

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

SEC File Number 801-7163
September 17, 2021

UBS Asset Servicing

This brochure provides information about the qualifications and business practices of UBS Financial Services Inc. and our asset servicing program that you should consider before becoming a client of this 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.

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

We will not provide another copy of the Form ADV Disclosure Brochure during your UBS Asset Servicing engagement unless there are material changes to the document we originally provided to you. Annually, if applicable, 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/advisorydisclosures

Please retain this document for future references as it contains important information about UBS Asset Servicing. 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 Financial Planning Services Form ADV Disclosure Brochure since the annual amendment of our Form ADV on March 31, 2021.

Date of Action: July 19, 2021

Brought By: Securities and Exchange Commission

Entity: UBS Financial Services Inc.

The SEC issued an Order finding that UBS violated Section 206(4)-7 of the Investment Advisers Act and Advisers Act Rule 206(4)-7 in connection with the firm's failure from January 2016 through January 2018 to adopt written policies and procedures that were reasonably designed to prevent the unsuitable use of VXX, a volatility exchange-traded product, as a buy-and-hold investment in the firm's discretionary portfolio management program ("PMP"). The Order noted that even though the Firm had mandatory training and a concentration limit for VXX in PMP, it did not have a control to prevent PMP advisors from holding VXX for unsuitably long periods. The Order also noted that UBS on its own decided to remove VXX from the PMP program altogether in late 2017.

Disposition: Cease & Desist Order; Censure; civil monetary penalty of \$8,000,000; disgorgement and pre-judgment interest of \$112,274.

ITEM 3.

TABLE OF CONTENTS

ITEM 2. MATERIAL CHANGES..... 2

Conflict of interest: Principal trades and underwriting 7

ITEM 4. ADVISORY BUSINESS 7

A. Our Corporate Structure 7

B. Our Advisory Services 7

C. How We Tailor Our Advisory Services 10

D. Provision of Portfolio Management Services in Wrap Fee Programs 11

E. Assets Under Management 11

ITEM 5. FEES AND COMPENSATION 11

ITEM 6. PERFORMANCE BASED FEES AND SIDE BY SIDE MANAGEMENT 14

ITEM 7. TYPES OF CLIENTS 14

A. Type of Clients 14

B. Requirements for Asset Servicing 14

ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS..... 15

ITEM 9. ADDITIONAL INFORMATION. 17

A. Executive Officers and Board of Directors 17

B. Disciplinary History 18

ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS 22

ITEM 11. INVESTMENT ADVISER CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING 23

A. Investment Adviser Code of Ethics 23

B. Participation or Interest in Client Transactions..... 23

ITEM 12. BROKERAGE PRACTICES..... 28

ITEM 13. REVIEW OF ACCOUNTS 28

ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION 28

ITEM 15. CUSTODY 29

ITEM 16. INVESTMENT DISCRETION..... 29

ITEM 17. VOTING CLIENT SECURITIES..... 29

ITEM 18. FINANCIAL INFORMATION 29

EXHIBIT A - SUMMARY OF MATERIAL CHANGES 30

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 U.S. Securities and Exchange Commission (SEC) at 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 U.S. Securities and Exchange Commission (SEC) as a broker-dealer and an investment adviser, offering both investment advisory and brokerage services.¹

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 can act as an investment adviser, as a broker-dealer, or as both. For example, we offer financial planning for a fee as an investment advisory service. Once we deliver a financial plan to you, you can decide whether to implement the financial plan via brokerage accounts, advisory programs or a combination, depending on your needs and preferences. 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.

In addition, some of our Financial Advisors hold educational credentials, such as the Certified Financial Planner™ (CFP®)² designation. Holding a professional designation typically indicates that the Financial Advisor has completed certain courses or continuing education. However, a Financial Advisor's professional designation does not change the obligations of UBS as a firm in providing investment advisory or brokerage services to you.

¹ Examples of our advisory programs and services include our fee-based financial planning services and our ACCESS, Portfolio Management Program, Managed Accounts Consulting, UBS CAP Program, UBS Institutional Consulting, Retirement Plan Consulting Services Program, UBS Strategic Advisor, UBS Strategic Wealth Portfolio, UBS Advice Portfolio Program, PACE programs and Advisor Allocation Program. Examples of our brokerage accounts include our Resource Management Account® and the International Resource Management Account.

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 financial planning for a fee, discretionary investment management and non-discretionary, investment advisory 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 will give you our Form ADV brochure which provides detailed information about, among other things: the program(s) you select; the advisory services we provide; our fees, personnel, other business activities and financial industry affiliations; and conflicts between our interests and your interests.

Our Responsibilities 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:

² Certified Financial Planner Board of Standards Inc. owns the certification marks CFP®, Certified Financial Planner™ and federally registered CFP (with flame design) in the U.S., which it awards to individuals who successfully complete CFP Board's initial and ongoing certification requirements.

- **Disclose:** Disclose all material facts, including conflicts between our interests and your interests, to you.
- **Inform:** Inform you if we or our affiliates receive additional compensation from you or a third-party as a result of our relationship with you.
- **Seek best execution:** Where we direct trading, to seek best execution of your securities transactions.
- **Obtain consent for principal trades and agency cross trades:** Obtain your informed consent after providing appropriate disclosure before engaging in transactions with you for our own account or that of an affiliate (principal trades) or transactions where we or our affiliates act as a broker for parties on both sides of the transactions.
- **Treat you fairly:** 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:** Act in what we reasonably believe to be your best interests and in the event of a conflict of interest, place your interests before our own.
- **Make informed recommendations:** Provide 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 and, depending on the terms of your investment advisory agreement with us, will cause your account to be converted to, and designated as, a brokerage account only.

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 IPOs; 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 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, for our wrap fee programs, 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 www.ubs.com/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/advisorydisclosures. If you have any questions or concerns, please talk to your Financial Advisor.

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

Our Services as a Broker-Dealer and 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.

- As a full-service broker-dealer, our services are not limited to taking customer orders and executing securities transactions. 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 our brokerage clients 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 clients based on specific directions from you. We do not make investment decisions for clients or manage their accounts on a discretionary basis. We will only buy or sell securities for brokerage clients 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 that 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 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 or make any recommendation on an account that has terminated investment advisory services, **UBS does not act as a “fiduciary” under the federal securities 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,” 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 of 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. “Individual Wealth Management Client” is a natural person, or the legal representative of a natural person, who received a recommendation from UBS and uses it primarily for personal, family or household purposes.

- **Principal trading: We are permitted to buy securities from you or sell securities to you from our (or our affiliates) own investment, known as “principal trading”** and earn a profit on those transactions. When we engage in principal 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 fixed income securities, IPOs, certain closed-end funds and municipal securities.

ITEM 4. ADVISORY BUSINESS

This brochure describes our performance reporting and analytic services (for accounts custodied at UBS and at other financial institutions) for a fee, also referred to as our Asset Servicing. When we charge a fee for Asset Servicing, we act in the capacity of an investment adviser. In deciding whether to obtain the Asset Servicing for a fee, you should consider whether you prefer to enter into a fiduciary relationship with us that is governed by a written services agreement outlining the services you will receive and the duration of the engagement, the scope and complexity of your planning needs and whether you want the engagement to extend beyond the delivery of performance reporting and analytic tools. Throughout this document, references to Asset Servicing mean those services subject to a fee and provided to you as an investment adviser.

A. Our 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

UBS Asset Servicing

Asset Servicing combines a wide range of UBS infrastructure and portfolio analysis services, and provides you with wealth insight and investment control from a single source, offering support in structuring assets, connecting you to post-trade services and providing sophisticated reports for an overview on your total assets.

Our Approach

Asset Servicing provides sophisticated performance and risk analytic reports including asset aggregation across banks and the inclusion of non-bankable assets. The basic module provides detailed analysis on performance, risk and allocation, and is supplemented by the following premium modules

- Investment Guideline Monitoring
- Fund Look Through
- Private Equity
- Currency Overlay
- Sustainability Analytics

The above reports are delivered via the online access tool UBS Asset Wizard, complemented by paper reports customized to the client's needs (the "Report"). Note that Asset Servicing does not provide any kind of investment advice but merely collects data from existing portfolios and puts them into a readable and user friendly manner, i.e. playback of data received. The reporting tool is a read only system for FAs and clients and therefore does not include any transactional capabilities.

The following steps are the cornerstone of our client experience process.

- *Structuring.* We support you in structuring your assets for greater security, efficiency and visibility and integrate your business partners of choice as well as including all your asset classes such as liquid and illiquid assets.
- *Post Trade Services.* We will provide you with access to a comprehensive range of securities administration services. Our global network of experienced sub-custodians assures that your securities are handled efficiently and professionally.
- *Insight and Control.* Our Performance & Risk Analytics will offer you an analysis of your portfolio structure, performance figures and risk indicators. Additionally, the analysis will enable you to define your overall

investment and trading strategy. You will have an overview and be able to retain control of your investment activities with clear, understandable performance and risk analysis, which can be accessed at any time through the online portfolio information system, UBS Asset Wizard.

Asset Servicing Resources

Asset Servicing offers comprehensive oversight and insight when analyzing your portfolio structure, completed transactions and existing mandate structure through the Asset Wizard tool, which lets you monitor, assess and control your portfolio from your personal device at any time and place. Asset Wizard allows you to:

- Obtain a holistic picture of your total wealth by consolidating your UBS assets, third party banks, and non-bankable assets (incl. Private Equity*).
- Compare return and risk across your asset managers, asset categories or investment strategies; access detailed contribution analysis with standard or composite benchmarks; and perform customized analysis of your wealth.
- Monitor any deviations from your portfolio's tactical and strategic asset allocation and uncover investment funds' true exposure using the Fund-look-through functionality*.

Features and benefits of Asset Wizard include:

- **Performance Measurement.** In addition to daily performance calculations that allow you to compare strategies or asset managers against return targets or benchmarks, you will receive detailed and custom analysis of your performance such as:
 - o Measurement including Time Weighted Return, Internal Rate of Return, Trade date, Value date and Gross/Net performance
 - o Return per selected period (monthly, quarterly or customized)
 - o Wealth Development
 - o Return Analysis by asset category, and top contributors and detractors on investments
 - o Realized and unrealized gains and losses
 - o Excess return
- **Asset Allocation.** You will gain full insight into your investment structure as well as your strategic and tactical asset allocation with:
 - o Asset allocation by countries, sectors, currencies and ratings
 - o Integration of benchmarks and benchmark composites
 - o Investment style
 - o Analysis on real estate and infrastructure investments
- **Risk Analytics and Investment Control.** You will have access to a thorough understanding of your portfolio risk including derivative exposures for

equity, fixed income and options through a detailed analysis of risk types and components such as:

- o **Market Risk** – risk-return overview and development, performance quality and economic exposure.
 - o **Credit Risk** – fixed income rating quality, market value of credit rating changes, concentration risk and counterparty exposure
 - o **Interest Risk** – yield to maturity analysis, duration analysis, benchmark analysis
 - o **Currency Risk** – currency overlay: hedged vs. unhedged, currency performance, currency exposure
- **Premium Analytics and off-platform positions.** You can obtain a full picture of your total portfolio including all off-platform positions that you want us to include (which may require a premium module).
- o **Private Equity Reporting.** This premium analysis will allow you to see your open liabilities, deposits and distributions, net asset value and the most frequently used key figures and ratios at a glance. We collect, coordinate and consolidate the data on your private equity investments directly from individual partners in order to evaluate your private equity investments
 - o **Non Bankable Positions.** You can include all of your non-bankable positions and benefit for an overview of your total wealth. We can include positions such as real estate, direct investments, cars, art or wine collections, and produce information based on your input.

Additionally, a dedicated relationship manager will tailor the system to your needs and provide training throughout the life-cycle of the relationship. Data is safely stored on our physical Swiss-banking servers and not using any cloud technologies. Your relationship manager will support your ongoing reporting needs.

We believe it is valuable that our UBS relationship managers and Financial Advisors coordinate with your legal and tax advisors regarding the use of any Reports generated by UBS Asset Servicing and Asset Wizard. As we do not provide legal or tax advice, you are encouraged to include your legal and tax advisors in all discussions and meetings.

Asset Servicing for Corporate Employees

UBS provides the Asset Servicing platform described in the brochure to individuals directly or through employer sponsored programs governed by written agreement between UBS and the corporation/employer. The fees for employer sponsored programs will vary by agreement based on a variety of factors, and may be more or less than the fees assessed to an individual client receiving the same service.

See Item 5 “Fees and Compensation” for a description of

* indicates a feature of a premium module for an additional fee

the fees for our Asset Servicing platform.

Asset Servicing as an Investment Advisory Service

We offer the Asset Servicing platform for a fee as an investment advisory service that creates a fiduciary relationship under the Investment Advisers Act of 1940, which regulates the activities of registered investment advisers. As an investment adviser fiduciary, we must place your interests above our own. This Disclosure Brochure explains your rights and our obligations in providing you with the Asset Servicing platform for a fee. Please read it carefully and keep it for your records.

Please note that although we act as your investment adviser in providing the Asset Servicing platform to you, this does not affect any other relationship you may have with your Financial Advisor or UBS. The nature of existing UBS accounts or accounts you may open in the future, your rights and obligations relating to these accounts, and the terms and conditions of any UBS account agreement in effect now or in the future do not change in any way.

Tax Strategies

Any information presented in an Asset Wizard report regarding potential tax considerations is not intended as tax advice and should not be relied upon for the purpose of avoiding any tax penalties. Neither UBS Financial Services nor any of its employees provide tax or legal advice and Asset Servicing is not intended to provide, and should not be construed as providing, such advice. You must consult with your legal or tax advisors regarding your personal circumstances. In addition, Asset Wizard assumes that you are a U.S. citizen or resident and subject to U.S. taxes. Our Asset Servicing platform may therefore not be applicable to or appropriate for non-US citizens or those persons subject to other tax jurisdictions and requirements.

Scope of the Asset Servicing Platform

Asset Servicing may include a number of your existing accounts at UBS as well as assets you hold with other financial institutions. The analysis in the Report is for discussion purposes only. Providing the Report to you does not alter or modify in any way the nature of your accounts included in the Report (for example, whether they are brokerage or advisory accounts), your rights and responsibilities and our obligations under existing agreements governing any UBS accounts or services, or the terms of agreements you may have with other parties. The terms and conditions of those accounts and agreements, unless otherwise amended, remain in effect during and after the delivery of the Report.

Other Investment Advisory Services

We offer other advisory services not described in this brochure. If you would like more information, please ask your Financial Advisor for the Form ADV Disclosure Brochure for those programs and services.

We do not hold ourselves out as specializing in a particular type of advisory service or strategy. Instead, our advisory programs and services offer a broad variety of strategies, investment options and asset allocations and features.

Wrap Fee Programs:

Program type	Programs included
Discretionary Programs	UBS Advice Portfolio Program, Portfolio Management Program, and Advisor Allocation Program
Separately Managed Account (SMA) Programs	ACCESS and Managed Accounts Consulting
Unified Managed Account Program	UBS Strategic Wealth Portfolio
Non-Discretionary Advisory Programs	PACE and UBS Strategic Advisor Program
Portfolio Based Advisory Program	UBS Consolidated Advisory Program ("UBS-CAP Program")

Consulting Services: We offer consulting services to retirement plans, institutions, foundations, endowments and corporate clients for an asset-based, or fixed fee, or a combination thereof. Consulting services may include, but are not limited to, helping a client establish or amend investment policies and objectives; assisting in an investment manager search; aiding in asset allocation modeling; providing asset/liability analysis for defined benefit plans; providing investment evaluation; determining the number and type of investment alternatives to be offered to plan participants; developing criteria to select and evaluate service providers; providing performance evaluations; and providing education and consulting, which can include a variety of educational seminars with subjects such as investing, saving for retirement, distribution planning and transition, and enrollment seminars.

There are important differences among these Programs in terms of services, structure and administration, the depth of research conducted on the managers available in the programs, fees and the compensation that Financial Advisors receive. Please review the details of each service and program carefully as you decide which program is appropriate for your investment needs.

While we offer an extensive list of investment options, strategies and a variety of asset allocation models and investment strategies, our offerings are limited to those approved for sale or recommendation at the firm. We do not offer or recommend every investment strategy, asset allocation model, financial planning strategy or investment available in the industry.

Qualifications of Financial Advisors

Most of our Financial Advisors are registered as broker-dealer and investment adviser representatives. We generally do not impose special requirements such as length of service, education or qualification requirements (other than the required registrations) for Financial Advisors who utilize our Asset Servicing platform. All Financial Advisors are required to complete a mandatory web-based training course in order to familiarize them with the firm's services and the analysis and reports used to deliver the services. Some advisory

programs require that Financial Advisors fulfill certain internal training requirements in order to undertake certain activities.

Generally, our Financial Advisors and professional personnel who consult with clients on the Asset Servicing platform have a college degree and/or securities industry experience.

In connection with Asset Servicing, we will provide to you a Brochure Supplement for your Financial Advisor and, if applicable, any specialist involved in providing the Asset Servicing platform to you. The Brochure Supplement includes information regarding your Financial Advisor's education, business experience, disciplinary history, outside business activities, their 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.

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

All of the Asset Wizard Reports and output are based on information you provide regarding your particular circumstances and are tailored to your specific investments and goals

Reports. The Report we provide is tailored to meet your particular needs and goals. You and your Financial Advisor can determine which types of analysis to include in your reports.

The Report generated by Asset Wizard comprises allocations, calculations and analyses pertaining to your assets. Assets held by third parties can be included in the Report according to your instructions. In such cases, you agree to provide UBS or cause your custodian to provide UBS with the relevant data on which the Report is based in due time and in the agreed form.

The data and information included in the Reports is based either on information from UBS's own databases, which may include valuations from sources of information customary in the banking sector, or on information originating from you or third parties such as other banks. All calculations and evaluations are based on such sources.

You may choose to receive the service via the UBS Asset Wizard online tool and/or as a Report by mail or electronically.

Premium Modules. The information provided in the Report can be supplemented at your election by several premium modules for an additional fee:

- *Fund Look-through.* The Fund Look-through premium module makes the investment structure of the collective investment transparent. This makes it possible to provide an

illustration of the consolidated investment structure for portfolios that contain indirect investments as well. Depending on the availability of the data and the financial instruments they include, indirect investments can be broken down by asset class, sector, country, currency or rating. The Fund Look-through analysis comprises collective instruments that are held and maintained at UBS as part of the Asset Servicing mandate. The service is offered for both UBS and third-party products, but not for private equity and hedge fund investments. Where the determination of the individual underlying investments of an indirect or collective instrument is not possible, UBS may provide a substitute portfolio with an investment policy and risk structure similar to the collective instrument in question instead based on information provided by the fund.

- *Investment Guideline Monitoring.* The Investment Guideline Monitoring service monitors the compliance of the assets with your investment guidelines. The Investment Guideline Monitoring service may apply to individual securities, the portfolio or consolidated assets. The Investment Guideline Monitoring service only includes an analysis of indirect or collective instruments broken down by individual components and monitoring of the specific investment guidelines at the level of the individual components in connection with the "Fund Look-through" premium module.

- *Currency Overlay Reporting (the "FX Overlay Report").* The FX Overlay Report divides your investment portfolio into the individual foreign currencies and makes it possible to conduct FX hedging tailored to your individual asset situation. It takes account of all asset classes in your portfolio. The Report is prepared quarterly based on the assets in the Asset Servicing mandate and the information that is available. The FX Overlay Report includes the individual currency exposures for currencies that comprise at least 5% of the total foreign currency exposure. The basis for the implementation of the currency hedges are the hedge ratios defined by you in advance.

- *Private Equity Reporting.* Private Equity Reporting is a user-friendly overview of all private equity investments held by you that is based on the detailed and comprehensive information provided by the individual general partners. In addition to a clear overview of the individual investments, the Report also contains information about cash flows (deposits made, distributions carried out and outstanding obligations), the net asset value, and key figures and ratios, at both the individual investment level and consolidated. In addition to the net and gross internal rate of return (IRR) on an annual basis, the analysis also contains general information, such as the year of issue and the date of liquidation. This information is usually reported on a delayed basis as reported by the fund. Delays can be significant, which means the valuation dates for these assets will vary significantly from assets that are liquid and have daily available valuations.

- *Sustainability Analytics.* The Sustainability Analytics Report gives you a two-dimensional view on the sustainability of your investments. In addition, the business activity check provides transparency on what kind of business activity you are invested in. You can assess the investments according to the sustainability preferences considering environmental, social and governance issues along with financial criteria. For direct equity and bond investments as well as for selected equity and

bond funds, UBS applies a rating according to sustainability criteria ranging from “S1” (sustainable) to “S5” (unsustainable). The sustainability rating is based on data from an external provider. While such information is believed to be accurate, UBS does not verify and is not liable for the accuracy of such data. The Sustainability Analytics Report will provide you with a sustainability view across all mandates, including external assets.

D. Provision of Portfolio Management Services in Wrap Fee Programs

Our Asset Servicing platform does not include the participation in, or offering of those services in wrap fee programs.

Portfolio management services, and in some programs by our Financial Advisors as discretionary portfolio managers, are available 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.

Financial Advisors who participate in wrap fee programs may also have clients with accounts in brokerage or other advisory programs. The services and management of those accounts differ. For example, when acting in a discretionary capacity, Portfolio Management Program (“PMP”) Financial Advisors should place transactions for their PMP clients’ accounts prior to soliciting the same securities in their non-discretionary advisory and brokerage clients’ accounts. PMP Financial Advisors are also subject to an internal personal trading policy.

Our activities as portfolio manager and sponsor of wrap fee programs are separate from our Asset Servicing platform.

E. Assets Under Management

Our Asset Servicing platform does not include our management of client assets on a discretionary or non-discretionary basis.

Our 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. Although this information does not apply to our Asset Servicing platform, it provides you additional background regarding our activities as an investment adviser.

- Non-discretionary Programs: **\$303,047,138,388**
- Discretionary Programs: **\$269,423,487,311**
- Total: **\$572,470,625,699**

ITEM 5. FEES AND COMPENSATION

Fees for Asset Servicing:
The pricing consists of basis points applied on Assets under

Reporting and flat fees for the premium modules. Assets under Reporting will be differentiated between assets held at UBS and assets held at third party entities, whereas there is a pricing uptick on third party assets.

- General range, 1 to 10 basis points (0.01% to 0.10%); \$30,000 to \$155,000
- Premium modules and non-bankable assets

A. Asset Servicing Fees

Fees for Asset Servicing are negotiable, are at our sole discretion and may differ significantly from client to client based on a number of factors. These factors include, but are not limited to the scope of the engagement and the nature and amount of client assets involved, as well as use of premium modules and inclusion in the Report of assets held at third party institutions.

Our ability to negotiate the fee may result in one client paying for the same set of Financial Planning Services provided to another client at a lower fee. We may also discount fees for clients in certain circumstances.

Your Financial Advisor receives a percentage of the Asset Servicing Fees you pay to us.

Fees as well as other account requirements may vary as a result of the application of prior policies depending upon when you received Asset Servicing from us. From time to time, the fees Asset Servicing or certain Advisory services available through UBS may be reduced for our employees, certain other family members or employees of our affiliates.

Other types of fee arrangements—such as wrap fee arrangements, or a fixed fee arrangement—are available in other advisory programs and services. We may enter into special agreements to provide other services involving specific clients, Financial Advisors or any of our branch offices. For more information regarding the above, contact your Financial Advisor.

B. Billing Practices

Fees associated with Asset Servicing are disclosed, in advance, in a separate services agreement. The engagement begins at the time we accept the services agreement, rather than after delivery of access to the Asset Wizard and associated Reports. We will send you confirmation of our acceptance. Fees are payable in accordance with the schedule selected, which can include payment at the start of the engagement, at the end, or during the engagement. Payment is made by check or by debit from a UBS account you designate. Clients may cancel the agreement for the services and receive a full refund of fees paid by contacting their Financial Advisor within 5 business days from the date we accept the services agreement. After that period, the fee is refundable in accordance with our agreement.

C. Fees/Other Charges Not Covered by Your Asset Servicing Fee

The fee you pay covers only the Asset Servicing plan selected in the agreement you enter into with us. The fee does not cover any other services, accounts or products. If you maintain

accounts with us, or if we assist you in implementing your financial plan, you will pay other charges in addition to the Asset Servicing fee. This will add to the overall compensation that we receive. Fees for Asset Servicing will not be reduced or offset by these other fees. Notably, these additional fees will reduce the overall return of accounts you maintain with us. Examples of additional fees you may incur that are not part of the Asset Servicing fees include:

- custody fees imposed by other financial institutions if you choose to custody your assets at other financial institutions;
- fees associated with custody, delivery and conversion of precious metals imposed by affiliates, or other financial institutions;
- mark-ups/mark-downs on principal transactions with us, our affiliates or other broker-dealers;
- internal trust fees;
- costs relating to trading in and holding 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;
- 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.

Either UBS Financial Services or UBS Bank USA will also charge interest on any outstanding loan balances (including margin loans) to clients who borrow money from us or UBS Bank USA. Clients also may be charged additional fees for specific account services, such as:

- Account Transfer Fee
- Wire transfer charges
- Annual Account Service Fees for retirement accounts
- Fees relating to custody and transactions in physical securities
- Voluntary corporate actions fees
- Fees for RMA and BSA services

D. Compensation to Financial Advisors Who Recommend Advisory Programs

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, minus certain adjustments that are specified by our Financial Advisor Compensation Plan. The grid rate percentages range from 28% to 50% and increase 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 reduce or terminate the payout rates 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.

Financial Advisors are not generally paid on households below the thresholds below:

- Wealth Management US households: \$100,000
- Nonresident alien households: \$1,000,000
- Private Wealth Management households: \$2,000,000

Financial Advisors receive credit for production generated in accounts they migrate to the Wealth Advice Center depending on the value of the assets in the account household. For households over \$100,000, Financial Advisors are paid at the grid rate applicable to them. For households under \$100,000, advisors are paid at a grid rate of 30%. In addition, for referrals of new relationships to the Wealth Advice Center, Financial Advisors also receive credit for purposes of calculating awards and bonuses but not for purposes of increasing their grid rate.

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) and Asset Servicing, the grid 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 address our conflicts of interest by maintaining policies and procedures requiring that Financial Advisors act in your best interest, reasonably supervising their activities and disclosing these conflicts so that you can make fully informed decisions

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

Under certain circumstances (e.g., acquisitions and recruitment; or particular programs or designations, such as Wealth Advice Center, Wealth Planning Associate, Financial Advisor Associate, Institutional Consulting, Retirement Plan Consulting Services, Retirement Plan Advisor, and Retirement Plan Manager, some Financial Advisors or producing Branch Managers are compensated differently.

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 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 the Financial Advisor achieving a minimum percentage of their prior firm production 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 the 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 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.

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.

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%.

Other registered personnel: Other registered personnel may assist Financial Advisors in delivering Asset Servicing, such as Client Service Associates. These professionals generally receive base compensation, and they are eligible for discretionary incentive compensation, which is based on the performance of the firm in general as well as their individual performance.

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 for 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:

Asset Servicing fees count toward Financial Advisor production and various awards and recognitions. 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.

- **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 accounts to UBS referred by Financial Advisors directly to the Wealth Advice Center. Award values range from 1% to 6% of year-end trailing 12-month revenue, and awards are capped at \$250,000.
- **UBS Length of Service Award.** This award is based on a Financial Advisor's current year production and length of service with UBS. 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.

ITEM 6. PERFORMANCE BASED FEES AND SIDE BY SIDE MANAGEMENT

UBS Financial Services Inc. does not impose performance

fees in its advisory programs. UBS Financial Services does not serve as investment manager to hedge funds, private equity or similar types of investment vehicles. However, as a distributor of alternative investments, including hedge funds and fund of funds UBS receives a portion of the performance fees charged by the investment adviser to those funds. Financial Advisors who sell those alternative investments, including those investments held in Advisory accounts receive a portion of those fees.

ITEM 7. TYPES OF CLIENTS

A. Type of Clients

We provide investment advisory services to individuals, banks, thrift institutions, mutual funds and other investment companies, pension and employee benefit plans, trusts, estates, charities, corporations and other business and government entities. Generally, the majority of our clients in the Advisory programs and those utilizing the Asset Servicing platform are individuals.

B. Requirements for Asset Servicing

The Asset Servicing platform and Asset Wizard are available exclusively to UBS clients with at least \$25 million in assets currently held at UBS or moved to UBS within 18 months.

Services we provide. The Report provided may include a number of your existing accounts at UBS as well as assets you hold with other financial institutions. The analysis in the Report is for discussion purposes only. Providing the Report to you does not alter or modify in any way the nature of your accounts included in the Report (for example, whether they are brokerage or advisory accounts), your rights and responsibilities and our obligations under existing agreements governing any UBS accounts or services, or the terms of the agreements you may have with other parties.

It is important that you provide complete and timely information to your Financial Advisor as he/she will input this information based on the information you provide. You are responsible for the accuracy of the information you provide to us.

Asset Servicing and Your Brokerage and other Advisory Agreements with UBS

The Asset Servicing platform we provide is not account specific and does not alter or modify in any way the nature of your accounts, or your rights and our obligations relating to any UBS accounts or the UBS account agreements in effect when Asset Servicing is provided to you or thereafter. The terms and conditions of those account agreements, unless otherwise amended, continue to be in effect during and after the termination of the Asset Servicing agreement.

The Asset Servicing Agreement: In order to provide you with access to Asset Servicing, we will ask that you enter into a written agreement with us. The agreement will include the fees charged, the length of the engagement, and our respective rights and obligations under the agreement. After the first five days after entering into the services agreement (see Item 5, section B, *Billing Practices*),

you may terminate the agreement at any time by providing us written notice. **Upon expiration or termination of the services agreement, Asset Servicing, as well as the fiduciary relationship created, will end and we will have no obligation to provide ongoing asset servicing analysis to you and you will no longer have access to the Asset Wizard platform.**

Including Outside Assets in your Report: When we develop a Report for you, you may choose to include assets held at other institutions in your portfolio and asset allocation. Because these assets are not held at UBS, we will not be able to verify or ensure the accuracy of information regarding these assets. UBS does not provide advice with respect to your assets at other firms, and we will not assume any liability for your activity at other firms.

Generally, we will implement securities transactions in our capacity as a broker-dealer, not as an investment advisor (unless you are participating in one of our investment advisory programs). You will be charged any applicable fees for effecting the transactions you choose to make. See *"Fees/Other Charges Not Covered by Your Financial Planning Fee"* for more information.

We and our Financial Advisors receive compensation from the sponsor of securities, mutual funds and other investments in which you may invest. See *"Participation or Interest in Client Transactions—Additional Compensation"* for more information.

Electronic delivery of documents. To the extent permissible by applicable law, we may, with your consent, deliver financial plans, Form ADV Disclosure brochures, and other documents and notices related to our services via electronic format.

ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

The data and valuation information about the assets included in the Asset Wizard reports is either based on information from UBS' own account and custody database, which may include valuation from available sources of information customary in the banking sector, or on information originating from you or third parties such as other banks. We have not verified, and are not responsible for, the accuracy or completeness of this information. If the information provided is not current, inclusion of these assets will affect the accuracy of the current asset allocation and other analysis presented.

Any suggestions pertaining to those assets identified in the report are made with the understanding that the assets will be held at UBS. In providing the report, we do not provide advice with respect to your assets at other firms and do not assume responsibility for activity you conduct at other financial institutions.

Classification of assets. We classify assets into categories based on a proprietary UBS methodology. The classification for assets held at other financial institutions is an estimate based on information you provided. Certain assets, for example, balanced and equity funds, separately managed accounts and annuities can be displayed as "bundled"

(classified based on the asset class of that investment or strategy) or "unbundled" (classified based on the underlying holdings of the investment or strategy). The option selected will impact the illustrations and analysis included in the report.

Updates to the Report and monitoring your asset allocation or investment strategy. The Report does not include ongoing monitoring services. We will not update the Report to reflect changes in accounts, investment strategies, risk tolerances, market conditions or analytical assumptions unless you request an updated Report from your Financial Advisor. We will not update any existing asset allocations, track or monitor specific investments you make to determine whether they complement your existing investment objectives or any asset allocation strategy you may adopt, unless you participate in a program that provides such monitoring services. The Report does not contain specific investment recommendations about investment holdings, and should not be construed as a recommendation to trade or hold any particular securities in your accounts. We do not provide monitoring of brokerage accounts unless otherwise agreed in writing. Upon request, we will review the Report with you and may provide you with investment recommendations, but we are not under a specific obligation to do so.

Assets included for information purposes only; No UBS recommendation; proposed portfolio. Because there can be several ways and combinations to implement the asset allocation or strategy you select, the Report presents one or more hypothetical mix(es) or illustrations. The options presented are for discussion purposes only and do not constitute a recommendation to buy, hold or sell any securities or investment products. Portfolio illustrations are made with the understanding that the assets will be held at UBS.

Illustrations made with regard to qualified plan assets eligible for roll over to an IRA account are provided for informational purposes only and are not intended as a recommendation that you roll over such assets. We do not provide advice with respect to your assets at other firms and do not assume responsibility for activity you conduct at other financial institutions.

Qualified plan assets eligible for roll over to an IRA account. Illustrations shown with respect to qualified plan assets eligible for roll over to an IRA are provided for educational purposes only and should not be considered a recommendation to roll over those assets. You should consider these ideas as only one factor in making a decision whether to roll over eligible qualified plan assets. There are many potential advantages and disadvantages to rolling over assets from a qualified plan to a UBS IRA (including the fees and costs associated with a UBS IRA), which you should consider before making a decision. UBS makes available an educational brochure that outlines these factors which you may obtain from your Financial Advisor. In addition, note that the information in the Report is not provided as part of any existing advisory relationship that you (or your employer's retirement plan, as applicable) may have with UBS, its agents or employees, and none of such persons will act as a fiduciary in supplying such information

Implementing an asset allocation or investment strategy illustration or changes to your portfolio. You are solely responsible for determining whether and how to implement the strategies illustrated in the Report. Please note that you are not required to:

- implement the allocation or investment strategy

- illustration presented;
- establish accounts, purchase products that we distribute or otherwise transact business with UBS or any of our affiliates to implement any of the suggestions made in the Report.

If you decide to implement any portion of your asset allocation or investment strategy at UBS, your Financial Advisor can assist you in making any changes to your then-current strategy. The capacity in which we act will depend on, and vary by, the nature of the product, service or account that you select for implementation (i.e., brokerage or advisory). You will be charged applicable fees for effecting the transactions you choose to make, including commissions, a portion of which will be paid to your Financial Advisor.

Transactions that you make when reallocating your portfolio to implement an asset allocation or investment strategy can have tax consequences. Neither UBS nor any of its employees provide tax or legal advice. Please consult with your legal counsel and/or accountant or tax professional regarding the legal or tax implications of a particular strategy before you invest or implement a particular strategy.

Premium Modules. The information provided in the Report can be supplemented at your election by several premium modules for an additional fee:

- *Fund Look-through*³. The Fund Look-through premium module makes the investment structure of the collective investment transparent. This makes it possible to provide an illustration of the consolidated investment structure for portfolios that contain indirect investments as well. Depending on the availability of the data and the financial instruments they include, indirect investments can be broken down by asset class, sector, country, currency or rating. The Fund Look-through analysis comprises collective instruments that are held and maintained at UBS as part of the Asset Servicing mandate. The service is offered for both UBS and third-party products, but not for private equity and hedge fund investments. Where the determination of the individual underlying investments of an indirect or collective instrument is not possible, UBS may provide a substitute portfolio with an investment policy and risk structure similar to the collective instrument in question instead based on information provided by the fund.

- *Investment Guideline Monitoring*. The Investment Guideline Monitoring service monitors the compliance of the assets with investment guidelines you set within the tool. The Investment Guideline Monitoring service may apply to individual securities, the portfolio or consolidated assets. The Investment Guideline Monitoring service only includes an analysis of indirect or collective instruments broken down by individual components and monitoring of the specific investment guidelines at the level of the individual components in connection with the "Fund Look-through" premium module.

- *Currency Overlay Reporting (the "FX Overlay Report")*. The FX Overlay Report divides your investment portfolio into the individual foreign currencies and makes it possible to conduct FX hedging tailored to your individual asset situation. It takes

account of all asset classes in your portfolio. The Report is prepared quarterly based on the assets in the Asset Servicing mandate and the information that is available. The FX Overlay Report includes the individual currency exposures for currencies that comprise at least 5% of the total foreign currency exposure. The basis for the implementation of the currency hedges are the hedge ratios defined by you in advance.

- *Private Equity Reporting*. Private Equity Reporting is a user-friendly overview of all private equity investments held by you that is based on the detailed and comprehensive information provided by the individual general partners. In addition to a clear overview of the individual investments, the Report also contains information about cash flows (deposits made, distributions carried out and outstanding obligations), the net asset value, and key figures and ratios, at both the individual investment level and consolidated. In addition to the net and gross internal rate of return (IRR) on an annual basis, the analysis also contains general information, such as the year of issue and the date of liquidation. This information is usually reported on a delayed basis as reported by the fund. Delays can be significant, which means the valuation dates for these assets will vary significantly from assets that are liquid and have daily available valuations.

- *Sustainability Analytics*. The Sustainability Analytics Report gives you a two-dimensional view on the sustainability of your investments. In addition, the business activity check provides transparency on what kind of business activity you are invested in. You can assess the investments according to the sustainability preferences considering environmental, social and governance issues along with financial criteria. For direct equity and bond investments as well as for selected equity and bond funds, UBS applies a rating according to sustainability criteria ranging from "S1" (sustainable) to "S5" (unsustainable). The sustainability rating is based on data from an external provider. While such information is believed to be accurate, UBS does not verify and is not liable for the accuracy of such data. The Sustainability Analytics Report will provide you with a sustainability view across all mandates, including external assets.

All investments involve the risk of loss. Your ability to implement any financial strategy may be affected by a number of factors including market fluctuations, the actual value of assets held at other financial institutions, your ability to make the contributions required, and the impact of your other investment decisions. In determining whether or not to implement any illustrations including in the Report, you should assess the risks, fees and transaction charges associated with each type of investment and your ability to assume those risks in light of your investment objectives, financial conditions, and risk tolerance. You should also consider the impact of such transactions on each account involved and the impact of the overall portfolio at the time of implementation.

The data, information and analysis included in the Reports is based either on information from UBS's own databases, which may include valuations from sources of information customary in the banking sector, or on information originating from you or third parties such as other banks. All calculations and

³ This module is not yet functional and is expected to roll out in 2022

evaluations are based on such sources. UBS offers no warranty and accepts no liability as to the accuracy and completeness of information originating from you or third parties or available sources of information customary in the banking sector. UBS is responsible for correctly integrating the data provided by you and other sources described above into the Reports, but not for reviewing the data in terms of its accuracy and completeness. Reliance on the data contained in the Reports and any resulting act or omission on your part shall be at your own risk.

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 a Group Managing Director, Head of Wealth Management USA and 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 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.
- **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.
- **Mark Sanborn** is a Group Managing Director and the Head of Markets Americas for UBS Wealth Management USA (WM USA). He is a member of the Board of Directors.

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 Investment Advisory Products Covered in this Brochure

- **Endo Baumgartner** is a Managing Director and Head of Global Asset Servicing
- **Christian Stolcke** is a Managing Director and Head of CIC Americas
- **Sally Down** is an Executive Director and Head of UBS Asset Servicing.

General Counsel, Director of Compliance and Chief Compliance Officer

- **Douglas Hollowell** is a Managing Director and General Counsel of UBS Global Wealth Management US, which includes the US registered broker-dealers, UBS Financial Services Inc., as well as UBS Bank USA and UBS Trust Company of Puerto Rico Inc..
- **Kenneth Townley** is an Executive Director and interim Head of UBS Compliance & Operational Risk Control Americas. 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. Townley is also the interim 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' advisory business.

B. Disciplinary History

Below is a summary of the material legal and disciplinary events against UBS Financial Services Inc. during the last ten 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 at the Securities and Exchange Commission's website located at, www.adviserinfo.sec.gov, as well as the Financial Industry Regulatory Authority's website, brokercheck.finra.org.

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 19, 2021**

Brought By: Securities and Exchange Commission

Entity: UBS Financial Services Inc.

The SEC issued an Order finding that UBS violated Section 206(4)-7 of the Investment Advisers Act and Advisers Act Rule 206(4)-7 in connection with the firm's failure from January 2016 through January 2018 to adopt written policies and procedures that were reasonably designed to prevent the unsuitable use of VXX, a volatility exchange-traded product, as a buy-and-hold investment in the firm's discretionary portfolio management program ("PMP"). The Order noted that even though the Firm had mandatory training and a concentration limit for VXX in PMP, it did not have a control to prevent PMP advisors from holding VXX for unsuitably long periods. The Order also noted that UBS on its own decided to remove VXX from the PMP program altogether in late 2017.

Disposition: Cease & Desist Order; Censure; civil monetary penalty of \$8,000,000; disgorgement and pre-judgment interest of \$112,274.

2. **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.

3. **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.

4 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.

5 Date of Action: December 2013

Brought By: FINRA.

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 & Fine: \$260,000

6 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

7 Date of Action: Dec 12, 2012

Brought By: FSA, FINMA, CFTC

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 160million in fines to the FSA and CHF 59million 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

8 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

-
- 9 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
-
- 10 Date of Action: Feb. 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
-
- 11 Date of Action: Sept. 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 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
-
- 12 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.
-
- 13 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.
-

14 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 ("UBS"), 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 Insurance Agency Inc.
 - 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, 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 Financial Services 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 & 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 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 Group 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, ACCESS, or SWP or AAP investment advisory programs.

The UBS Group AG has several subsidiaries registered as investment advisers in the United States, including the entities listed 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 LLS
- 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

A. 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 Global 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."⁴

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.

B. Participation or Interest in Client Transactions

1. Additional Sources of Compensation

We and our Financial Advisors have a conflict of interest and an incentive to make planning recommendations and illustrate planning strategies that can be implemented at UBS using products and services for which we and our Financial Advisors will receive compensation. This section describes the compensation we receive when you execute transactions with us and conflicts of interest raised by revenues we receive from third parties. You should consider these factors carefully before you decide to implement your financial plan through our firm. You are not required to have accounts at UBS or implement your financial plan at our Firm in order to receive our Financial Planning Services.

Most of our Financial Advisors are licensed as investment adviser representatives and broker-dealer representatives and may suggest or recommend that advisory and brokerage clients use the Firm's securities accounts, execution, banking and custody services, or those of an affiliate.

Our Financial Advisors may also receive the following compensation, as applicable:

- Commissions charged to clients in connection with the purchase, or sale, of equities, fixed income products and other investments such as structured products
- Markups (i.e., an increase) and markdowns (i.e., a reduction) on the price of purchases and sales of equities and fixed-income products, where the firm acts as principal, which means the securities were purchased for, or sold from UBS's inventory
- Underwriting concessions in connection with products sold in initial offerings; Financial Advisors generally earn more for products sold in initial offerings than for those purchased and sold in secondary offerings
- Asset-based fees and hard-dollar fees charged in connection with our investment advisory programs and financial planning services.
- Compensation based on the outstanding balance on a non-purpose securities-backed loan ("SBL") and the applicable interest rate spread for the SBL.
- Production credit for residential mortgage and commercial mortgage origination based on the amount of the mortgage loan.
- Sales loads, commissions and 12b-1 fees for various financial products, such as mutual funds, offshore funds, alternative investment funds, unit investment trusts, insurance and annuities.
- Referral fees and/or production credits for referrals to UBS affiliates, other employees and third parties, including referrals and/or transfers to the UBS Financial Services Inc. Wealth Advice Center.
- A portion of the management, administration, distribution, placement and/or incentive fees the Firm receives in connection with the distribution of alternative investments.

2. Sources of Compensation from Third Parties

UBS, our Financial Advisors and affiliates receive additional compensation in connection with certain types of assets in which accounts at UBS may be invested. This compensation is in addition to any program fee you pay us for our investment advisory services or commissions you pay in brokerage accounts. Instead, this compensation is a result of distribution, shareholder servicing, administration, marketing, investment management, revenue sharing or referral agreements we and/or affiliates have with vendors or sponsors of those securities and other services. We also receive additional compensation as a result of inter-company profit sharing and servicing agreements. For certain alternative investments, the compensation may also include performance fees. The nature of the services provided by, and the compensation paid to, us and our affiliates are described in the offering documents for the respective products, which are available for no charge through your Financial Advisor. Certain securities, for example, mutual funds are sold by prospectus only. Please read the prospectus carefully before investing.

The amount of fees paid to us, and therefore your Financial Advisors, may vary depending on the arrangement between us and the vendors/sponsors and, if applicable for mutual funds, the terms and conditions of the relevant fund's 12b-1 or trailing commission plan.

⁴ 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. Additional

home office employees may be deemed Access Persons depending upon their work location.

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 available on our platforms, including in our advisory programs. 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 or available for purchase in accounts, is greater than the amount payable to the organization as a whole from the sale of unaffiliated mutual funds.

Some of the payments described below are included in the fees you pay the fund sponsor or investment adviser. They then pay a portion of those fees to us or our affiliates as follows:

- Domestic Mutual Funds: Trailers and 12b-1 fees vary by share class and are disclosed in the applicable fund prospectus. The typical range of 12b-1 fees for class A shares is 0.04% to 0.40% (the average current annual rate is approximately frequently 0.25%). Affiliated funds and Advisory and Institutional shares of non-affiliated Funds in Advisory Program Accounts carry no Trailers or 12b-1 fees.
 - **Single Share Class Mutual Funds:** We now offer a single share class of mutual funds with no front-end loads, back-end loads or 12b-1s for purchase in our brokerage platform subject to a per-transaction commission, with certain limited exceptions including, but not limited to, offshore funds, interval funds and money market funds. This share class is, in most instances, the same share class available in our Advisory programs. Clients who hold A, B, C or other share classes in their brokerage accounts may continue to hold those assets. Financial Advisors will continue to receive 12b-1s, and clients may continue to incur CDSCs and other fees associated with such share classes so long as clients continue to hold them. However, new purchases of mutual funds (other than the limited exceptions referred to above) will be limited to the commission-based single share classes.
 - Offshore Funds: Trailers for equity offshore funds range from 0.00% to 0.90%, and for fixed income offshore funds, 0.00% to 0.60% and are received in brokerage accounts only.
 - Puerto Rico Funds managed by our affiliate, UBS Trust Company of Puerto Rico: Trailers and 12b-1 fees usually at the rate of 0.25% of the fund's net assets per year.
- Proprietary Alternative Investment Funds:
- We receive referral fees, distribution, management, administrative and performance incentive-based fees. Management/administrative fees paid to our affiliate range between 50 bps and 200 bps. Our affiliate pays us between 35 bps and 100 bps for distribution of these funds to brokerage clients. These payments are shared with your Financial Advisor.
 - Master/Feeder funds: For brokerage investments, UBSFS may receive a one-time service fee between 50 bps and 100 bps (depending on the size of the investment) from the sponsor of a fund into which a

- proprietary feeder fund invests.
- Placement Fees: of up to 2% from our clients.

Non-Proprietary Alternative Investments Funds:

- For brokerage investments: We receive distribution, administrative and shareholder service fee ranging between 15 to 125 bps of the assets of UBS investors in the non-proprietary funds. Financial advisors generally receive compensation of up to 90 bps. We may receive a portion of the incentive allocation of up to 2.5%. UBS receives a placement fee of up to 2% from its clients. We may refer a client to a third party manager for investment into one of the manager's funds for a negotiable referral fee.
- Advisory/Institutional share classes: the administrative and shareholder servicing fees are usually in the range of 10 to 20 bps and apply to taxable assets only. Financial Advisors do not receive a portion of the administrative and shareholder servicing fee.

Sweep Vehicles for Cash in Advisory and Brokerage

Accounts: We and our affiliates receive compensation in connection with the bank deposit accounts and money market funds used as sweep vehicles for advisory and brokerage accounts. The type and levels of compensation for advisory accounts are described in our Wrap Fee Program Disclosure Brochure. Details regarding the sweep programs, including the options available in brokerage accounts, are described in the Disclosure Statements for the UBS deposit programs, which are available from your Financial Advisor. You may view current rates, yields and important disclosures at ubs.com/sweepyields.

Compensation Paid to the Firm. In addition to sales loads, 12b-1 fees and processing fees, UBS receives other compensation from certain distributors or advisors of mutual funds, offshore funds and unit investment trusts that we sell. These fees are paid in consideration for services provided by us ancillary to effecting transactions. Financial Advisors do not receive a portion of these fees.

- Mutual Fund Networking Fees: Typically \$4-\$13 for each mutual fund position that is held at UBS, but typically \$12-\$13. Some fund companies may choose to calculate this rate expressed in basis points on assets. Exclusions may apply to positions below \$500 and certain discretionary retirement accounts. These fees are paid by mutual fund sponsors from investor assets, but in some cases may be subsidized, in part, by affiliates of the mutual fund.
- Mutual Fund Omnibus Processing Fees: These payments, which usually range from \$10 to \$26 per position but are typically between \$15-\$26, can vary by share class. Some fund companies may choose to calculate this rate expressed in basis points on assets, which may result in payments in excess of \$26 per position. The asset managers making these payments may consider the excess of what the mutual fund would otherwise have paid for these services on a per position fee schedule as a form of revenue sharing. Exclusions may apply to positions below an asset level mutually agreed upon by UBS and the fund company, certain discretionary advisory and retirement accounts, and certain funds and/or share classes. A portion of the payments we receive for omnibus processing is paid to a sub-account vendor contracted by UBS. These fees are

paid by mutual fund sponsors from investor assets, but in some cases may be subsidized, in part, by affiliates of the mutual fund.

Mutual Fund Revenue Sharing Compensation.

In addition to sales loads, 12b-1 fees and processing fees, UBS receives other compensation from certain distributors or advisors of mutual funds that we sell. These separate compensation amounts (commonly referred to as revenue sharing) may be a negotiated flat fee or may be based on two components:

- The amount of sales by UBS of a particular mutual fund family to our clients (excluding sales through wrap-fee programs)
- The asset value of a particular mutual fund family's shares held by our clients at UBS in eligible programs.

We require that revenue-sharing compensation be made directly from the distributor or advisor, and not from the mutual funds or indirectly through mutual fund portfolio trading commissions. Revenue-sharing payments are intended to compensate us for assisting with the sales and distribution support and ancillary services related to sales of mutual fund shares.

These amounts are allocated to the individual branch offices as "non-compensable revenue" (revenue that is not paid out to Financial Advisors or Branch Office Managers) but are considered as part of the overall profitability of the branch, and as one of several components used in determining Branch Office Manager compensation.

Many mutual funds companies pay revenue-sharing to us, including our affiliate, UBS Asset Management. UBS determines the level of access to our branches based on our own review and evaluation of mutual funds and fund families. There are multiple factors involved in determining a particular mutual fund's level of access to our branches. Although revenue sharing may be one factor, others include understanding of business goals, quality of sales personnel and marketing material, range of products, level of service to Financial Advisors and Branch Managers, participation of funds in researched investment models, and branch discretion. In general, we charge each mutual fund family up to the following amounts:

- Up to 0.15% per year (paid quarterly) on all sales of mutual fund shares (excluding sales through wrap-fee programs); generally, the amount ranges from 0.05%-0.15%.
- Up to 0.20% per year (paid quarterly) of the asset value of all equity mutual fund shares held at UBS (other than money market, institutional or offshore funds); the most common rate on equity mutual fund shares is 0.15%.
- Up to 0.20% per year (paid quarterly) of the asset value of all fixed-income mutual fund shares held at UBS (other than money market, institutional or offshore funds); the most common rate on fixed-income mutual fund shares is 0.10%.
- Some mutual fund families may be subject

to a minimum annual payment which, in some instances, may result in a fee that exceeds the percentages described above.

- Certain mutual fund companies may pay a flat-fee annually which may or may not exceed the rates listed above.

Revenue-sharing payments present a conflict between our interests and those of our customers, because the payments give us a financial incentive to recommend that our customers buy and hold shares of those funds that we maintain on our distribution platform and for which we receive revenue-sharing payments. Although mutual funds from over 300 different mutual fund families are available through our distribution platform, this is only part of the universe of mutual funds that are available to our customers in the marketplace.

Affiliated Offshore Funds: When revenue sharing compensation is paid, we receive an amount that ranges from 0.05% to 0.60% per annum of the average daily net asset value of the fund attributable to the shares owned by our clients during each month.

Unaffiliated Offshore Funds: Where revenue-sharing compensation is paid, we receive an amount that ranges from 0.10% to 0.50% per annum of the average daily net asset value of the fund attributable to the shares owned by our clients, during each month. Alternately, this could be paid as a percentage of the fund's stated management fees and could be up to 65% of these fees, which include both revenue sharing payments and trails/commission.

Unit Investment Trusts: UIT sponsors make additional payments to the firms that sell their UITs, including UBS. These payments are typically calculated as a percentage of the total volume of sales of the sponsor's UITs made by the firm during the UIT's initial offering period. These payments are only made on the sale of units subject to a transactional sales charge. That percentage typically increases as higher sales volume levels are achieved. Detailed descriptions of the terms of these additional payment programs are provided in a UIT's prospectus. Payments are made by the UIT sponsor and not out of UIT assets. None of these amounts are paid to the Financial Advisor or the branch offices.

The revenue-sharing information is current as of the date of this brochure and is subject to change in our discretion. Updated and current information on these arrangements is available at our website, www.ubs.com/mutualfundrevenuesharing.

Contributions to Training and Education Expenses.

Investment managers, mutual fund vendors, unit investment trust sponsors, 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. 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. In some instances, the contributions per vendor (as well as the aggregate received from all vendors) are significant. 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, education 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 to those who do not.

Please see the section "Non-Cash Compensation" for a description of additional types of support and/or contributions we receive from vendors.

Compensation for Data Analytics (Strategic Insights).

Our Strategic Insights program offers vendors whose products are offered on the UBS Financial Services platform the opportunity to enter into agreements with us pursuant to which, for a fee ranging from \$150,000 – \$300,000, 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.

Non-Cash Compensation

We and our Financial Advisors may 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 clients.

- Contributions made at the firm-level toward seminars and educational programs for Financial Advisors. These contributions are significant both per vendor and in the aggregate. While Financial Advisors do not receive any portion of these payments, the conflict presented is that a Financial Advisor's attendance and participation in educational or training forums, and the increased exposure to vendors who sponsor these events, 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.

Non-cash compensation can vary by vendor and event.

The receipt of cash and non-cash compensation from sources other than clients, and the differences in which 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.

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 or our affiliates 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

3. Other Interests in Client Transactions Margin Loans and Credit Lines:

You may choose to engage in leverage strategies involving the assets in your eligible non-retirement, non-custodial accounts. Margin is generally not recommended or permitted in investment advisory accounts, though exceptions may be approved or use permitted in specialized strategies. You may also use assets in your eligible securities accounts to collateralize credit line loans. Credit line loans are either non-purpose or purpose loans. Non-purpose loans may not be

used to purchase, trade or carry securities and may be used for other liquidity needs such as personal expenses, real estate transactions, or other needs. Purpose loans may be used to purchase, trade or carry securities or may be used for other liquidity needs such as personal expenses, real estate transactions, or other needs. Please review your loan agreement to make sure you understand which type of loan you have and that you ensure you are in compliance with its terms. You must meet certain eligibility requirements and complete loan documentation prior to using margin or applying for UBS Credit Line Loan. Specifically, you will be required to execute a separate margin agreement with us or loan documents with UBS Bank USA or UBS Credit Corp.

When you trade on margin or obtain a credit line, either we or our affiliate will act as your creditor. As a creditor we will charge interest on the loans we extend to you and can take certain actions in the case you default. Failure to promptly meet a request for additional collateral (a margin call) or repayment or other circumstances (e.g., a rapidly declining market) could cause us, in the case of margin loans, or our affiliate, in the case of credit lines, and in our discretion, to liquidate or instruct us to liquidate some or all of the collateral account or accounts to meet the margin loan or credit line requirements or to repay all or a portion of the outstanding margin or credit line obligations. Depending on market circumstances, the prices obtained for the securities may be less than favorable. Any required liquidations may result in adverse tax consequences. UBS and our affiliates do not provide legal or tax advice. You should consult your legal and tax advisors regarding the legal and tax implications of margin borrowing and using securities as collateral for a loan. You are responsible for repaying the margin loan or credit line in full, regardless of the value of the collateral.

Securities backed financing involves special risks (including, without limitation, being subject to a margin call if certain collateral value requirements are not met) and is not suitable for everyone. For further information, please see the UBS Financial Services Inc. Loan Disclosure Statement, which is available from your Financial Advisor.

You are responsible for independently evaluating if a credit line loan is appropriate for your needs, if the lending terms are acceptable, and whether the loan will have potential adverse tax or other consequences to you. Your decision whether to arrange a loan or draw down on your loan and how you use your loan proceeds is not encompassed within our advisory relationship. The lending relationship is governed exclusively by the Credit Line Agreement between you and UBS Bank USA or UBS Credit Corp, and any interaction you have with your Financial Advisor in connection with applying for or obtaining a credit line is in his or her capacity as broker, not as an investment adviser.

If you participate in the UBS Credit Line Program, you will pay interest to UBS Bank USA or UBS Credit Corp. separately and in addition to other fees you pay related to the investments used to secure the loan. The interest rate charged in connection with a credit line loan from our affiliates may be higher than that charged by other lenders. UBS Bank USA pays to UBS a servicing fee based on the amount of outstanding loan balances, irrespective of the type or level of interest rate, to compensate UBS for referring clients and for administrative and operational support relating to the loan. In the event you maintain a

loan balance on a non-purpose loan, your Financial Advisor will receive compensation primarily based upon the outstanding balance and the corresponding spread on the loan. This provides an incentive for your Financial Advisor to refer you for a non-purpose loan and to draw down on the loan. In certain circumstances, the loan approval amount may determine whether your Financial Advisor is eligible for compensation, but even in those circumstances compensation paid to your Financial Advisor depends on the outstanding balance. Your Financial Advisors does not receive any portion of the interest or fees paid to us for a margin loan, or to UBS Bank USA or UBS Credit Corp on a purpose loan; however, Financial Advisors meeting a minimum length of service period (generally 24 months) receive credit for the amounts of the margin loan or purpose loan drawn as of December 31st for purposes of bonuses, awards, and club status. As such we (and your Financial Advisor) benefit if you draw down on your loan to meet liquidity needs rather than sell securities or other investments, which would reduce our compensation.

Principal Transactions and Agency Cross Trades

If we act as your broker, we and/or our affiliates may execute transactions on your behalf as your agent or as principal for our own account on the other side of the transaction from you. Similarly, we or our affiliates may, in transactions involving clients' securities, act as agent while also representing another client on the other side of the transaction. We may also have a position in, or enter purchase or sale orders for, securities recommended to clients in the normal course of its business as a broker-dealer. We and/or our affiliates may profit from such positions or transactions in securities.

In certain advisory program accounts, we may enter into principal transactions for some investment advisory clients after making appropriate disclosure and obtaining client consent when necessary. In accordance with the provisions of Section 11(a) of the Securities Exchange Act of 1934, we may execute transactions on the floors of national or regional securities exchanges for managed client accounts where appropriate. Additionally, if appropriate client consent is obtained and required disclosure is made for an advisory account, agency cross transactions may be effected for customer accounts to the extent permitted by law. Agency cross transactions are transactions in which we or our affiliates act as broker for the party or parties on both sides of the transactions. In these circumstances, we will receive compensation from parties on both sides of these transactions (the amount of which may vary) and, consequently, we will have a potentially conflicting division of loyalties and responsibilities. Client consent to "agency cross" transactions may be revoked at any time by written notice to us.

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, we and our affiliates may:

- give advice to, or take actions for, those clients or for our own accounts or accounts of our affiliates 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 when there may be a potential conflict with the interests of a client.

Trading Activity

The vast majority of our exchange-listed securities and over-the-counter (OTC) orders are executed through our affiliate, UBS Securities LLC, which executes orders as either principal or as agent, depending on the circumstances and type of program involved and receives compensation for those services.

ITEM 12. BROKERAGE PRACTICES

Our Financial Planning Services do not include the review or recommendation of broker-dealers for client transactions.

ITEM 13. REVIEW OF ACCOUNTS

Branch or Market Managers or their delegates are responsible for confirming that the Financial Planning Services are timely delivered to clients in accordance with the terms of the services agreements.

The financial planning reports that are prepared as part of the Financial Planning Service are subject to different levels of review, depending upon the report being used. The reviews are described below.

Financial Goal Analysis: The FGA reports consist of various pre-determined sections and can include additional sections selected based on discussions between the financial advisor and the client. Each section includes static text that cannot be changed or modified by the individual users.

The Financial Planning Group reviews the completed table of contents for FGA reports where fees of \$10,000 or greater are charged to confirm that appropriate plan sections or modules are included, or that any exclusions are documented or explained.

Preferred Plans: In order to use this service, Financial Advisors must have certain education or training experience and must be approved by the Financial Planning Group. Except for certain pre-approved Financial Advisors, preferred plan reports are reviewed and approved by the Financial Planning Group or a Wealth Planning Strategist

prior to delivery to clients. Financial Advisors with a certain amount of experience using Preferred Planning are not required to submit their plans to the Financial Planning Group for review. However, the Financial Planning Group will review a sample of those plans on a periodic (generally, quarterly) basis, which may result in further reviews or a requirement to update or correct a plan for a client.

Strategic Wealth Assessments: Strategic Wealth Assessments are complex and highly customized reports that are generated only by members of the Advanced Planning Group, or other persons who have been pre-approved by Advanced Planning to use the reports. All Strategic Wealth Assessments are subject to peer review by another member of the Advanced Planning Group or another person pre-approved by Advanced Planning prior to delivery to a client.

ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION

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. The compensation solicitors receive includes a portion of the advisory fees we receive from referred clients.
- 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. We and our affiliates also have arrangements with some third party investment managers under which we and/or certain of our Financial Advisors provide research (within the meaning of Section 28(e) of the Securities Exchange Act of 1934), and in return, the investment manager places brokerage transactions with us for execution, subject to best execution practices and requirements. The research services provided generally may be in the form of written reports or telephone contacts or personal meetings with security analysts, economists, or meetings hosted by our Financial Advisors with corporate or industry spokespersons. UBS or our Financial Advisors also may recommend or refer clients to third- party investment managers that place brokerage transactions with us.

The differences in the form or amount of compensation paid to us by different investment managers for client referrals or research products create a conflict between our interests and the interests of the clients referred because of the incentive to make referrals to those investment managers that offer us greater compensation than others.

Referral arrangements for financing business. We have certain agreements whereby we refer our customers to certain lenders, on a non-exclusive basis, for specific financing opportunities not available at UBS or its affiliates. These lenders may be able to assist clients in securing financing for specialized borrowing needs. It is our practice to disclose to the client being referred the roles of UBS and the lender in connection with such referral and that we receive a referral fee from the lender. Upon the successful completion of a transaction, the lender will pay us a referral fee, which will vary depending upon the lender and/or the amount of the financing. A portion of the fee we receive is paid to the Financial Advisor.

Referral Arrangements for Annuities and Insurance Business. UBS offers a referral program for property and casualty insurance, high limit disability insurance, certain life insurance products and 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 ("Third Party Firm") that sells the insurance or annuity policy directly to the client. The General Agency or other third party firm then pays UBS a portion of the commission it receives from the insurance company that issues the policy or the fee that the Third-Party firm receives from the client ("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. Financial Advisors receive a portion of the amounts UBS receives 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

UBS Financial Services Inc. is a qualified custodian and has custody of client funds and securities. Generally, except for our Financial Planning Services, for our advisory programs, we require clients to custody account assets with UBS. However, we may, on an exception basis, accept certain accounts whose assets are custodied with other financial

institutions who meet the definition of a qualified custodian.

ITEM 16. INVESTMENT DISCRETION

Our Financial Planning Services do not involve the delegation or exercise of discretion on our part over your assets. We offer discretionary portfolio management services which are described in a separate brochure. Please contact your Financial Advisor with questions.

ITEM 17. VOTING CLIENT SECURITIES

Our Financial Planning Services 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

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
September 17, 2021

Summary of Material Changes to Form ADV Disclosure Brochure

UBS Asset Servicing

This Summary of Material Changes applies to the Form ADV Disclosure Brochure for our UBS Asset Servicing.

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.

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

You may obtain a copy of our updated Form ADV Disclosure Brochure by contacting us at the number listed above to make your request. The Brochure is available to you free of charge. You may also access the document at our website:

<http://www.ubs.com/us/en/wealth/misc/AccountDisclosures.html>

Please retain this document for future reference as it contains important information regarding our UBS Asset Servicing.

ITEM 2. MATERIAL CHANGES

This section describes the material changes to our UBS Asset Servicing Form ADV Disclosure Brochure since the annual amendment of our Form ADV on March 31, 2021.

Date of Action: July 19, 2021

Brought By: Securities and Exchange Commission

Entity: UBS Financial Services Inc.

The SEC issued an Order finding that UBS violated Section 206(4)-7 of the Investment Advisers Act and Advisers Act Rule 206(4)-7 in connection with the firm's failure from January 2016 through January 2018 to adopt written policies and procedures that were reasonably designed to prevent the unsuitable use of VXX, a volatility exchange-traded product, as a buy-and-hold investment in the firm's discretionary portfolio management program ("PMP"). The Order noted that even though the Firm had mandatory training and a concentration limit for VXX in PMP, it did not have a control to prevent PMP advisors from holding VXX for unsuitably long periods. The Order also noted that UBS on its own decided to remove VXX from the PMP program altogether in late 2017.

Disposition: Cease & Desist Order; Censure; civil monetary penalty of \$8,000,000; disgorgement and pre-judgment interest of \$112,274.

©UBS 2021. The key symbol and UBS are among the registered and unregistered trademarks of UBS. All rights reserved. UBS Financial Services Inc. is a subsidiary of UBS AG. Member SIPC. ACCESS and PACE are service marks of UBS Financial Services Inc. Resource Management Account and Business Service Account are registered service marks of UBS Financial Services Inc.



10000650