversification, overall fund structure and operations. Morningstar reviews additional factors for stable value funds, including: the current market-to-book ratio of the portfolio, current credit quality of the underlying investments, claims-paying ability of each traditional guaranteed investment contract and wrap contract issuer, whether a waiting period is enforced for plan level withdrawals and any other circumstances that may affect the ability of the fund to make participant-initiated withdrawals at book value. Morningstar provides a report detailing their review to IRPC for all funds considered for inclusion on the RPA Approved List. Morningstar uses a variety of resources and data sources to conduct manager reviews and fund screens, including in-person and telephonic manager interviews, information submitted by managers, industry databases, information collected by third-party service providers, other Morningstar and Morningstar-affiliate resources, and external and/or publicly available sources. IRPC uses a variety of resources and data sources to review investments, including Morningstar and other third-party research reports, resources and data, manager information collected by Morningstar and other third-party sources, and research issued by various investment research groups within the Firm and/or its affiliates.

UBS and your RPA Advisor will monitor plan investment options according to the investment guidelines and criteria established as part of the RPA Program IPS, including quantitative factors such as relative peer performance, absolute and risk-adjusted performance metrics, and tracking error (where applicable). UBS and your RPA Advisor will also monitor qualitative factors that may impact investment performance such as style consistency, stability of a fund's management team, and other organizational, strategic, operational, and administrative factors. If the Firm identifies a potential concern with an investment on your plan's investment menu, the investment option may be subject to additional review and will be monitored for a period of time to determine if it is no longer an appropriate investment for the RPA Approved List. IRPC meets at least quarterly to review and consider changes to the RPA Approved List.



IRPC may also make intra-quarter changes to the RPA Approved List where appropriate. If IRPC determines that an investment option has fallen short of expectations and should be removed from the RPA Approved List, your RPA Advisor will recommend whether the investment option should be replaced by a similar investment option or if the overall scheme of investment alternatives on your plan investment menu should be modified and the investment option removed or replaced by a different type of investment option.

### **RPA Benchmarks**

Benchmarks identified by UBS for the various funds and asset categories will be used for evaluation purposes. Because benchmarks available for target date funds do not generally account for variations in glide-path, asset allocation, diversification, structure and operations that are considered in selecting such funds, your RPA Advisor will review such benchmarks in light of these considerations. UBS and your RPA Advisor may consider a variety of fund benchmarks when evaluating a fund's performance and may consider benchmarks in addition to, or in the place of, the benchmarks displayed on any investment reports provided to you.

### **3. Retirement Plan Manager**

UBS Retirement Plan Manager provides an investment menu that is designed to provide a broad range of mutual fund investment options in various asset class categories that allow participants a reasonable opportunity to affect the potential return and risk characteristics of their portfolio, as well as to diversify their investments. The RPM Investment Menu is constructed with active and/or passive mutual fund options in various asset categories as well as asset allocation strategies in the form of targeted-retirement-date funds. Your RPM Advisor will review the information you provide and the features of the RPM Program to help you determine whether the RPM Program is appropriate for your plan.

The Firm will select, review, and replace plan investments according to the guidelines established as part of the RPM Agreement. **Effective April 30, 2021, UBS Financial Services Inc. and UBS Asset Management entered into a sub-advisory agreement pursuant to which UBS-FS has delegated to UBS Asset Management the role of discretionary investment manager. Pursuant to that agreement, UBS Asset Management will exercise discretion over the selection, review and removal or replacement of investment options on the investment menu for each Plan.** Until April 30, 2021, the UBS Investment Management Investment Committee ("IMIC"), a committee of investment professionals within UBS Financial Services's IM Group, will continue to exercise discretion over the selection, review and removal or replacement of investment options on the investment menu for each Plan.

In determining which funds to include in the RPM Program Menu, UBS Asset Management) will generally consider quantitative factors such as a fund's performance relative to its peer group, performance against its category benchmark, risk and return measures, fund expenses, and tracking error (where applicable), as well as certain qualitative factors such as the fund's investment strategy, investment philosophy, and general organizational, operational, and administrative factors. Additional factors will be considered when reviewing target date funds, including the fund's glide-path, asset allocation strategy, level of diversification, overall fund structure, and operations. Funds are evaluated based on several established criteria, however, funds are not required to meet all established criteria for inclusion on the RPM Program Menu. UBS Asset Management will consider the overall quality of a fund based on all quantitative and qualitative factors. UBS Asset Management primarily relies on research conducted by IMR, which is part of UBS Financial Services Inc., when making investment decisions within the RPM Program. However, UBS Asset Management also relies in its own internal research teams at their discretion and it may also consider various other internal and external resources.

IMR conducts due diligence reviews of most investments on the RPM Investment Menu and makes recommendations to UBS Asset Management regarding investments to include on the RPM Investment Menu. UBS Asset Management can also rely on its own research processes and procedures, see the UBS Asset Management Form ADV Part 2A for more information.

When making investment recommendations, IMR generally narrows the universe of investments in a given asset category by conducting quantitative screens based on threshold criteria such as strategy size, track record and performance versus peer group. Once the universe of investments has been narrowed, IMR conducts more in-depth reviews of various quantitative and qualitative factors, including absolute and risk-adjusted performance, expense ratios, tracking error (where applicable), investment philosophy, style consistency, and other organizational, operational, and administrative factors. IMR reviews additional factors for target date funds, including the fund's glide-path, asset allocation strategy, level of diversification, overall fund structure and operations. Funds are screened and evaluated based on a number of established criteria; however, funds are not required to meet all established criteria (including the initial screening criteria thresholds) in order to be recommended by IMR; IMR may consider the

overall quality of the fund based on quantitative and qualitative factors in addition to the initial screening threshold criteria. IMR uses a variety of resources and data sources to conduct manager reviews and fund screens, including in-person and telephonic manager interviews, information submitted by managers, industry databases, information collected by third-party service providers, other internal resources at the Firm and/or its affiliates, and external and/or publicly available sources.

IMR and IM Group monitor investments on the RPM Investment Menu to determine whether they are performing at a satisfactory level based on quantitative factors such as relative peer performance, absolute and risk-adjusted performance metrics, and tracking error (where applicable). IMR and IM Group also monitor qualitative factors that may impact investment performance such as style consistency, stability of fund's management team, and other organizational, strategic, operational, and administrative factors. If IMR or IM Group identify a potential concern with an investment on the RPM Investment Menu, the investment option may be subject to additional review and will be monitored for a period of time to determine if and when it is no longer an appropriate investment for the RPM Investment Menu. If the concerns associated with the investment option rise to a level that either IM Group or IMR believes that it should be removed or replaced from the RPM Investment Menu, they may recommend removal or replacement to IMIC. IMIC meets at least quarterly to review the RPM Investment Menu and consider changes to the menu. IMIC may also make intra-quarter changes to the investment menu where appropriate. If IMIC determines that an investment option has fallen short of expectations and should be removed from the RPM Investment Menu, it will determine whether the investment option should be replaced by a similar investment option or if the overall scheme of investment alternatives in the RPM Investment Menu should be modified and the investment option removed or replaced by a different type of investment option.

### **RPM Benchmarks**

Benchmarks identified by the fund as well as benchmarks identified by UBS Financial Services Inc. for the various asset categories will be used for evaluation purposes. Because benchmarks available for target date funds do not generally account for variations in glide-path, asset allocation, diversification, structure and operations that are considered in selecting such funds, UBS will review such benchmarks in light of these considerations. UBS considers a variety of fund benchmarks when evaluating a fund's performance and may consider benchmarks in addition to or in place of the benchmarks displayed to you on any investment reports.

### **B. Reliance on Fund Information**

In performing the services described in this brochure, we rely on information, including past performance information, from third-party or proprietary databases regarding different mutual, exchange traded, stable value and collective funds and may provide this information to you as part of our services under the Programs. We do not review, verify, or guarantee the accuracy of this information, including past performance information, which may not be calculated on a uniform or consistent basis for each investment product. Any information, including past performance information, we provide to you that has been obtained, computed, formatted or displayed by outside sources is believed accurate, but has not been independently verified and we cannot guarantee its accuracy or validity.

We may make available descriptive profiles of funds within the Program that include past performance information. Profiles are not available for every fund identified in our search services. We do not review third-party investment performance for compliance with any presentation standards.

### **As with other investments, past performance does not guarantee or indicate future results**

### **C. Risks Associated With Certain Investments in the RPCS Program and/or RPGS Programs**

This section is not intended to enumerate all the risks associated with these investments.

#### **– Mutual Funds and Exchange Traded Funds (ETF)**

Mutual funds and exchange traded funds are sold by prospectus. To determine whether a particular investment is an appropriate investment for you, carefully consider the important information on the investment objectives, risks, charges and expenses. Please read the prospectus and offering documents carefully before you invest. Your Financial Advisor can provide a copy of the prospectus. You should be aware that the return and principal value of the Fund and ETF will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. We recommend that you read these documents carefully and consider investment objectives, risks, charges and expense before investing and maintain them in your files for future reference. If you have any questions, please contact your Financial Advisor.

Shareholders of these investments pay fees to the service providers of the funds, for example, management and administrative fees. The actual returns of your investment will be reduced by those fees and expenses.

There are risks involved with investing, including possible loss of principal. There is no guarantee that the investments will appreciate during the time that you hold them and some or all may depreciate in price. The risks for each investment will vary depending on the investment objective and underlying investments of each mutual fund and ETF. The prospectus lists the applicable risks. Please review those risks carefully before investing.

– **Exchange Traded Funds**

When you purchase an ETF share, you purchase an interest in an underlying basket of securities, designed to obtain investment results that correspond generally to price and yield performance of a particular index of securities, such as the S&P 500. There is no assurance that the ETF investments will match the index it aims to replicate. Investors in ETFs are subject to different risks than investors in mutual funds, as some of these instruments do not issue and redeem shares on a continuous basis. As a result, these securities may not be as liquid as open-end mutual funds. The price of these securities trading on an exchange can move independently of, and at a discount to, the net asset value (NAV) of securities comprising the fund's portfolio.

– **Collective Investment Trusts or Funds**

A collective trust fund is not open to individual investors. The strategies may be speculative and involve significant risk. Unlike a mutual fund, the only way that an investor can gain access to a collective trust fund is through a retirement plan such as a 401(k) plan. Additionally, regulation of mutual funds differs from that of collective trust funds. For instance, the mutual fund industry is governed by the Securities and Exchange Commission (SEC). Mutual funds lay out an investment strategy in legal documents that are filed with financial regulators in a region so investors are aware of the risks and rewards that are likely with a fund.

Managers of collective funds are not regulated by the SEC. Instead, these investment advisers adhere to less stringent guidelines and are overseen by the US Office of the Comptroller of the Currency or by a state banking authority. As a result of less stringent governance, managers of collective funds have to disclose fund performance and the components of a portfolio only once a year, although most collective fund managers communicate performance to investors on a more frequent basis.

– **Stable Value Funds**

The objective of most stable value funds is to provide safety of principal and an investment return that is generally higher than a money market return, while providing participants the ability to withdraw their assets for ordinary transactions at book rather than market value. You understand, however, that the ability to withdraw stable value assets at book value has limitations based on the insurance contracts that wrap the underlying assets. In addition, most stable value funds require a hold period before assets can be withdrawn from the fund by the plan sponsor at book value and may refuse to honor book value withdrawals after communications from a plan sponsor or plan fiduciaries that it determines caused participants' withdrawals. Additionally, the plan is often restricted from offering investment alternatives or investments that are viewed as competitive with the stable value offering. Finally, you understand that stable value funds are subject to counterparty risk of the insurers that provide the fund's book value liquidity.

## **Item 9. Additional information**

### **A. Executive officers and Board of Directors**

- **Thomas C. Naratil** is President of UBS Group Americas and Co-President of Global Wealth Management (GWM), Chief Executive Officer of UBS Americas Holding LLC, and a member of the Group Executive Board of UBS Group AG. UBS WMA comprises the registered broker-dealer, UBS Financial Services Inc., as well as UBS Bank USA and the Private Banking operation. As regional President, he brings together the firm's resources, talent and capabilities to benefit UBS's clients in the Americas.
- **Jason R. Chandler** is the Group Managing Director, Head of Wealth Management USA, and a member of the Board of UBS Financial Services Inc.
- **Catherine Newcomb** is Managing Director, Operating Head for Wealth Management Americas and Wealth Management Latin America and is a member of the Board of UBS Financial Services Inc.
- **Samuel L. Molinaro** is Group Managing Director; President of UBS Americas Holding LLC, Head of Legacy and a member of the boards of UBS Securities LLC and UBS Americas Holding LLC, and Chief Operating Officer of Wealth Management Americas.
- **Ralph Mattone** is a Managing Director and the Chief Financial Officer of UBS Financial Services Inc.

- **Steve Mattus** is a Managing Director, a member of the Board of UBS Financial Services Inc., and head of Advisory and Planning Products, Americas.
- **Mark Sanborn** is a Group Managing Director and the Head of US Investment Products & Services and the Capital Markets Group. He is a member of the Board of Directors of UBS Financial Services Inc.

#### **CIO Wealth Management Research Americas**

- Solita Marcelli is a Managing Director, Regional Chief Investment Officer for the US for UBS Wealth Management Americas, which comprises the registered broker-dealer, UBS Financial Services Inc, .

#### **Management for the RPCS, RPA, and RPM Programs Covered in this Brochure**

- **Michael Barry** is a Managing Director and Head of the Workplace Wealth Services Business for UBS Wealth Management Americas.
- **Gene Silverman** is an Executive Director and Head of Retirement Plan Services, including RPCS, RPA and RPM.
- **Andrew Duren** is an Executive Director and Head of Institutional Consulting & Retirement Plan Program Administration, including RPCS, RPA and RPM.

#### **General Counsel, Director of Compliance and Chief Compliance Officer**

- **Douglas Hollowell** is a Managing Director and General Counsel of UBS Wealth Management US, which includes the US registered broker-dealers, UBS Financial Services Inc. and UBS Financial Services Inc. Incorporated of Puerto Rico, as well as UBS Bank USA, and UBS Trust Company of Puerto Rico Inc..
- **Anthony Primiano** is a Managing Director and Americas Head of GWM Compliance and Operational Risk Control . He is responsible for coordinating all Compliance & Operational Risk Control activities for Global Wealth Management in the Americas region, which includes UBS Financial Services Inc. Mr. Primiano is also the Chief Compliance Officer of UBS Financial Services Inc.
- **Lisa M. Francomano** is an Executive Director, Deputy Director of Compliance and Chief Compliance Officer for UBS Financial Services Inc.'s advisory business.

#### **B. Disciplinary History**

Below is a summary of the material legal and disciplinary events against UBS Financial Services Inc. during the last 10 years. As of the date of this brochure, there are no reportable legal and disciplinary events for our senior management personnel or those individuals in senior management responsible for determining the general investment advice available to our clients.

The disciplinary reporting requirements for broker-dealers and investment advisers differ in some ways, with FINRA requiring broker-dealers to report on matters (for example, pending complaints and arbitrations) which are not required to be reported by investment advisers. Since our firm operates as both broker-dealer and investment adviser we file the information as required by each entity. The information in this report is not the only resource you can consult. You can access additional information about our firm and our management personnel on the Securities and Exchange Commission's website, located at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov), as well as the Financial Industry Regulatory Authority's website, [brokercheck.finra.org](http://brokercheck.finra.org).

**The RPCS Program and RFGS Programs were not involved in any of the instances described below.**

**Please note that in each instance described below, the Firm entered into the various orders, consents and settlements without admitting or denying any of the allegations.**

#### **Disciplinary History**

1 Date of Action: July 20, 2020

Entity: UBS Financial Services Inc.

Brought By: Securities and Exchange Commission

The SEC issued an order finding that UBS violated MSRB Rules G-11(k), G-17, G-27 and Section 15B(c)(1) of the Exchange Act between August 2012 and June 2016. The SEC alleged UBS did not comply with certain retail order period restrictions in new issue municipal bond offerings it distributed by allocating bonds intended for retail customers to certain customers, who immediately resold or "flipped" the bonds to other broker-dealers at a profit. The Order also found UBS, through certain registered representatives, improperly obtained negotiated new issue bonds for UBS's inventory by placing indications of interest with the flippers who then

## Disciplinary History

placed customer orders with the underwriting syndicate, instead of UBS submitting dealer orders directly with the syndicate on its own behalf. This practice was found to have circumvented the priority of orders and given UBS access to a higher priority in the bond allocation process than it typically would have had.

Disposition: Cease and Desist; Censure; disgorgement of \$6,740,000, prejudgment interest of \$1,549,336, and a civil penalty in the amount of \$1,750,000 for a total of 10,039,336.

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- 2 Date of Action: September 28, 2016  
Brought by: Securities and Exchange Commission  
Rule: Section 15(b)(4)(E) of the Exchange Act

Allegations: The SEC alleged that during the period of 2011 – 2014, UBS failed reasonably to fulfill supervisory responsibilities within the meaning of Section 15(b)(4)(E) of the Exchange Act because UBS failed to establish reasonable policies and procedures, and a system for applying such procedures, that would reasonably be expected to prevent and detect the violations of Section 17(a)(3) of the Securities Act. The product under review was the Reverse Convertible Note ("RCN") with a single stock as the underlying asset, also called single-stock-linked RCNs. The Order finds that the Firm failed to reasonably supervise its RCN sales by failing to develop and implement adequate education and training for its Financial Advisors regarding certain aspects of single stock-linked RCNs, including for example, the role of implied volatility of the underlying stock in the selection of the stock as the asset underlying the RCN. The Order highlighted the Firm's significant cooperation and prompt enhancement of procedures addressing the SEC's concerns.

Disposition: SEC censure order and fine

Fine: \$8,227,566 in disgorgement (to the SEC), \$798,316 in interest, and \$6 million in penalty, for a total of \$15,025,882.

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- 3 Date of Action: December 2014  
Brought By: State of Vermont Department of Financial Regulation  
Entity: UBS Financial Services Inc.

The firm was fined \$325,000 for inaccurate books and records, breaches of policies and procedures which prohibited the solicitation of MAC Eligible managers and failure to provide a reasonable supervisory system to prevent such breaches. The Consent Order highlights the Firm's substantial cooperation with the investigation and its enhancements to procedures which were made to prevent recurrence of these facts.

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- 4 Date of Action: December 2013  
Brought By: FINRA  
Entity: UBS Financial Services Inc.

The firm was fined a total of \$260,000 for rule breaches involving fair pricing of 5 municipal bond transactions, best execution obligations relating to 51 transactions and late reporting to TRACE of 303 trades. The breaches occurred over sporadic periods between 2008 and 2012.

Censure and Fine: \$260,000

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- 5 Date of Action: August 2013  
Brought By: North American Securities Administrators Association  
Entity: UBS Financial Services Inc.

UBS employed client service associates who accepted client orders without being registered with relevant state authorities and failed to supervise those associates adequately. UBS settled the matter without admitting or denying the findings of fact. UBS agreed to enter into separate settlements with each state and the civil penalty will be divided amongst the states in individual settlement amounts.

Fine: \$4.58 million

- 
- 6 Date of Action: December 12, 2012  
Brought By: FSA, FINMA, CFTC

## Disciplinary History

Entity: UBS AG

On 19 December 2012, UBS AG entered into settlements with the US Department of Justice (DOJ), UK Financial Services Authority, and the Commodity Futures Trading Commission (CFTC) in connection with their investigations of manipulation of LIBOR and other benchmark interest rates. The Swiss Financial Market Supervisory Authority (FINMA) also issued an order concluding its formal proceedings with respect to UBS. UBS agreed to pay a total of approximately CHF 1.4 billion in fines and disgorgement. UBS will pay GBP 160 million in fines to the FSA and CHF 59 million as disgorgement of estimated profits to FINMA.

FINMA: Reprimand and disgorgement of estimated profits CHF 59 million

FSA: Fine GBP 160 million

CFTC: Fine, USD 700 million

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7 Date of Action: May 1, 2012

Brought

By: SEC

Entity: UBS Financial Services of Puerto Rico

UBS Financial Services of Puerto Rico, a subsidiary of UBS Financial Services, settled with the SEC without admitting or denying charges regarding misrepresentations and omissions of material facts to numerous retail customers during the period 2008 and 2009 regarding the secondary market liquidity and pricing of UBS PR affiliated closed end funds. The Firm is required to retain an independent consultant to review its sales and trading policies, procedures and practices in connection with such funds."

Disposition and Fines: Censure \$14,000,000; Disgorgement \$11,500,000; Interest \$1,109,739

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8 Date of Action: May 1, 2012

Brought By: FINRA

FINRA Rule 2010, NASD Rules 2110, 2310, 3010 –

Allegations: FINRA alleged that the Firm failed to establish and maintain a supervisory system, including written procedures, reasonably designed to achieve compliance with NASD and FINRA rules in connection with the sale of non-traditional Exchange-Traded Funds (ETFs) in accounts where the firm provided brokerage services to certain retail customers and the firm failed to provide adequate formal training and guidance to its registered representatives and supervisors regarding non-traditional ETFs.

Disposition: Letter of Acceptance, Waiver and Consent, Censure and Fine

Fine: 1.5 million; \$431,488 in restitution

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9 Date of Action: February 22, 2012

Brought By: Pennsylvania Securities Commission

Allegations: The Pennsylvania Securities Commission alleged that the Firm failed to reasonably supervise three agents in one branch office relating to the sale of certain structured products issued by Lehman Brothers to two investors and that such conduct formed a basis to sanction the Firm under Section 305 (A)(VII) of the Pennsylvania Securities Act of 1972, 70 P.S. Section 1-305(A)(VII)

Disposition: Consent to the Commission's Findings of Fact, Conclusion of Law, and Order. Administrative Assessment of \$200,000

Legal and investigation costs of \$75,000

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10 Date of Action: September 30, 2011

Brought By: FINRA

Allegations: FINRA alleged that during the period of November 2004 to September 2006, the Firm violated Municipal Securities Rulemaking Board Rule G-27 by failing to reasonably supervise certain cross-trading of municipal bonds by retail customers, in that the Firm lacked adequate policies and procedures to monitor this type of trading and did not conduct adequate follow-up on red flags which put it on notice that one of its

## Disciplinary History

registered representatives may have been exercising discretion in customer accounts to engage in unsuitable cross-trading of municipal bonds.

Acceptance, Waiver and Consent Censure and Monetary Fine: \$300,000

11 Date of Action: August 22, 2011

Brought By: New Hampshire Bureau of Securities Regulation

Allegations: UBS sold Lehman Structured Products to clients (specifically referencing three particular investors), who were not made aware of the risks of these products and failed to inform clients of Lehman's financial condition prior to Lehman's bankruptcy. It was also alleged that the firm's recommendations to a small number of New Hampshire residents to purchase Lehman Structured Products were unsuitable.

Disposition: Consent Order

Administrative fine of \$100,000; Investigation costs of \$200,000; Administrative payment of \$700,000

12 Date of Action: May 4, 2011

Brought By: SEC, Internal Revenue Service (IRS), Dept. of Justice (DOJ), State Attorney General of 24 States

UBS AG and UBS Financial Services Inc. reached settlements with the SEC, the IRS, the DOJ and a group of State Attorneys General regarding investigations into the conduct of certain former employees in UBS Financial Services' former municipal reinvestment and derivatives group from 2001 to 2006. Allegations included violations of: Section 15(c)(1)(A) of the Securities Exchange Act of 1934, Section 1 of the Sherman Act, and IRS regulations in bidding practices and representations made involving the investment of proceeds of municipal securities transactions.

Disposition: SEC: Waiver and Consent to Final Judgment enjoining UBS from violating Section 15(c) of the Act, disgorgement of profits, interest and civil penalty; IRS: Closing Agreement; DOJ: Non-prosecution Agreement

SEC: Disgorgement of \$9,606,543 plus interest of \$5,100,637 and civil penalty of \$32,500,000; IRS: penalty of \$18 million and restitution of 4.3 million; States: \$70.8 million plus \$20 million credited from the SEC settlement

13 Date of Action: April 11, 2011

Brought By: FINRA

Allegations: Violations of NASD Rules 2110, 2010, 2210, 2211, 2310, 3010 and IM2310-2 with regard to Lehman Brothers Holdings Inc. 100% Principal Protection Notes ("Notes"): violated NASD Rule 2110 by making statements and omitting certain facts through communications through some financial advisors that may have misled certain customers, failed to disseminate adequately to financial advisors certain market information relating to Lehman's financial condition, violated NASD Rules 3010 and 2110 by failing to maintain and establish adequate supervisory systems in connection with marketing and sale of the Notes, violated NASD Rules 2310 and 2110 and IM-2310-2 by not adequately analyzing the suitability of sales to certain customers, and use of advertising and marketing materials and training and education materials that were not fair and balanced in violation of Rules 2210(d)(1) (A) and (B), 2211 and 2110.

Disposition: Letter of Acceptance Waiver & Consent.; Censure, Fine, and Restitution to specific classes of customers

Fine: \$2.5 million; Restitution: \$8.5 Million

## Item 10. Other Financial Industry Activities and Affiliations

### A. Our Business

UBS Financial Services Inc. is a member of all principal securities and commodities exchanges in the United States including the New York Stock Exchange ("NYSE"). Our parent company, UBS AG, is a global, integrated investment services firm and one of the world's leading banks. We are registered to act as a broker-dealer, investment adviser and

a futures commission merchant. Please note that registration as an investment adviser does not imply a certain level of skill or training.

As a full-service broker-dealer and investment adviser, we offer our customers and investment advisory clients a broad range of financial services and products, and we are engaged in various aspects of the securities and investment business. Our financial services include:

- Underwriting securities offerings.
- Acting as a market maker in securities.
- Trading for our own account.
- Acting as a clearing firm for other broker-dealers.
- Buying or selling securities, commodity futures contracts and other financial instruments for customers as their broker or buying them from or selling them to clients, acting as principal for our own account.
- Providing investment advice and managing investment accounts or portfolios.
- Acting as a commodity pool operator, futures commission merchant or commodity trading advisor and providing custodial services.
- Through our affiliates, we provide clients with trust and custodial services.
- We manage, sponsor and distribute registered investment companies and other public and private pooled investment vehicles, including hedge funds, whose shares or other interests are sold to clients.

UBS Financial Services Inc. is a registered broker-dealer that provides a full suite of wealth management advisory services. Our investment advisory business is the principal business in terms of revenues.

### **UBS Financial Services Inc. Subsidiaries and Other Affiliates**

There are a number of related persons that provide investment management and other financial services and products to our investment advisory clients, which may be material to our advisory business. UBS, our parent companies, subsidiaries or affiliates act in one or more capacities, including investment adviser, sub-adviser, consultant, administrator and principal underwriter (as applicable) to a number of open-end and closed-end investment companies with varying investment objectives. As a futures commission merchant, and through affiliates registered as commodity pool operators and commodity trading advisors, we or an affiliate also provide advice on commodities and commodity-related products. Certain of our subsidiaries, affiliates and related entities include the following:

- Sydling Futures Management LLC.
- UBS Financial Services Inc. Insurance Agency Inc.
- UBS Financial Services Inc. Incorporated of Puerto Rico, a separately registered broker-dealer.
- UBS Insurance Agency of Puerto Rico Incorporated.
- UBS Trust Company of Puerto Rico.
- UBS Credit Corp. provides loans to clients that are either unsecured or secured by securities or other financial instruments. These loans may be used to buy securities or for other purposes. These loans are not subject to the maintenance requirements and potential capital charges that are imposed on broker-dealers.
- UBS Bank USA is an FDIC-insured Utah industrial bank. UBS Bank USA provides deposit services and secured and unsecured loans to clients, including loans secured by securities or other financial instruments and residential real estate. The securities-based loans made by the Bank are predominately loans that are “non-purpose” and may be used for purposes other than buying, trading or carrying securities. Non-purpose securities backed loans are not subject to the maintenance requirements and potential capital charges that are imposed on broker-dealers.
- 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.

UBS AG (UBS Financial Services Inc.’s ultimate parent) offers investment advisory services through a variety of direct and indirect subsidiaries. These entities are separately registered investment advisors and, in some cases, registered broker-dealers and commodity-trading advisors. Their principal lines of business range from developing and distributing investment products including wrap fee products, mutual funds, closed-end funds, privately placed funds and other pooled investment products, providing investment advice to individuals, pension and other employee benefit plans, other tax-exempt organizations, insurance companies, investment companies, commingled trust funds, corporations, and other institutional investors, and serving as investment managers, administrators, distributors and/or placement agents for a number of funds, including (in the case of UBS Asset Management (US) Inc., the PACE Select Advisors Trust and a number of UBS and UBS Asset Management-advised mutual funds. Certain of the investment advisers listed below may serve as investment manager for clients participating in our MAC, ACCESSS, IC or SWP programs.



The UBS AG subsidiaries registered as investment advisers in the United States include the entities below. These companies manage the assets of, or serve as general partners or managers of registered investment companies and private investment funds that may be offered and sold to our advisory clients. Information on those investment vehicles can be found on the respective Form ADV of each affiliated advisor.

- UBS Farmland Investors LLC.
- UBS Hedge Fund Solutions LLC.
- UBS Fund Advisor, LLC.
- UBS Asset Management (Americas) Inc.
- UBS O'Connor LLC.
- UBS Realty Investors LLC.
- UBS Swiss Financial Advisers AG.

#### **Item 11. Investment Adviser Code of Ethics, Participation or Interest In Client Transactions and Personal Trading**

Investment adviser code of ethics the Firm maintains and enforces a written code of ethics in accordance with Rule 204A-1 under the Investment Advisers Act of 1940. The code and any subsequent amendments are provided to all Wealth Management Americas employees of the Firm and each employee is responsible for acknowledging receipt.

The code, which supplements the Firm's code of conduct, has a dual purpose:

- To set forth standards of conduct that apply to all employees of the firm, including the firm's fiduciary obligation to its clients.
- To address conflicts of interest associated with the personal trading activities of a subset of employees defined as "Access Persons."<sup>5</sup>
- Employees are required to promptly report any suspected violation of the code. Violations of the code may result in discipline, up to and including termination. Clients or prospective clients may obtain a copy of the Investment Adviser Code of Ethics upon request.

Sources of compensation from third parties Because the Programs neither permit you to purchase or custody funds at UBS nor to list UBS or any of its Financial Advisors as broker of record for any of the investment options you select under the Programs, we will only receive the Program Fee as compensation for the services provided in this brochure.

In relationships that are separate and distinct from the Programs, UBS, our Financial Advisors and affiliates receive additional compensation when clients use UBS's account, execution, custody or other services, including other investment advisory services. We may also act as agent or principal for our own account when executing transactions and may profit or receive compensation in connection with such transactions.

#### **Sources of Compensation from the Sale and Distribution of Mutual Funds.**

**The compensation described in this "Sources of Compensation from the Sale and Distribution of Mutual Funds" section is not received with respect to assets subject to a Retirement Plan Consulting Services Agreement, Retirement Plan Advisor Agreement, or Retirement Plan Manager Agreement; however, these fees may be received in connection with other client assets at UBS.**

With respect to the sale of mutual funds, compensation to UBS, its Financial Advisors and affiliates can result from receipt of distribution (e.g., 12b-1 fees), shareholder servicing, administration (e.g., omnibus or networking fees), marketing, investment management, revenue sharing or referral agreements we and/or our affiliates have with vendors or sponsors of those securities and other services. The source of some of this compensation is from the fees you pay the fund sponsor or investment adviser who then pays a portion of those fees to us. The mutual fund's prospectus will include information about the various forms of compensation paid by the fund or its advisors. In addition, information regarding revenue-sharing arrangements is available at our website, [ubs.com/mutualfundrevenuesharing](https://ubs.com/mutualfundrevenuesharing).

We also receive additional compensation as a result of inter-company profit sharing and servicing agreements. As a result of the various payments to us or our affiliated companies, the amount of compensation that UBS entities receive with respect to the sale of affiliated or proprietary mutual funds, including the money market funds used as sweep vehicles in advisory accounts, is greater than the amount payable to the organization as a whole from the sale of unaffiliated mutual funds.

<sup>5</sup> Access Person: all branch office employees, regardless of their job function, and any other Firm employee who works from a branch location or home office employees who place trades on behalf of money managers who participate in the Firm's advisory programs.

For UBS proprietary products, our affiliates receive fees for providing investment management and other services ancillary to the execution of purchases of shares in affiliated funds, including, administration and shareholder services to the affiliated funds in the Programs.

## **Non-Cash Compensation**

### **A. Contributions to Training and Education Expenses**

Investment managers, mutual fund vendors, unit investment trust sponsors, retirement plan platforms, annuity, life insurance companies or their affiliates and sponsors of ETFs whose products are available on our platform may contribute funds to support our Financial Advisor education programs.

The contributions are used to subsidize the cost of training seminars we offer to Financial Advisors through specialized firm-wide programs and regional training forums. These seminars are designed to provide training and education to Financial Advisors, Branch Office Managers, Field Leadership, and other personnel who regularly solicit clients to participate in the various types of businesses listed above. These contributions also subsidize a significant portion of the costs incurred to support the Financial Advisor training, Financial Advisor and Client education, and product marketing efforts conducted regionally and nationally by product specialists employed by UBS and its affiliates. The training events and seminars can (and often) include a non-training element to the event such as business entertainment which is not subsidized by vendors.

Not all vendors contribute to our education efforts. Neither contribution towards these training and educational expenses, nor lack thereof, is considered as a factor in analyzing or determining whether a vendor should be included or should remain in our programs or our platform. Contributions can vary by vendor and event. Some vendors may decide to contribute at levels different than those we request. Additional contributions may be made by certain vendors in connection with specialized events or training forums.

Your Financial Advisor does not receive a portion of these payments. However, their attendance and participation in these events, as well as the increased exposure to vendors who sponsor the events, tend to lead Financial Advisors to recommend the products and services of those vendors as compared those who do not.

### **B. Other Forms of Non-Cash Compensation**

**Non-cash Compensation** - We and our Financial Advisors receive non-cash compensation from mutual fund companies, investment managers, unit investment trust sponsors, annuity providers, insurance vendors, and sponsors of investment products (including ETFs) that we distribute. This compensation includes the following: Occasional gifts up to \$100 per vendor per year and occasional meals, tickets or other entertainment of reasonable and customary value. The thresholds and limits for gifts and entertainment are designed to mitigate any conflicts related to recommending the products of the providers of such gifts, meals or entertainment.

- Sponsorship support of educational events the Financial Advisors arrange for clients and prospective client.
- Contributions made at the firm-level toward seminars and educational programs for Financial Advisors. These contributions are significant both per vendor and in the aggregate. While Financial Advisors do not receive any portion of these payments, the conflict presented is that a Financial Advisor's attendance and participation in educational or training forums, and the increased exposure to vendors who sponsor these events, tends to lead Financial Advisors to recommend the products and services of those vendors. These seminars and educational programs often include non-educational elements of the event such as business entertainment which is not subsidized by vendors. (See above, *Contributions to Training and Education Expenses*, for additional details).
- Various forms of marketing support and, in certain limited circumstances the development of tools used by the Firm for training or record-keeping purposes.

The receipt of cash and non-cash compensation from sources other than clients, and the differences in the way we compensate Financial Advisors for the products we offer, create an incentive for Financial Advisors to recommend certain products and account types over others. We address our conflicts of interest by maintaining policies and procedures requiring that Financial Advisors act in your best interest, reasonably supervising their activities, and by disclosing these conflicts to you so that you can make fully informed decisions.

Non-cash compensation can vary by vendor and event.

**Compensation for Data Analytics** - Our Strategic Insights program offers vendors whose products are offered on the UBS Financial Services Inc. platform the opportunity to enter into agreements with us pursuant to which, for a fee

ranging from \$150,000 – \$330,000, we will provide analytics and data relating to Financial Advisors in order to help vendors streamline and tailor the way they do business with our Financial Advisors. The list of Financial Advisors will be a complete list of all of our Financial Advisors including those that sell their products and those who do not.

Vendors that have this data have an advantage over others as they have a greater level of information and can tailor their wholesaling efforts in our branches, which may result in increased sales of those products by our Financial Advisors. Financial Advisors do not receive a portion of these fees. Although opportunities for these strategic relationships are available to all vendors whose products are available on our platform, not all vendors participate in these relationships. Participation in this program is optional and is not a consideration when determining whether or not a vendor's products will be made available on the platform.

**Other Compensation** - In addition, our affiliates receive trading commissions and other compensation from mutual funds and insurance companies whose products we distribute.

UBS or our affiliates may engage in a variety of transactions with (or provide other services to) the investment managers, mutual funds, their affiliates or service providers with which you are doing business. We may, in turn, receive compensation from these entities. Those transactions and services that we provide may include:

- Executing transactions in securities or other instruments.
- Broker-dealer services for our own account.
- Research services.
- Consulting services.
- Performance evaluation services.
- Investment banking services.
- Banking or Insurance services.

## **A. Other Interests in Client Transactions**

### **Advice/services to other clients and activities in our proprietary accounts**

We and our affiliates provide investment banking, research, brokerage, investment advisory and other services for different types of clients. In providing those services or with respect to our own accounts, we and our affiliates may:

- Give advice to, or take actions for, those clients or for our or our affiliates own accounts that differs from advice given to, or the timing and nature of actions taken for you,
- Buy and sell securities for our own or other accounts,
- Act as a market maker or an underwriter for securities recommended, purchased or sold.

UBS and our affiliates occasionally may not be free to divulge or act upon certain information in their possession on behalf of investment advisory or other clients. We are not obligated to execute any transaction for your account that we believe to be improper under applicable law or rules or contrary to our own policies. In particular, you should note that some of our programs may recommend asset allocations or analyze markets and the economy in a different way than would be recommended by some of our research, trading or other departments.

We have adopted policies and procedures that limit transactions for our proprietary accounts and the accounts of our employees. These policies and procedures are designed to prevent, among other things, improper or abusive conduct such as trades on behalf of money managers who participate in the Firm's advisory programs and home office employees that develop, manage or place trades for home office discretionary programs. Additional home office employees may be deemed Access Persons depending upon their work location when there may be a potential conflict with the interests of a client.

## **Item 12. Brokerage Practices**

Our Program services do not include the review or recommendation of broker-dealers for client transactions. Clients may choose to implement our advice through other financial institutions. However, we will not review or otherwise make recommendations on broker-dealers.

## **Item 13. Review of Accounts**

We have various policies and procedures applicable to the review and supervision of services provided through the Programs. Those policies are designed to comply with the requirements of the Investment Advisers Act of 1940 and, where applicable, ERISA and other applicable rules and regulations.

Program clients meet with RPCS Consultants or RPGS Financial Advisors periodically. Items generally reviewed include, but are not limited to the following:

- Consistency of the plan's investments with the plan's investment objectives or Investment Policy Statement.
- Review of performance compared to peers and benchmarks and style drift of plan's investments.
- Analysis of risk and return and investment costs.

Branch Office Managers are responsible for the supervision of Financial Advisors who provide Program services, while home office Program Managers are responsible for enforcing the various Program guidelines.

We may provide you with periodic (usually, quarterly) performance monitoring reports and evaluations generated by UBS, UBS affiliates, or third parties. Please see Item 4 (Advisory Business), Section B (Our Advisory Services) for additional information about performance monitoring and evaluation reports.

#### **Item 14. Client Referrals**

Arrangements with Affiliates: We have referral agreements with our affiliates that outline:

- How we refer clients to them.
- How they refer clients to us.
- How we act as solicitor for their advisory services and/or wrap fee programs.
- How we refer clients to them for services other than advisory services.

In certain cases, the advisory and consulting services available in our Programs may be provided by Financial Advisors registered with companies affiliated with us through a solicitation agreement with us or we may serve as a clearing broker for those affiliated entities.

Under those agreements, we share fees with, or receive fees from, our affiliates for the referral or solicitation of clients or for services provided to clients. These payments may vary, depending on the type of agreement, product or the nature and extent of the services provided, and may continue as long as the client account is maintained with UBS or our affiliate or for an agreed upon period. Arrangements may also be based on a percentage of revenue received.

**Third Party Arrangements** - We also have a referral program that allows UBS to enter into solicitation arrangements with third parties that we compensate for referring or soliciting clients to participate in our advisory or trust services programs. Solicitors receive a portion of the advisory fees we receive.

We also have solicitation arrangements under which either we and/or our Financial Advisor may receive compensation for referring clients to a third party who will provide investment Advisory or other services to the client. The compensation we receive is usually a portion of the advisory fee the third party receives from its clients. In certain circumstances we may also receive commission revenue for transactions those third parties execute through our firm.

It is our practice to disclose to the client being referred the terms of the arrangement, including the maximum compensation payable to us and/or our Financial Advisors or a third party, as the case may be.

**Referral for Annuities and Insurance Business** - UBS offers a referral program for property and casualty insurance, high limit disability insurance, certain life insurance products, products for certain international clients, and pension risk transfer services. Under these programs, a Financial Advisor may refer a client to a third-party general agency ("General Agency") or other third-party firm who sells the insurance policy or annuity directly to the client. The General Agency or other third party then pays UBS a portion of the commission they receive from the insurance company that issues the policy or annuity or the fee that the Third-Party firm receives from the client ("Referral Fee"). The fees and charges paid by clients, as well as the Referral Fee paid to UBS, will differ based on the type of policy and a variety of other factors. UBS Financial Advisors receive a portion of the Referral Fee paid by the General Agency based on the grid rate applicable to them. Clients will receive disclosures from their Financial Advisor when a referral is going to be made.

#### **Item 15. Custody**

Clients in the Programs may not establish a custodial account at UBS and, accordingly, UBS Financial Services Inc. does not act as a custodian for Program clients. However, UBS Financial Services Inc. is a qualified custodian and has custody of other client funds and securities.

## **Item 16. Investment Discretion**

The RPCS discretionary services involve the exercise of discretion over investments on your investment menu and/or investments contained within model portfolios. The Retirement Plan Manager Program involves discretion over investments on your plan investment menu. Please see Item 4 (Advisory Business) for a more detailed description of these services. UBS also offers discretionary portfolio management services outside of the Programs which are described in separate brochures. Please contact your Financial Advisor with questions.

## **Item 17. Voting Client Securities**

The Programs do not include proxy voting services.

## **Item 18. Financial information**

UBS Financial Services Inc. is a qualified custodian (as defined in SEC Rule 206(4)-2). As a result, we have not included the balance sheet required under "Financial Information" of this Form ADV.

- As of the date of this brochure, there is no financial condition that is reasonably likely to impair our ability to meet our contractual commitment to our clients.
- Our Firm has not been the subject of a bankruptcy petition at any time during the last ten years.

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UBS Financial Services Inc.  
[ubs.com/fs](https://ubs.com/fs)  
2021-341708



## EXHIBIT A – SUMMARY OF MATERIAL CHANGES

**UBS Financial Services Inc.**  
1000 Harbor Boulevard  
Weehawken, NJ 07086  
(201)352-3000  
<http://financialservicesinc.ubs.com>

SEC File Number 801-7163  
March 31, 2021

### Summary of Material Changes to Form ADV Disclosure Brochure

**UBS RETIREMENT PLAN CONSULTING PROGRAM**  
**UBS RETIREMENT PLAN GUIDED SOLUTIONS**  
-Retirement Plan Advisor Program (RPA)  
-Retirement Plan Manager Program (RPM)

This Summary of Material Changes applies to the Form ADV Disclosure Brochure for our UBS our Retirement Plan Consulting Services Program and Retirement Plan Guided Solutions Programs.

If you have any questions about the content of this brochure, please contact us at 888-526-7454. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about UBS Financial Services Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Please note that registration as an investment adviser does not imply a certain level of skill or training.

This Form ADV Disclosure Brochure applies to the Retirement Plan Consulting Services Program, Retirement Plan Advisor Program, and Retirement Plan Manager Program at UBS Financial Services Inc. We will not provide another copy of the Form ADV Disclosure Brochure during your program engagement unless there are material changes to the document we originally provided to you. Annually we will provide you with a copy of our updated Form ADV Disclosure Brochure or a summary of material changes from the brochure previously provided to you.

The brochure is also available at [ubs.com/us/en/wealth/misc/AccountDisclosures.html](http://ubs.com/us/en/wealth/misc/AccountDisclosures.html).

Please retain this document for future references as it contains important information about our Retirement Plan Consulting and Retirement Plan Guided Solutions Programs. You may obtain a copy of the current Form ADV Disclosure at any time by contacting your Financial Advisor.

## **Item 2. Material Changes**

This section describes the material changes to our UBS Retirement Plan Consulting Services Program and Retirement Plan Guided Solutions Programs Form ADV Disclosure Brochure since the last amendment of our Form ADV on March 30, 2020.

### **Item 4 (Advisory Business), Section B.2 — Retirement Plan Investment Consulting**

This section has been updated to note additional education services that we can provide. Specifically, we can also evaluate an entity's existing education program for plan participants or employees and recommend strategies for improving education and participation in participant-directed retirement plans. We can work with your program provider to implement these strategies and to deliver materials.

### **Item 4 (Advisory Business), Section B.2,b – Retirement Plan Manager Program**

This section has been updated to reflect the following change to our Retirement Plan manager Program:

Effective on or about April 30, 2021, UBS Financial Services Inc. (UBS FSI) entered into a sub-advisory agreement with its affiliate, UBS Asset Management (Americas) Inc. ("UBS Asset Management") pursuant to which UBS-FS has delegated to UBS Asset Management the role of discretionary investment manager. Pursuant to that agreement, UBS Asset Management will exercise discretion over the selection, review and removal or replacement of investment options on the investment menu for each Plan. This means that on and after the effective date, the UBS FSI Investment Management Investment Committee ("IMIC") will discontinue its discretionary role with respect to the Retirement Plan Manager Program and will be replaced by UBS Asset Management.

Other references to IMIC and/or UBS Asset Management found elsewhere in the brochure have been modified to account for the delegation.

Please note: If your plan is enrolled in Retirement Plan Manager, you will receive the UBS Asset Management Form ADV Part 2A, Firm Brochure.

### **Item 5 (Fees and Compensation), Section A.2 – Retirement Plan Guided Solution Program Fees**

This section has been modified to note that UBS Financial Services will pay UBS Asset Management for its sub-advisory services in the Retirement Plan Manager Program from its own resources. Clients will not pay a separate investment management fee to UBS Asset Management.

### **Item 7 (Types of Clients), Section A. – Type of Clients**

This section has been modified to include plans in both the RPM and RPCS Programs that are participating in pooled employer plans, as that term is defined in ERISA or in some other collective group of plans as types of clients in the RPCS and RPM Programs.

### **Item 9 (Additional Information), Section B – Disciplinary History**

This section has been updated to add the following:

Date of Action: July 20, 2020

Entity: UBS Financial Services Inc.

Brought By: Securities and Exchange Commission

The SEC issued an order finding that UBS violated MSRB Rules G-11(k), G-17, G-27 and Section 15B(c)(1) of the Exchange Act between August 2012 and June 2016. The SEC alleged UBS did not comply with certain retail order period restrictions in new issue municipal bond offerings it distributed by allocating bonds intended for retail customers to certain customers, who immediately resold or "flipped" the bonds to other broker-dealers at a profit. The Order also found UBS, through certain registered representatives, improperly obtained negotiated new issue bonds for UBS's inventory by placing indications of interest with the flippers who then placed customer orders with the underwriting syndicate, instead of UBS submitting dealer



orders directly with the syndicate on its own behalf. This practice was found to have circumvented the priority of orders and given UBS access to a higher priority in the bond allocation process than it typically would have had.

Disposition: Cease and Desist; Censure; disgorgement of \$6,740,000, prejudgment interest of \$1,549,336, and a civil penalty in the amount of \$1,750,000 for a total of 10,039,336.

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